

## NOTICE TO INSURED

### YOUR COMMERCIAL GENERAL LIABILITY COVERAGE NOW INCLUDES A NARCOTICS EXCLUSION (ABSOLUTE)

Hello,

Your commercial general liability coverage offer has been updated and now includes a narcotics exclusion (absolute).

This exclusion does not provide coverage for any liability based upon, arising from, related to or directly or indirectly caused by any Controlled Substance (as defined).

**Please note:** This letter is only a summary. Please contact your insurance broker for more details on our products, including a full list of conditions and exclusions.

Thank you for renewing your commercial insurance policy with Intact Insurance. We are grateful for your business.

Sincerely,  
The Intact Insurance Team

This information is provided for information purposes only. Your insurance contract prevails at all times. Please consult it for a complete description of coverage and exclusions.  
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**NOTICE TO INSURED****CYBER LOSS AND ELECTRONIC DATA LIABILITY EXCLUSION  
AND  
PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES  
(PFAS) EXCLUSION**

Dear Policyholder,

Thank you for renewing your liability insurance policy with Intact Insurance. We are grateful for your business.

We have added the following two endorsements, which attach to and modify your liability coverage forms:

**CYBER LOSS AND ELECTRONIC DATA LIABILITY EXCLUSION**

- This exclusion further highlights that your policy does not insure against liability arising out of actual, alleged or threatened cyber loss or electronic data related liability.
- If your commercial liability form(s) currently contain an Electronic Data exclusion and definition of Electronic data, these are deleted and replaced by this **Cyber Loss and Electronic Data Liability Exclusion**.

**PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES (PFAS) EXCLUSION**

- This exclusion further highlights that your policy does not insure against liability arising directly or indirectly, in whole or in part, out of actual, alleged, threatened or suspected PFAS.

This Notice is only an overview of the changes. Please read your new **Cyber Loss and Electronic Data Liability Exclusion** and **Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) Exclusion** carefully and keep them in a safe place, along with this notice and your insurance contract.

To find out more about either of these new exclusions, or if you have any other questions about insurance, please contact your insurance broker – your best source for information and advice.

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**Commercial Group Solutions**  
**Declaration Pages**

**Policy 551330294**

**novex**

*Novex Insurance Company  
700 University Avenue, Suite 1500,  
Toronto, ON M5A 0A1*

**Insured name and postal address**

**Broker 85791**

*Registered Massage Therapists and Complementary Health Care Practitioners*

BrokerLink Inc.

As stated on Individual Certificates of Insurance

818 Victoria Street North

Clinics where applicable

Kitchener, ON N2B 3C1

**General Information**

**Novex Insurance Company hereinafter called the Insurer.**

**Program** Wellness Program

**Type of Documents** RENEWAL

**Policy Period** **From** May 1, 2025 **To** May 1, 2026  
12:01 A.M. local time at the postal address of the **Insured** shown above.

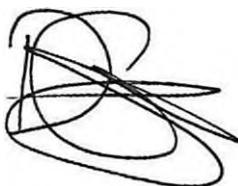
**Insured's Business Operations** Massage Therapy and/or Complementary Health Care Clinic

**Billing Method** Agency Bill

**Total Policy Premium** **\$ As Per Individual Certificate**

Minimum Retained  
Policy Premium 100%

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



Darren Godfrey

Executive Vice President, Global Specialty Lines

In consideration of the premium stated, the insurer will indemnify the Insured with the Terms and Conditions of the Policy.

The Policy is issued subject to the Declaration Page(s), Coverage Agreements, Exclusions, Definitions, Conditions, and Limits as well as the Riders, Endorsements or Amendments brought to this policy which may from time to time be added to form part of this Policy.

Whenever used in the Declaration Page(s) or in the Forms and Endorsements forming part of this insurance contract, the expression "Policy" means this/these Declaration Page(s) and all the Forms, Riders, Endorsements and Amendments brought to this Policy forming part of this insurance contract for each Coverage.

Notwithstanding any contrary provision, the Coverage provided under any Form or Endorsement attached to this Policy does not extend to any other Form or Endorsement, unless such Form or Endorsement specifies that its Coverage extends and applies to this other Form or Endorsement.

In accepting this Policy, the Insured and the Beneficiary, if any, recognize that from the effective date of this Policy, any previous policy stated in the Declaration Page(s) is replaced by this Policy, including all renewals attaching thereto.

## CANCELLATION

In consideration of the return premium, if any, this Policy and Renewal (if any) are cancelled and surrendered to the Insurer.

Date of Cancellation (Day, month, year): \_\_\_\_\_

Reason: \_\_\_\_\_

Signature: \_\_\_\_\_

Insured

Date

### Location 1

<b>Address</b>	As Per Individual Certificate
<b>Occupancy</b>	Massage Therapy and/or Complementary Health Care Clinic

<b>Coverage</b>	<b>Form</b>	<b>Coinurance %</b>	<b>Deductible \$</b>	<b>Limit of Insurance \$</b>	<b>Premium \$</b>
Commercial Buildings and Contents Broad Form Contents Valuation: Replacement Cost Including Property Extension Endorsement	BF02N (02-18) GE0001	90	1,000	55,000 50,000 Aggregate	Included
Equipment Breakdown Max (OPTIONAL)	BM12N (07-21)		1,000	As Per Individual Certificate	
Profits – Actual Loss Sustained	BI14N (10-11)				
Business Interruption Extensions 2.0	EP31N (02-18)				
Earthquake Shock Endorsement (OPTIONAL)	E021N (07-17)			As Per Individual Certificate	
Flood Endorsement (OPTIONAL)	E023N (07-17)		25,000 Minimum		
Sewer Backup Endorsement	E042N (05-17)		2,500 Minimum	10,000 Aggregate	
Water Damage Deductible	E074N (02-18)		2,500		
Sewer Backup Extension Concurrent Flood Deductible – where applicable	E188N (05-17)				
Sewer Backup Extension Concurrent Flood Exclusion – where applicable	E190N (05-17)				
Amendment to Form BF02N – Commercial Building and Contents Broad Form – Definition of Premises	GE0002				

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#### **Loss, if any will be payable to the Insured and**

As Per Individual Certificate

**Crime**

<b>Coverage</b>	<b>Form</b>	<b>Deductible</b> \$	<b>Limit of</b> <b>Insurance</b> \$	<b>Premium</b> \$
Crime 1.0	C111N (03-20)			Included
Coverage 1 – Employee Dishonesty		1,000	10,000	
Coverage 2 – Theft, Robbery or Burglary		1,000	10,000	
Coverage 3 – Fraud - Limit Per Coverage		1,000	10,000	
Coverage 4 – Expenses – Blanket Limit				5,000

### General Liability

Coverage	Form	Deductible \$	Limit of Insurance \$	Premium \$
Commercial General Liability Max	LR20N (03-19)			Included
Coverage A – Bodily Injury and Property Damage Liability - Each Occurrence			5,000,000	
Coverage A – Products-Completed Operations - Aggregate			5,000,000	
Coverage A – Property Damage Deductible - Each Occurrence		1,000		
Coverage B – Personal Injury and Advertising Injury Liability - Per Person or Organization			5,000,000	
Coverage C – Medical Payments - Each Person			50,000	
Coverage D – Tenant's Legal Liability - Any One Premises		1,000	500,000	
Employee Benefits Liability Extension	L173N (03-19)	1,000		Included
Each Employee			1,000,000	
Aggregate			1,000,000	
S.E.F. 94 - Legal Liability for Damage to Hired Automobiles	L219N (10-11)	1,000		
S.E.F. 96 – Contractual Liability Endorsement	L220N (01-15)			
S.E.F. 99 – Excluding Long Term Leased Vehicle Endorsement	L221N (03-09)			
S.P.F. 6 – (Uniform Provinces) Supplementary Non-Owned Automobile Liability Policy	GE0036		5,000,000	
O.E.F. 98B – Reduction of Coverage for Lessees or Driver of Leased Vehicles Endorsement	L257N (10-11)			
Abuse Exclusion Endorsement	L275N (03-19)			
General Aggregate Limit Endorsement	L321N (03-19)		5,000,000	
Anti-Stacking of Limits Endorsement	GE0007			
Narcotics Exclusion - Absolute	L560N (10-23)			

## Professional Liability

Coverage	Form	Deductible \$	Limit of Insurance \$	Premium \$
Miscellaneous Malpractice Liability Form (Occurrence)	PR01N (03-09)			Included
Each Occurrence			5,000,000	
Aggregate			5,000,000	
Legal Expense Insurance (Occurrence) – As Per Individual Certificate	GE0029			
Legal Expense - Each Claim		25,000		
Legal Expense - Aggregate		25,000		
Expert Witness - Aggregate		5,000		
Legal Consultation - Aggregate		5,000		
Anti-Stacking of Limits Endorsement	GE0007			

**Additional Conditions****Form**

Declaration of Emergency Endorsement - Extension of Termination or Expiry Date 2485N (01-10)

Virus and Bacteria Exclusion Endorsement E199N (06-20)

Cyber Incident Exclusion E201N (04-21)

General Conditions G011N (09-22)

Commercial Policy Conditions and Statutory Conditions G021N (09-22)

Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) Exclusion G577N (01-24)

Cyber Loss and Electronic Data Liability Exclusion G578N (01-24)

**Emergency number**

If you have a serious loss after regular hours, please call:

**1 866 464 2424**

# PROPERTY COVERAGE

## BUILDING AND/OR CONTENTS – BROAD FORM

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Certain words and phrases in bold font have special meaning as defined in the DEFINITIONS Section.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.

## INDEMNITY AGREEMENT

1. In the event that any of the insured property is lost or damaged during the policy period by an insured peril, the Insurer will indemnify the Insured against the direct loss or damage so caused to an amount not exceeding whichever is the least of:
  - 1.1. the value of the lost or damaged property as determined in SPECIAL PROVISIONS - Item 5. – Basis of Valuation, or if the Declaration Page(s) specifies that this policy is endorsed with a Form that contains a Replacement Cost clause applicable to this Form, by the valuation determined in the replacement cost clause;
  - 1.2. the interest of the Insured in the property;
  - 1.3. the amount of insurance specified on the Declaration Page(s) 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

This Form insures those of the following items for which an amount of insurance is specified on the Declaration Page(s), and only while at the premises:

**Building**

**Equipment**

**Stock**

**Contents**

**Property of Every Description**

### 3. INSURED PERILS

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

## EXCLUSIONS

### 1. EXCLUDED PROPERTY

This Form does not insure loss of or damage to:

#### 1.1. Sewers, Drains, Watermains

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

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

#### 1.2. Vacancy

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

**With regards to Condominium vacancy, refer to Item 8. Special Provisions applicable to Condominiums of the SPECIAL PROVISIONS;**

#### 1.3. Electrical Devices, Appliances or Wiring

electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing. This exclusion does not apply to loss or damage caused directly by resultant fire or explosion;

#### 1.4. Growing Plants, Trees, Shrubs or Flowers

growing plants, trees, shrubs or flowers, all while outside the building, except as provided in Extension of Coverage 5. Growing Plants, Trees, Shrubs or Flowers Outside the Building;

#### 1.5. Animals, Fish or Birds

animals, fish or birds. This exclusion does not apply to loss or damage caused directly by **Named Perils** or by theft or attempted theft;

#### **1.6. Money, Precious Metals and Securities**

money, digital currency, cash cards, bullion, platinum, precious metals and alloys, securities, stamps, tickets (except lottery tickets) and tokens, or evidence of debt or title;

#### **1.7. Automobiles, Watercraft and Aircraft**

automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property. This exclusion does not apply to:

1.7.1. watercraft or amphibious or air cushion vehicles held for sale;

1.7.2. unmanned air vehicles held for sale, while not airborne;

1.7.3. unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the **premises**;

#### **1.8. Furs and Jewelry**

furs, fur garments, jewels, jewelry and precious stones;

This exclusion does not apply to:

1.8.1. loss or damage caused directly by **Named Perils**; or

1.8.2. the first \$5,000 of any loss otherwise insured;

#### **1.9. Property Covered under Marine Insurance**

Property that is insured under the terms of any marine insurance;

#### **1.10. Property Loaned, Rented or Leased**

property from the time of leaving the Insured's custody, if it is:

1.10.1. loaned, rented or leased to others; or

1.10.2. sold by the Insured under conditional sale or installment payment or other deferred payment plan;

This exclusion (1.10.) does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at the risk of the Insured;

#### **1.11. Property Illegally Acquired**

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

#### **1.12. Pressure Vessels and Boilers**

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

1.12.2. any boiler, including its connected piping and equipment, which contains steam or water under steam pressure (except tanks having an internal diameter of 610 millimetres (24 inches) or less used for the storage of hot water for domestic use);

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

**This exclusion (1.12.) does not apply to:**

1.12.3. manually portable gas cylinders;

1.12.4. explosion of natural, coal or manufactured gas;

1.12.5. explosion of gas or unconsumed fuel within a furnace or within the gas passages from the furnace to the atmosphere;

### **2. EXCLUDED PERILS**

This Form does not insure against increased costs, and loss or damage caused directly or indirectly:

#### **2.1. Earthquake**

in whole or in part by earthquake. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for loss or damage caused directly by resultant fire, explosion, smoke or **leakage from fire protective equipment**;

This exclusion does not apply to property in transit, provided such coverage is afforded by endorsement attached to this Form;

#### **2.2. Flood**

in whole or in part by flood, including "**surface water**", waves, tides, tidal waves, tsunamis, or the breaking out or overflow of any natural or artificial body of water. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for loss or damage caused directly by resultant fire, explosion, smoke or **leakage from fire protective equipment**;

This exclusion does not apply to property in transit, provided such coverage is afforded by endorsement attached to this Form, or to loss or damage caused directly by leakage from a **watermain**;

### **2.3. Other Water Damage**

- 2.3.1. by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings, foundations, basement floors, sidewalks or sidewalk lights, unless concurrently and directly caused by an insured peril not otherwise excluded in this Form;
- 2.3.2. by the backing up or overflow of water from sewers, sumps, septic tanks or drains, wherever located, unless concurrently and directly caused by an insured peril not otherwise excluded in this Form;
- 2.3.3. by the entrance of rain, sleet or snow through doors, windows, skylights, or other similar wall or roof openings, unless through an aperture concurrently and directly caused by an insured peril not otherwise excluded in this Form;

### **2.4. Centrifugal Force, Breakdown**

by centrifugal force, mechanical or electrical breakdown or derangement, in or on the **premises**. This exclusion does not apply to loss or damage caused directly by resultant fire;

### **2.5. Atmospheric, Temperature Change, Service Interruption or other Damage**

- 2.5.1. by dampness or dryness of atmosphere;
- 2.5.2. by changes in or extremes of temperature, heating or freezing;
- 2.5.3. by total or partial interruption to the supply of electricity, water, gas or steam;
- 2.5.4. by shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, or change in colour or texture or finish;
- 2.5.5. by contamination;
- 2.5.6. by marring, scratching or crushing.

**This exclusion (2.5.) does not apply to loss or damage caused directly by:**

- 2.5.7. **Named Perils;**
- 2.5.8. rupture of pipes;
- 2.5.9. breakage of apparatus not excluded under paragraph 1.12. of this Form;
- 2.5.10. theft or attempted theft;
- 2.5.11. an accident to a transporting conveyance provided such coverage is afforded by endorsement attached to this Form;
- 2.5.12. damage to pipes caused directly by freezing unless such pipes are excluded in paragraph 1.12. of this Form;

### **2.6. Rodents, Insects or Vermin**

by rodents, insects or vermin. This exclusion does not apply to loss or damage caused directly by an insured peril not otherwise excluded in this Form;

### **2.7. Delay**

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

### **2.8. War**

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

### **2.9. Nuclear**

- 2.9.1. by any nuclear incident (as defined in *the Nuclear Liability and Compensation Act*, any other nuclear liability act, law or statute, or any amending law) or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
- 2.9.2. by contamination by radioactive material;

### **2.10. Dishonest or Criminal Act**

- 2.10.1. by any dishonest or criminal act committed by the Insured or any agent of the Insured, acting alone or in collusion with others(except bailees for hire);
- 2.10.2. by theft or attempted theft committed by any employee of the Insured, acting alone or in collusion with others;
- 2.10.3. by any dishonest or criminal act committed by anyone, except as stated in 2.10.2., when the Insured or any agent of the Insured knew or ought to have known prior to the loss or damage, of the dishonest or criminal act;

## 2.11. **Snowslide or Landslide**

by snowslide, landslide, subsidence or other earth movement. This exclusion does not apply to property in transit (provided such coverage is afforded by endorsement attached to the present Form), or to loss or damage caused directly by resultant fire, explosion, smoke or **leakage from fire protective equipment**;

## 2.12. **Loss or Damage caused by Pressure Vessels, Boilers**

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

- 2.12.1. the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
- 2.12.2. piping and apparatus or their parts normally containing steam or water under steam pressure from an external source and while under such pressure;
- 2.12.3. other vessels and apparatus and their connected pipes while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure, but this exclusion does not apply to loss or damage resulting directly from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimetres (24 inches) or less used for the heating and storage of hot water for domestic use;
- 2.12.4. moving or rotating machinery or its parts;
- 2.12.5. any vessels and apparatus and their connected pipes while undergoing pressure tests, but this exclusion does not apply to other insured property that has been damaged by such explosion;
- 2.12.6. gas turbines;

This exclusion (2.12.) does not apply to loss or damage caused by resultant fire;

## 2.13. **Settling, Expansion, Shifting or Cracking**

by settling, expansion, contraction, moving, shifting or cracking. This exclusion does not apply to loss or damage caused directly and concurrently by an insured peril not otherwise excluded in this Form;

## 2.14. **By-Laws**

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

## 2.15. **Pollution**

- 2.15.1. by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants**, nor the cost or expense of any resulting **clean up**;

**This exclusion does not apply:**

- 2.15.1.1. if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants** is directly caused by an insured peril not otherwise excluded in this Form; or
- 2.15.1.2. to loss or damage caused directly by a resultant insured peril not otherwise excluded in this Form;

- 2.15.2. cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants**;

## 2.16. **Data Exclusion:**

- 2.16.1. This Form does not insure **data**;

- 2.16.2. This Form does not insure loss or damage caused directly or indirectly by a **data problem**;

Paragraph 2.16.2. does not apply to loss or damage caused directly by resultant fire, explosion of natural, coal or manufactured gas, smoke, **leakage from fire protective equipment** or water damage caused by bursting of frozen pipes and tanks;

## 2.17. **Terrorism**

in whole or in part, by **terrorism** or by any activity or decision of a government agency or other entity to prevent, respond to or terminate **terrorism**;

This exclusion applies whether or not there are one or more other causes or events (whether covered or

not) that contribute concurrently or in any sequence to the occasioning of the loss or damage. If any portion of this exclusion is found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect;

#### **2.18. Fungi and Spores**

This Form does not insure:

- 2.18.1. loss or damage consisting of or caused directly or indirectly, in whole or in part, by any fungi or spores, unless such fungi or spores are directly caused by an insured peril not otherwise excluded by this Form;

- 2.18.2. the cost or expense for any testing, monitoring, evaluating or assessing of fungi or spores;

#### **2.19. Wear and Tear, Defects**

- 2.19.1. by wear and tear;
- 2.19.2. by rust or corrosion;

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

This exclusion (2.19.) does not apply to loss or damage caused directly by an insured peril not otherwise excluded in this Form;

#### **2.20. Faulty or Improper Material, Workmanship, Design**

the cost of making good:

- 2.20.1. faulty or improper material;
- 2.20.2. faulty or improper workmanship;
- 2.20.3. faulty or improper design;

This exclusion (2.20.) does not apply to loss or damage caused directly by an insured peril not otherwise excluded in this Form;

#### **2.21. Disappearance**

- 2.21.1. by mysterious disappearance;

- 2.21.2. by shortage of **equipment** or **stock** disclosed on taking inventory;

### **EXTENSIONS OF COVERAGE**

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

#### **1. 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.

#### **2. DEBRIS REMOVAL**

##### **2.1. Debris Removal:**

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

##### **2.2. Removal of Windstorm Debris:**

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

##### **Extensions of coverage 2.1. and 2.2. do not apply to costs or expenses:**

##### **2.3. to clean up pollutants from land or water; or**

2.4. for testing, monitoring, evaluating or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants**.

Debris removal expense shall not be considered in the calculation of the value as determined in item 5. – Basis of Valuation, for the purpose of applying co-insurance.

#### **3. PERSONAL PROPERTY OF OFFICERS AND EMPLOYEES**

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

- 3.1. shall not attach if it is insured by the owner, unless the Insured is obliged to insure it or is liable for its loss

or damage.

3.2. shall apply only to loss or damage occurring at the **premises** or at a newly acquired location by the Insured.

#### **4. 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 coverage shall be limited to a maximum recovery of \$2,500 for any one occurrence.

#### **5. GROWING PLANTS, TREES, SHRUBS OR FLOWERS OUTSIDE THE BUILDING**

This Form is extended to insure 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), or from theft or attempted theft.

This Extension of coverage shall be limited to a maximum recovery, including debris removal expense, of \$500 for each growing plant, tree, shrub or flower.

#### **6. NEWLY ACQUIRED LOCATION**

Subject to a limit of \$250,000 on **buildings** and \$100,000 on **contents**, this insurance shall cover property at any newly acquired location in Canada or the continental United States of America that is owned, rented or controlled by the Insured and occupied by the Insured for the purposes stated in the Declaration Page(s).

This coverage attaches at the time of the acquisition and extends for a period of 30 days, or to the date of endorsement of this Form adding such location, or until the expiry date of this policy, whichever occurs first.

### **SPECIAL PROVISIONS**

#### **1. DEDUCTIBLE**

The Insurer is liable for the amount by which the loss or damage caused by an insured peril exceeds the amount of the deductible specified in the Declaration Page(s) in any one occurrence.

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

#### **2. CO-INSURANCE**

This clause applies separately to each item for which a co-insurance percentage is specified in the Declaration Page(s) and only where the amount of loss or damage exceeds \$50,000.

The Insured shall maintain insurance concurrent with this Form on the insured property to the extent of at least the amount produced by multiplying the value of the property as defined under Item 5. – Basis of Valuation of the SPECIAL PROVISIONS by the co-insurance percentage specified on the Declaration Page(s). If the Insured fails to do so, the Insured shall be entitled to recover only that portion of any loss that the amount of insurance in force at the time of loss bears to the amount of insurance required to be maintained by this clause.

Value of the Property: For the purpose of applying this paragraph 2. Co-insurance, the value of the property is determined by Item 5. – Basis of Valuation of the SPECIAL PROVISIONS. However, if the Declaration Page(s) specifies that this policy is endorsed with a Form that contains a Replacement Cost clause applicable to this Form, then for the purpose of applying this paragraph 2. Co-insurance, the Replacement Cost clause will establish the value of the property to which the Replacement Cost Clause applies, and Item 5. – Basis of Valuation, will be of no force or effect with respect to that valuation.

#### **3. PROPERTY PROTECTION SYSTEMS**

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

3.1. sprinkler or other fire extinguishing system; or

3.2. fire detection system; or

3.3. intrusion detection system;

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

#### **4. PREMIUM ADJUSTMENT**

This clause is applicable if a specific amount of insurance is shown on the Declaration Page(s) for **stock**.

If, within six (6) months after the expiry or anniversary date of each policy period, the Insured shall file with

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

## 5. BASIS OF VALUATION

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

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

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

## 6. LIBERALISATION CLAUSE

If, during the policy period, the Insurer introduces any broadening of the coverage for this Form or its replacement, for which no additional premium is charged, then the broadened coverage shall apply to the benefit of the Insured from the introduction date of the broadened coverage.

## 7. INFLATION PROTECTION

- 7.1. The amount of insurance shown in the Declaration Page(s) for the Buildings and/or Contents will automatically be increased as determined by the Insurer, based on available inflation data.
- 7.2. On renewal or anniversary date, the amounts of insurance will be automatically increased accordingly and the premium adjusted.

## 8. SPECIAL PROVISIONS APPLICABLE TO CONDOMINIUMS

### 8.1. Property Insured

This Form insures the **buildings** and **contents** as described in the Declaration Page(s).

### 8.2. Additional Exclusions

**This Form does not insure loss or damage to:**

- 8.2.1. **buildings or contents**, if all **units**, are to the knowledge of the **Condominium Corporation** vacant or unoccupied for more than 30 consecutive days;
- 8.2.2. property belonging to the owners of individual **units**;
- 8.2.3. improvements and betterments to individual **units** made or acquired by the owners of such **units**;

### 8.3. Loss Adjustment

**Applicable to Québec policies**

Loss adjustment (in accordance with the terms of article 1075 of the Civil Code of Quebec)

The indemnity owing to the syndicate following a substantial loss is, notwithstanding article 2494, paid to the trustee appointed in the constituting act of co-ownership or, where none has been appointed, designated by the syndicate.

## **Applicable to policies for provinces and territories other than Québec**

The **Condominium Corporation** has the exclusive right to adjust any loss with the Insurer, and the owner of a damaged **unit** is bound by such adjustment, provided, however, that the said **Condominium Corporation**, may in writing authorize an owner to adjust any loss to his **unit** with the Insurer.

## **DEFINITIONS**

Wherever used in this Form:

- 1. BUILDING** means:
  - 1.1. the building(s) described in the Declaration Page(s) and includes:
    - 1.1.1. fixed structures pertaining to the **building(s)** and located on the **premises**. Such structures include, but are not limited to, antennae and their wiring, fencing, signs, lighting, wind turbines, solar panels and satellite dishes;
    - 1.1.2. additions and extensions communicating and in contact with the **building(s)**;
    - 1.1.3. permanent fittings and fixtures attached to and forming part of the **building(s)**;
    - 1.1.4. materials, equipment and supplies on the **premises** for maintenance of, and normal repairs and minor alterations to the **building(s)** or for building services.
    - 1.1.5. trees, shrubs and growing plants or flowers inside the **building(s)** used for decorative purposes;
    - 1.1.6. At the option of the Insured, and only for a **building** occupied as rented private residences:
      - 1.1.6.1. landlord's permanent fittings and fixtures, excluding furniture and furnishings in furnished suites or apartments;
      - 1.1.6.2. cooking, cooling, dishwashing, heating and refrigerating apparatus in suites and apartments;
      - 1.1.6.3. electrical and lighting fixtures;
      - 1.1.6.4. awnings, blinds, screen doors, screens and shutters.
  - 1.2. With regards to condominiums, those parts of the common property or common elements and the units as defined in the provincial or territorial legislation or in the registered documents of the **Condominium Corporation**.
- 2. CASH CARDS** means cards designed to store a cash value by electronic means as a mode of payment, without a personal identification number and without direct access to a bank or other account.
- 3. CLEAN UP** means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of **pollutants**, including testing which is integral to any of these processes.
- 4. CONDOMINIUM CORPORATION** means a Corporation constituted under provincial legislation or territorial legislation relating to condominiums or co-ownership by declaration. It refers to a strata corporation in British Columbia and to a syndicate in Quebec.
- 5. CONTENTS** means **equipment** and **stock**.
- 6. DATA** means representations of information or concepts, in any form.
- 7. DATA PROBLEM** means:
  - 7.1. erasure, destruction, corruption, misappropriation, misinterpretation of **data**;
  - 7.2. error in creating, amending, entering, deleting or using **data**; or
  - 7.3. inability to receive, transmit or use **data**.
- 8. EQUIPMENT** means:
  - 8.1. generally all contents usual to the Insured's business, including furniture, furnishings, fittings, fixtures, machinery, tools, utensils, signs and appliances, other than **building** or **stock**;
  - 8.2. similar property belonging to others which the Insured is under obligation to keep insured or for which the Insured is legally liable;
  - 8.3. 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
  - 8.4. glass or other equipment for which the Insured has assumed responsibility in a contract for a lease of premises.
- 9. 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:
  - 9.1. branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
  - 9.2. any **watermains** or appurtenances located outside of the **premises** and forming a part of the public water

distribution system;  
9.3. any pond or reservoir in which the water is impounded by a dam.

10. **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.
11. **LEAKAGE FROM FIRE PROTECTIVE EQUIPMENT** means:
  - 11.1. the leakage or discharge of water or other substances from;
  - 11.2. the collapse of;
  - 11.3. the rupture due to freezing of;

**fire protective equipment** for the **premises** or for adjoining structures.
12. **MALICIOUS ACTS** means all acts of a malicious nature, except theft or attempted theft.
13. **NAMED PERILS** means:
  - 13.1. fire or lightning;
  - 13.2. explosion;
  - 13.3. impact by aircraft, spacecraft or land vehicle (including articles dropped from them);
  - 13.4. **riot, vandalism and malicious acts**;
  - 13.5. smoke;
  - 13.6. **leakage from fire protective equipment**;
  - 13.7. windstorm or hail,

provided such perils are not otherwise excluded in EXCLUSIONS – Item 2. (Excluded Perils) of this Form.
14. **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.
15. **PREMISES** means:
  - 15.1. the entire area within the property lines at the location(s) described in the Declaration Page(s) or at any newly acquired location, including:
    - 15.1.1. areas under adjoining sidewalks and driveways;
    - 15.1.2. in or on vehicles within 100 metres (328 feet) of such property lines described in 15.1.;
  - 15.2. in the open within 305 metres (1000 feet) of such property lines described in 15.1.
16. **PROPERTY OF EVERY DESCRIPTION** means **building, equipment and stock**.
17. **RIOT** includes open assemblies of strikers inside or outside the **premises** who have quit work and of locked-out employees.
18. **SPORES** includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any **fungi**.
19. **STOCK** means:
  - 19.1. merchandise of every description usual to the Insured's business;
  - 19.2. packing, wrapping and advertising materials;
  - 19.3. similar property belonging to others which the Insured is under obligation to keep insured or for which the Insured is legally liable;
20. **SURFACE WATER** means water or natural precipitation temporarily diffused over the surface of the ground.
21. **TERRORISM** means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.
22. **UNIT** means the unit as defined in the declaration, description or bylaws of the **Condominium Corporation** or provincial or territorial legislation relating to condominiums or divided co-ownership. It refers to a strata lot in British Columbia and to a private portion in Quebec.
23. **WATERMAIN** means piping of a public potable water distribution system exclusively.

**Property Extensions Endorsement**

Unless specifically endorsed on the Declaration Page(s), the limits stated below apply to the coverage, subject to the deductible shown for the Building and Contents Broad Form on the Declaration Page(s).

The following Coverages do not increase the amounts of insurance applying under the Building and/or Contents Broad Form.

**The maximum combined amount of insurance under the Building and/or Contents Broad Form and any Coverage in this Form shall not exceed \$50,000 in any one occurrence and in the aggregate during any one policy period.**

**SUMMARY OF COVERAGES**

Item	Coverage	Limit of Insurance
	<b>A. Building and/or Contents</b>	
Item 1	Blanket Glass	\$50,000
Item 2	Fire Department Service Charges	\$50,000
Item 3	Master Key Coverage	\$50,000
Item 4	Outdoor Signs	\$50,000
Item 5	Professional Fees	\$50,000
Item 6	Replacement Cost	Included
Item 7	Accounts Receivable	\$50,000
Item 8	Contents at Unnamed Locations	\$50,000
Item 9	Consequential Loss Assumption	\$50,000
Item 10	Courier and Parcel Post	\$50,000
Item 11	Computer Equipment	\$50,000
	Media	\$50,000
	Breakdown	\$50,000
Item 12	Exhibition Floater	\$50,000
Item 13	Installation Floater	\$50,000
Item 14	Property in Transit	\$50,000
Item 15	Valuable Papers	\$50,000
Item 16	Fine Arts	\$50,000
Item 17	Money & Securities	\$50,000
Item 18	Miscellaneous Property Floater	\$50,000
Item 19	Waiver of Co-Insurance	\$50,000
Item 20	<b>B. Business Interruption</b>	\$50,000
	Profits	
	<b>C. Applicable to the Policy</b>	
Item 21	60 Days' Notice of Cancellation/Termination	

**A. BUILDINGS AND/OR CONTENTS**

The following extensions are subject to all terms, conditions, exclusions, stipulations and provisions applicable to the Building and/or Contents Broad Form and the limit of insurance specified in the Summary of Coverages in this Form.

**ITEM 1 – BLANKET GLASS**

Where the Insured owns or has responsibility to insure such glass, this policy insures all exterior plate or thermo pane glass, lettering and ornamentation for all damage caused by the accidental breakage of such glass, up to the limit of insurance specified in the Summary of Coverages in this Form. Such insurance shall also include the expense of boarding up damaged openings or installing temporary plates.

**ITEM 2 – FIRE DEPARTMENT SERVICE CHARGES**

Fire Department service charges are covered up to the limit of insurance specified in the Summary of Coverages in this Form in any one occurrence when:

1. The Fire Department is called to save or protect the insured property from a peril insured against; and
2. The insured property is on the **premises**.

**ITEM 3 – MASTER KEY COVERAGE EXTENSION**

Subject to the amount shown on the Summary of Coverages in this Form applicable to this coverage, the Insurer will cover the cost of replacing and/or re-adjusting locks following a loss or damage due to a peril insured against, to a master key that controls all doors at the **premises**.

## ITEM 4 – OUTDOOR SIGNS

This Form insures outdoor signs, located on the **premises**, for a peril insured against, which are the property of the Insured or the property of others for which the Insured may be held liable, up to the limit of insurance specified in the Summary of Coverages in this Form.

## ITEM 5 – PROFESSIONAL FEES

Subject to the amount shown in the Summary of Coverages in this Form applicable to this coverage, the Insurer will pay reasonable fees to auditors, accountants, architects, surveyors or engineers for producing and certifying particulars or details of the Insured's business required by the Insurer in order to arrive at the amount of the loss payable under this policy in the event of a claim.

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

## ITEM 6 – REPLACEMENT COST

Applicable only to **Building(s)** and/or **Equipment** at the **premises** insured.

1. The Insurer agrees to amend the basis of settlement from Actual Cash Value to **Replacement Cost**, subject to the following provisions:
  - 1.1. **replacement** shall be effected by the Insured with due diligence and dispatch;
  - 1.2. settlement on a **replacement cost** basis shall be made only when replacement has been effected by the Insured and in no event shall it exceed the amount actually and necessarily expended for such replacement;
  - 1.3. failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this endorsement had not been in effect;
  - 1.4. any other insurance effected by or on behalf of the Insured in respect of the perils insured against by this Policy on the property to which this endorsement is applicable shall be on the basis of **replacement cost** as defined herein;
  - 1.5. if this policy insures two or more items, the foregoing applies separately to each item to which this clause applies.
2. Any reference to Actual Cash Value in a co-insurance clause in this policy is deemed to be a reference to **Replacement Cost** of the property insured.
3. In this clause:
  - 3.1. **replacement cost** means the cost of replacing, repairing, constructing or re-constructing (whichever is the least) the property, and in the case of **building(s)**, on the same site with new property of like kind and quality and for like occupancy without deduction for depreciation; and
  - 3.2. **replacement** includes repair, construction or re-construction with new property of like kind and quality.
4. In the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that damaged or destroyed and which is capable of performing the same function shall be deemed to be new property of like kind and quality for the purposes of this clause.
5. This extension does not apply to:
  - 5.1. stocks of merchandise;
  - 5.2. patterns, dies, moulds;
  - 5.3. paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelain, rare glassware, bric-a-brac or other articles of art, rarity, or antiquity;
  - 5.4. manuscripts and records meaning books of account, drawings, card index systems and other records, media, data storage devices, and programme devices for electronic or electro-mechanical data processing or for electronically controlled equipment;
  - 5.5. any increase in **replacement cost** occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law, unless otherwise endorsed hereon.

## ITEM 7 – ACCOUNTS RECEIVABLE

### SUBJECT OF INSURANCE

This Form insures:

1. All sums due the Insured from customers, provided the Insured is unable to effect collection thereof as a direct result of loss or damage to records of accounts receivable;
2. Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage;
3. Collection expense in excess of normal collection cost and made necessary because of such loss or damage;
4. Other expenses, while reasonably incurred by the insured in re-establishing records of accounts receivable following such loss or damage.

### LOCATION AND OCCUPANCY OF PREMISES

The Insured occupies that part of the building and conducts therein the business indicated on the Declaration Page(s).

### PROTECTION OF RECORDS OF ACCOUNTS RECEIVABLE

Insurance under this Form shall apply only while records of accounts receivable, including electronic data backup, are contained in the **premises**, it being a condition precedent to any right of recovery hereunder that such records shall be kept in protective container(s), at all times when the **premises** are not open for business, except while such records are in actual use.

### PERILS EXCLUDED

In addition to the exclusions contained in the Building and/or Contents Broad Form, the Insurer shall not be liable for loss or damage:

1. 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;
2. due to bookkeeping, accounting or billing errors or omissions;
3. the proof of which as to factual existence, is dependent upon an audit of records or an inventory computation. This shall not preclude the use of such procedures in support of claim for loss 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;
4. 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.

### REMOVAL

Such insurance as is afforded by this Form 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 10 days thereafter.

### INSPECTION AND AUDIT

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

## RECOVERIES

After payment of loss all amounts recovered by the Insured of 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.

## BASIS OF SETTLEMENT

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

1. determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;
2. calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve months immediately preceding the month in which the loss occurs, or such part thereof for which the Insured has furnished monthly statements to the Insurer, as compared with such average for the same months of the preceding year;
3. the amount determined under (a) above, increased or decreased by the percentage calculated under (b) above, shall be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;
4. the amount determined under (c) above shall be increased or decreased in conformity with the normal fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the business since the last day of the last fiscal month for which statement has been rendered.

There shall be deducted from the total amounts of accounts receivable, however established, the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by the Insured, and an amount to allow for probable bad debts which would normally have been uncollectible by the Insured. On deferred payment accounts receivable, unearned interest and service charges shall be deducted.

## OTHER INSURANCE

The Insurer is not liable:

1. For more than the portion of any loss or damage covered by this Form which the applicable limit of this Form bears to the total amount of insurance covering against the peril of fire irrespective of whether or not such other insurance gives insurance in respect of perils covered by this Form whether by endorsement thereto or otherwise;
2. Where such other insurance does not insure against loss or damage by fire for more than the excess (if any) of any loss or damage over the applicable limit of any other insurance which would attach if this insurance had not been effected.

## ACTION AGAINST INSURER

All adjusted claims shall be paid or made good to the Insured within thirty days after presentation and acceptance of satisfactory proof of interest and loss at the office of the Insurer. No action shall lie against the Insurer unless, as a condition precedent hereto, there shall have been full compliance with all the terms of this Policy, nor at all unless commenced within two years after the discovery by the Insured of the occurrence which gives rise to the loss. If this limitation of time is shorter than that prescribed by any statute controlling the construction of this Policy, the shortest permissible statutory limitation in time shall govern and shall supersede the time limitation herein stated.

## ITEM 8 – CONTENTS AT UNNAMED LOCATIONS

Contents are covered up to the limit of insurance specified in the Summary of Coverages in this Form, for a peril insured against, for this item while at a location anywhere in Canada or the Continental United States of America not owned, rented or controlled in whole or in part by the Insured, but this coverage does not apply to the following property:

1. Tools and contractors equipment while in transit;
2. Electronic Data Processing equipment, media or accessories while in transit;
3. Property temporarily on exhibition at locations not owned or occupied by the Insured.

## ITEM 9 – CONSEQUENTIAL LOSS ASSUMPTION

The Insurer agrees to indemnify the Insured for loss, destruction or damage to **stock** due to a change in temperature, caused by the perils insured against to:

1. the refrigerating or cooling apparatus, connections or supply pipes and apparatus furnishing power thereto, situate on the **premises**; or
2. off-premises public utility plants, substations, transformers or switching stations or transformers and transmission lines furnishing electrical heat, light or power to the **premises**.

The Insurer shall not be liable under the provisions of this clause for more than the limit specified in the Summary of Coverages in this Form. This limit shall not increase the limit of liability specified on the Declaration Page(s).

## ITEM 10 – COURIER AND PARCEL POST

Property in any one package is covered while in course of transit by parcel post or courier for up to the limit of insurance specified in the Summary of Coverages in this Form, for a peril insured against, for this item.

## ITEM 11 – COMPUTER EQUIPMENT, MEDIA & BREAKDOWN

Coverage under this form applies only to **computer equipment** including component parts thereof owned by the Insured or leased or under the control of the Insured and **computer media**.

### COMPUTER EQUIPMENT BREAKDOWN

Coverage is extended to include loss caused directly or indirectly by:

1. mechanical failure, faulty construction or error in design;
2. short circuit, blow-out or other electrical disturbance, other than lightning within electrical apparatus; or
3. **computer media** failure or breakdown or malfunction of **computer equipment** including component parts when said **computer media** is being run through the equipment.

Each claim for loss or damage under the Computer Equipment Breakdown Extension shall be adjusted separately and the deductible amount specified on the Declarations Page(s) shall be deducted from the amount of each such adjusted claim.

### ADDITIONAL EXCLUSION

This extension does not insure against loss or damage caused directly or indirectly by any change or interruption to electric power supply, if the change originates more than 30.5 metres (100 feet) away from the **premises** insured containing the property insured, except by lightning.

### TEMPORARY LOCATIONS & TRANSIT

Coverage is extended to include **computer equipment** and **computer media** while in transit or in temporary locations anywhere in Canada or the Continental United States of America.

### ADDITIONAL DEFINITIONS

Wherever used in this form:

**Computer media** means materials on which **data** is recorded.

**Computer equipment** means electronic equipment used for data storage and word processing.

## **ITEM 12 – EXHIBITION FLOATER**

### **PROPERTY COVERED**

This extension covers any property which is insured under Equipment or Stock against all risks of direct physical loss or damage from any external cause except as provided herein, from the time it leaves any **premises**, while in due course of transportation to any exhibition site in Canada or the Continental United States of America, while at such exhibition site and then while in due course of transportation to any **premises**.

### **LIMIT OF LIABILITY**

The Insurer shall not be liable for more than the limit of insurance specified in the Summary of Coverages in this Form.

### **COVERAGE**

This insurance terminates upon arrival at the final destination or at the expiration of the period for which this policy is issued, whichever first occurs.

### **ADDITIONAL EXCLUSION**

This extension does not insure loss or damage occasioned by marring, scratching, denting or breakage of glass or articles of a fragile nature, unless caused by fire, theft or attempt therat, lightning, windstorm, earthquake, flood, explosion, malicious damage or accident to the conveying vehicle.

### **PACKING CONDITION**

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

## **ITEM 13 – INSTALLATION FLOATER – BROAD FORM**

### **PROPERTY COVERED**

Any and all materials, machinery and equipment incidental hereto, in which the Insured has an interest or for which the Insured may be liable or has contracted to install, all incidental to the installation, erection, fabrication or completion of any jobs usual to the business of the Insured, anywhere in Canada.

### **LIMITS OF LIABILITY**

The Insurer shall be liable for up to the limit of insurance specified in the Summary of Coverages in this Form on property at any job site or property in transit.

### **INSTALLATION COVERAGE**

Within the policy period the insured property is covered from the time of leaving the **premises** of the Insured, for shipment to the site of installation, while in transit by Railroad, Railway Express, Public Truckman or the Insured's Vehicles, while awaiting installation on site and during installation until:

1. acceptance by the owner or purchaser; or
2. thirty (30) days after completion of the project; or
3. the expiry of this insurance, whichever first occurs.

Notwithstanding anything herein to the contrary, this insurance ceases to cover the project or any part thereof from the commencement of use for purposes for which it was intended.

### **PROPERTY EXCLUDED**

This Form does not cover:

1. buildings; but building materials and supplies are covered until such time as they become part of any realty;
2. plans, blueprints, designs, specifications or any similar property;
3. conveyances designed for highway use; watercraft or aircraft;
4. tools, contractors' equipment and any property not part of or destined to become a part of the installation;
5. property while located on any premises owned, leased or occupied by the insured.

### **ADDITIONAL EXCLUSION**

This form does not cover any loss, damage or expense caused by or resulting from testing.

## **ITEM 14 – PROPERTY IN TRANSIT**

### **PROPERTY COVERED AND LIMIT OF LIABILITY**

This Form covers contents while in transit other than by parcel post or courier, up to the limit of insurance specified in the Summary of Coverages, for any one loss covered hereunder.

### **TERRITORIAL LIMITS**

Anywhere in Canada or the Continental United States of America.

### **ADDITIONAL EXCLUSIONS**

This extension does not insure:

1. valuable papers and records, as defined elsewhere in this Form;
2. fine arts;
3. money and securities;
4. samples or containers while in the care, custody or control of the Insured's sales representative;
5. property insured under Item 11 – Computer Equipment, Media & Breakdown;
6. property insured under Item 12 – Exhibition Floater;
7. property insured under Item 13 – Installation Floater – Broad Form.

## **ITEM 15 – VALUABLE PAPERS AND RECORDS**

### **PROPERTY COVERED AND LIMITS OF LIABILITY**

This Form insures against all risks of direct physical loss of or damage to valuable papers or records up to the limit of insurance specified in the Summary of Coverages in this Form.

### **DEFINITION**

The term **Valuable Papers and Records** means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages, manuscripts and electronically stored records, but does not include money or securities.

## PROTECTION OF VALUABLE PAPERS AND RECORDS

Insurance under this Form shall apply only while valuable papers and records, including electronic data backup, are contained in the **premises**, it being a condition precedent to any right of recovery hereunder that such records shall be kept in protective container(s), at all times when the **premises** are not open for business, except while such records are in actual use.

## COVERAGE

This insurance applies:

1. while the insured valuable papers and records are contained in the Insured's **premises**. It is a condition precedent to any right of recovery hereunder, that the valuable papers and records are in actual use or as stated in 2. and 3. below;
2. while the insured valuable papers and records are being removed to, and while at a place of safety because of an imminent danger of loss or damage and while being returned from such place, provided the Insured notifies the Insurer in writing within 30 days of such removal;
3. while the valuable papers and records are being conveyed outside the Insured's **premises** or while temporarily within other premises except for storage.

## ADDITIONAL EXCLUSIONS

This extension does not apply:

1. to loss 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;
2. to loss of property held as samples or for sale or for delivery after sale;
3. to property which cannot be replaced with other of like kind and quality;
4. to loss due to electrical or magnetic injury, disturbance or erasure of electronic recordings, except by lightning.

## BASIS OF SETTLEMENT

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

## ITEM 16 – FINE ARTS

This Form is extended to cover fine arts, including paintings, etchings, pictures, tapestries and other bona fide works of art such as valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass and bric-a-brac, of rarity, historical value or artistic merit, the property of the Insured or the property of others for which the Insured may be liable, while at the **premises**.

## ITEM 17 – MONEY & SECURITIES COVERAGE

This Form is extended to cover **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 or away from such **premises** while being carried or held strictly incidentally to the Insured's business.

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

## ITEM 18 – MISCELLANEOUS PROPERTY FLOATER

This Form is extended to cover loss or damage by an insured peril to unscheduled miscellaneous property, located anywhere in Canada, for up to the limit of insurance specified on the Summary of Coverages in this Form.

## ITEM 19 – WAIVER OF CO-INSURANCE

The Co-Insurance Clause referred to in the Building and/or Contents Broad Form is deleted in its entirety.

## B. BUSINESS INTERRUPTION

### ITEM 20 – PROFITS

#### INSURING AGREEMENT

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

#### MEASURE OF RECOVERY

This Item, subject to the limit of insurance specified in the Summary of Coverages of this Form, is limited to the Insured's interest in loss of **gross profit** due to: (a) reduction in turnover; and (b) increase in cost of working and the amount payable as indemnity thereunder shall be:

##### (a) IN RESPECT OF REDUCTION IN TURNOVER:

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

##### (b) IN RESPECT OF INCREASE IN COST OF WORKING:

The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **turnover** which, but for that expenditure would have taken place during the **indemnity period** in consequence of the loss, destruction or damage by a peril insured against, but not exceeding the sum produced by applying the **rate of gross profit** to the amount of the reduction thereby avoided;

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

#### EXPENSES TO REDUCE LOSS

This Item also insures such expenses as are necessarily incurred for the purpose of reducing loss under this Insurance (except expense incurred to extinguish a fire), but in no event shall the aggregate of such expenses exceed the amount by which the loss under this Item is thereby reduced.

#### SPECIAL PROVISIONS

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

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

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

#### **ADDITIONAL EXCLUSION**

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

#### **DEFINITIONS**

Wherever used in this Section:

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

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

- i. thirty (30) consecutive calendar days; or
- ii. the length of time that would be required to rebuild, repair or replace such other property insured hereby as has been damaged or destroyed; whichever is the greater length of time.

**Insured Standing Charges** means all standing charges unless otherwise specified in the Declaration Page(s) in which case only those standing charges so specified are insured. The following shall in no event be deemed to be standing charges:

- i. Depreciation of Stock;
- ii. Bad Debts;
- iii. Wages and Salaries of non-permanent staff.

**Net Profit** means the net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured at the **premises** after due provision has been made for all Standing and other charges, including depreciation, but before the deduction of any taxation chargeable on Profits.

**Premises** means the premises as defined under the Building and/or Contents Broad Form.

**Rate of Gross Profit** means the **rate of gross profit** earned on the **turnover** during the financial year immediately before the date of the loss, destruction or damage by a peril insured against.

**Standard Turnover** means **turnover** during that period in the twelve (12) months immediately before the date of the loss, destruction or damage by a peril insured against which corresponds with the **indemnity period**.

**Turnover** means the money paid or payable to the Insured for goods sold and delivered, for services rendered, and for rental income in course of the business at the **premises**.

The following paragraph applies to the definition of **rate of gross profit** and **standard turnover**:

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

#### **C. OTHER: APPLICABLE TO THE POLICY**

##### **ITEM 21 – 60 DAYS' NOTICE OF CANCELLATION/TERMINATION**

Except for:

1. cancellations for non-payment of premium; or
2. a written notice of termination personally delivered to the Insured;

the number of days notice by the Insurer as stated in the Notice of Cancellation or Termination clause(s) contained in this policy is amended to 60 days.

**All other terms and conditions of the policy remain unchanged.**

## EQUIPMENT BREAKDOWN MAX

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## SUMMARY OF COVERAGES

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

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

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

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

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

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

## INSURING AGREEMENT

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

## EXCLUSIONS

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

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

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

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

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

However, we shall pay for loss that ensues solely from the **breakdown** of any other **equipment**;
7. in whole or in part, by **terrorism** or by any activity or decision of a government agency or other entity to prevent, respond to or terminate **terrorism**; This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.  
If any portion of this exclusion is found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect;

**This Form does not insure:**

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

## EXTENSIONS OF COVERAGE

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

### 1. HAZARDOUS SUBSTANCES

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

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

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

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

### 2. AMMONIA CONTAMINATION

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

### 3. EQUIPMENT UPGRADE

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

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

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

### 4. LOSS OF DATA

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

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

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

## 5. ERRORS OR OMISSIONS IN STATEMENTS OF VALUES

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

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

## 6. LIBERALIZATION CLAUSE

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

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

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

## 7. BRANDS AND LABELS

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

## 8. ENVIRONMENTAL "GREEN" IMPROVEMENTS

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

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

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

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

**This coverage does not apply to any:**

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

## 9. OFF-PREMISES MOBILE EQUIPMENT

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

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

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

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

## 10. PUBLIC RELATIONS

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

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

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

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

## 11. CONTINGENT BUSINESS INTERRUPTION

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

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

**This coverage does not apply to any:**

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

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

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

## 12. EXPEDITING EXPENSES

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

## 13. BY-LAWS

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

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

## 14. PROFESSIONAL FEES/AUDITORS FEES

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

## 15. NEW ACQUISITIONS

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

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

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

## 16. SERVICE INTERRUPTION

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

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

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

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

## 17. INTERRUPTION BY CIVIL AUTHORITY

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

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

## 18. SPARES MITIGATION

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

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

## 19. SELLING PRICE

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

# SPECIAL CONDITIONS

## 1. AMOUNTS OF INSURANCE

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

## 2. BASIS OF SETTLEMENT

- 2.1. Property damage

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

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

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

**We shall not be liable:**

- 2.1.6. for the cost of repairing or replacing any part or parts of a piece of **equipment** which is greater than the cost of repairing or replacing the entire piece of **equipment**;
- 2.1.7. for more than the cost to replace the property with other property of like kind, capacity, size, quality and function;
- 2.1.8. for loss or damage to any **insured property** which is useless or obsolete to you.

**2.2. Spoilage**

We will pay, under sub-paragraph 1.2. of the **INSURING AGREEMENT** section, the amount that is spent to replace perishable **insured property** which spoils solely as a result of the **breakdown of equipment**. If the **insured property** is not replaced, we shall only pay for the **actual cash value** of the property.

**2.3. Business Interruption/Extra Expense**

Under sub-paragraph 1.3. of the **INSURING AGREEMENT** section, we will pay until the earlier of:

- 2.3.1. the date the revenue and operations of the business return to normal; or
- 2.3.2. twelve (12) months from the date of the **breakdown**.

**3. INDEMNITY PERIOD**

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

**4. DEDUCTIBLE**

For any loss or damage caused by **any one breakdown**, you shall bear that part of the loss corresponding to the applicable deductible specified in the Declaration Page(s).

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

**5. INSPECTION AND SUSPENSION**

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

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

**6. REFILLABLE TANKS**

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

**7. HEAT TRANSFER MEDIUM**

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

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

**8. OTHER INSURANCE**

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

**9. NOTICE OF BREAKDOWN AND COMMENCEMENT OF LIABILITY**

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

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

whichever is later.

**10. SUBROGATION**

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

**11. OTHER DUTIES AND RESPONSIBILITIES**

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

**12. ACTION AGAINST INSURER**

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

**13. ASSIGNMENT - BANKRUPTCY**

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

**14. CANCELLATION**

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

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

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

#### 15. CHANGES

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

#### 16. MORTGAGE INTEREST

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

#### 17. ADDITIONAL INSURED

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

#### 18. CANADIAN CURRENCY CLAUSE

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

#### 19. DISPUTED LOSSES

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

## DEFINITIONS

Whenever used in this Form:

**1. Actual cash value** means the cost of replacing the damaged property with property of similar kind, capacity, size, quality and function less depreciation however caused. We consider such items as the age, condition and normal life expectancy of the damaged property in determining depreciation.

**2. Actual Loss Sustained** means the sum of:

- 2.1. the loss of **net profit** on the business prevented; and
- 2.2. that part of the following fixed charges and expenses which the business did not incur because of a **breakdown**, but which the business would have earned had the **breakdown** not occurred:
  - 2.2.1. salaries and wages of officers, executives, department managers, employees under contract and other essential employees; and
  - 2.2.2. manufacturing, selling, administrative expenses and any other items contributing to the overhead expenses of the Insured but due consideration shall be given to the experience of the business before the **breakdown** and probable experience thereafter.

**3. Any one breakdown**

If either the **breakdown** of **equipment** causes the **breakdown** of other **equipment** or a series of **breakdowns** occur at the same time as a result of the same cause, they will all be considered as **any one breakdown**.

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

**Breakdown** does not mean:

- 4.1. depletion, deterioration, corrosion or erosion of material;
- 4.2. wear and tear;
- 4.3. the functioning of any safety device or protective device.

**5. Business Interruption** means:

- 5.1. either the business interruption coverages offered and showing in the Declaration Page(s) under the Property Policy that are also applicable to a business interruption resulting from a **breakdown** (follow form); or
- 5.2. either:
  - 5.2.1. the **actual loss sustained** if Actual Loss Sustained is shown in the Declaration Page(s);
  - 5.2.2. the **loss of profits** if Loss of Profits is shown in the Declaration Page(s);
  - 5.2.3. the **gross rents** if Gross Rents is shown in the Declaration Page(s); or
  - 5.2.4. the **gross earnings** if Gross Earnings is shown in the Declaration Page(s).

**6. Data** means facts, concepts and information which is converted to a form useable for computer equipment and includes programs, software, interpretation and coded instructions for the processing and manipulation of data and the electromechanical data processing, and also includes data arising from electronically controlled **equipment**.

**7. Equipment** means any **equipment** owned, leased, operated or for which you have, care, custody or control as described below:

- 7.1. any boiler, fired or unfired pressure vessel normally subject to vacuum or internal pressure other than static pressure of contents, any piping connected thereto or any other piping and its accessory **equipment**, any heat exchanger that forms part of forced air heating **equipment**, but not including any:
  - 7.1.1. boiler setting, any refractory or insulating material;
  - 7.1.2. part of a boiler or fired pressure vessel that does not contain steam or water; or
  - 7.1.3. any drainage piping, any sprinkler piping and its accessory **equipment**;
  - 7.1.4. **equipment** (including piping) which is not in a conduit beneath the surface of the ground and that requires the removal, excavation or demolition of materials in order to inspect, remove, repair or replace such **equipment** or such piping; However, this exclusion doesn't apply to **geothermal heating systems**.

7.2. any mechanical or electrical **equipment** used for the generation, transmission or utilization of mechanical or electrical power, but not including:

7.2.1. any vehicle, power shovel, excavator dragline or other mobile **equipment**, floating vessel, locomotive or aircraft, but not excluding any electrical **equipment** and/or pressure vessel used with such machine or apparatus;

7.2.2. any lifting or safety cables, anchorages, car buffers or counterweight buffers which forms part of an elevator system;

7.3. any electronic **equipment** or fibre optic cable, used for research, diagnosis, treatment, communication, word processing, data processing, duplicating, monitoring or scanning, but **equipment** shall not include:

7.3.1. any anode tube, x-ray tube, video amplifier tube or klystron tube; nor

7.3.2. any laser cartridge.

8. **Extra Expense** means the reasonable and necessary extra expenses incurred by yourselves in order to either resume or continue the normal operation of your business.

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

10. **Finished stock** means the stock manufactured by you, in the ordinary course of your business, which is ready for packing, shipment or sale.

11. **Geothermal heating systems** means underground piping as a means of heat transfer.

12. **Goods** means goods kept for sale by you which are not the product of manufacturing operations conducted by you.

13. **Green** means products, materials, methods and processes certified by a **green authority** that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.

14. **Green Authority** means an authority on building products, materials, methods or processes certified and accepted by industry associations or government as supporting environmental sustainability and/or energy conservation. These entities include but are not limited to: leadership in energy and Design (LEED), Green Building Initiative (Green Globes), Energy Star, Building Owners and Managers Association (BOMA) BEST, any applicable Canadian Standards Association guideline (CSA), ISO Standards or any other environmental sustainability or energy conservation rating or certification system recognised by us.

15. **Gross earnings** means the sum of:

15.1. total net sales value of production;

15.2. total net sales of **goods**;

15.3. other earnings derived from operations of the business;

Less the cost of:

15.4. **raw stock** from which such production is derived;

15.5. supplies consisting of materials consumed directly in the conversion of such **raw stock** into **finished stock** or in supplying the service(s) sold by you at the **premises**;

15.6. **goods** sold, including packaging materials thereof;

15.7. services purchased from outsiders (not your employees) for resale which do not continue under contract;

15.8. your **ordinary payroll** expense.

No other costs are deducted in determining **gross earnings**. In determining **gross earnings**, due consideration will be given to the experience of the business before the **breakdown** and the probable experience thereafter had no **breakdown** occurred.

16. **Gross rents** means the sum of:

16.1. the **gross rents** for one year of the part or parts of the **premises** occupied;

16.2. the estimated annual rental value of the part or parts of the **premises** not occupied; and

16.3. the reasonable rental value, as the case may be, of the part or parts of the **premises** occupied by you.

(\*) In determining the **gross rents**, due consideration is given to the experience of your business before the **breakdown** and the probable experience thereafter had no **breakdown** occurred.

17. **Hazardous Substance** means:

17.1. any pollutant, contaminant or other substance declared by a government authority to be hazardous to health or the environment; or

17.2. any **fungi**, **spores** or toxins created or produced by or emanating from such **fungi** or **spores** whether or not allergenic, pathogenic or toxigenic.

18. **Insured property** means:

18.1. Your property; or

18.2. Property of others in your care, custody or control and for which you are legally liable.

19. **Indemnity period** means the period beginning with the occurrence of the **breakdown** and ending no later than twelve (12) months thereafter, during which the results of the business shall be affected in consequence of the **breakdown**.

20. **Insured standing charges** means all standing charges are insured unless otherwise specified in the Declaration Page(s), in which case only those standing charges so specified are insured. The following shall in no event be deemed to be standing charges:

20.1. Depreciation of stock;

20.2. Bad debts;

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

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

22. **Media** means tangible material or virtual support on which **data** is recorded.

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

24. **Ordinary payroll** means the entire payroll for all your employees, except salaries and wages to:

24.1. officers;

24.2. executives;

24.3. department managers;

24.4. employees under contract; and

24.5. other essential or important employees.

- 25. **Premises** means the entire area within the property lines and areas under adjoining sidewalks and driveways at the location described in the Declaration Page(s).
- 26. **Raw stock** means the material in the state in which you receive it for conversion by you into **finished stock**.
- 27. **Spores** includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any **fungi**.
- 28. **Terrorism** means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

## PROFITS – ACTUAL LOSS SUSTAINED

### 1. INDEMNITY AGREEMENT

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

### 2. MEASURE OF RECOVERY

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

(a) In respect of Reduction in Turnover:

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

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

The additional expenditure (subject to Special Provisions Clause (b)) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in "turnover" which but for that expenditure would have taken place during the "indemnity period" shall, in consequence of the destruction or damage by a peril insured against, but not exceeding the sum produced by applying the "rate of gross profit" to the amount of the reduction thereby avoided;

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

### 3. SPECIAL PROVISIONS

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

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

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

### 4. SPECIAL EXCLUSION

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

### 5. INTERRUPTION BY CIVIL AUTHORITY

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

### 6. PERMISSION

Permission is hereby granted:

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

### 7. WAIVER OF TERM OR CONDITION

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

### 8. VERIFICATION OF VALUES

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

### 9. DEFINITIONS

Wherever used in this Form:

- (a) **"Gross Profit"** means the sum produced by adding to the "net profit" the amount of the "insured standing charges" or if there is no "net profit" the amount of the "insured standing charges" less such a proportion of any net trading loss as the amount of the "insured standing charges" bears to all standing charges of the business.
- (b) **"Indemnity Period"** means the period beginning with the occurrence of a peril insured against and ending no later than twelve (12) months thereafter, during which the results of the business shall be affected in consequence of the destruction or damage by a peril insured against.
- (c) **"Insured Standing Charges"** means all standing charges unless otherwise specified in the Declaration Page(s) in which case only those standing charges so specified are insured.

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

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

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

(f) "**Rate of Gross Profit**" means the "rate of gross profit" earned on the "turnover" during the financial year immediately before the date of the destruction or damage by a peril insured against;  
To which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the destruction or damage by perils insured against or which would have affected the business had the destruction or damage by perils against not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the destruction or damage by perils insured against would have been obtained during the relative period after the destruction or damage by perils insured against.

(g) "**Standard Turnover**" means the "turnover" during that period in the twelve (12) months immediately before the date of the destruction or damage by perils insured against which corresponds with the "indemnity period";  
To which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the destruction or damage by perils insured against or which would have affected the business had the destruction or damage by perils against not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the destruction or damage by perils insured against would have been obtained during the relative period after the destruction or damage by perils insured against.

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

## SUMMARY OF COVERAGES

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

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

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

**The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.**

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

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

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

### 1. Contingent Loss of Income – Contributing/Recipient Property

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

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

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

### 2. Contingent Loss of Income – Neighbouring premises

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

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

### 3. Extra Expenses

This Form is extended to cover **extra expenses** necessarily incurred by the Insured during the **restoration period** to maintain, as much as possible, the **normal** activities of the business after an insured loss affecting the **buildings** or their **contents**.

This Extension includes the actual loss as insured by this Form during the period of time, not exceeding thirty (30) days, while access to the **premises** is prohibited by order of civil authority as a direct result of damage to neighbouring premises by an insured peril.

#### **The following expenses are not covered under any circumstances:**

- 3.1. loss of income;
- 3.2. extra expense in excess of that necessary to continue as nearly as practicable the **normal** conduct of the Insured's business;
- 3.3. cost of repairing or replacing damaged property, except cost in excess of the **normal** cost of such repairs or replacements necessarily incurred to reduce the total amount of **extra expenses**.

**Extra expenses** means the excess (if any) of the total cost during the **restoration period** for the purpose of continuing the Insured's business over and above the total cost that would normally have been incurred to conduct the business during the same period had no loss occurred. This will include the cost of using the property of others, or other similar and necessary emergency expenses. Any salvage value of such property remaining after resumption of **normal** operations shall be taken into consideration in the adjustment of an insured loss.

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

**Restoration period** means the period of restoration, commencing with the date of the loss and not limited by the expiration date of this policy, as shall be required with the exercise of due diligence and dispatch to repair, rebuild or replace such part of the property as may be destroyed or damaged.

### 4. Fines, Damages or penalties for Breach of Contract

This Form is extended to cover such sums the Insured shall be legally liable to pay in discharge of fines, damages or penalties incurred solely for late or non-completion of orders in consequence of direct physical loss of or damage to Insured property from an insured peril.

### 5. Interruption by Civil Authority

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

### 6. Mortgage Rate Guarantee

This Form is extended to cover the increase in mortgage cost required as a result of direct physical loss of or damage to a **building** by an insured peril where loss or damage to such **building** is deemed to be total, and where the mortgagor at the time of the loss closes the existing mortgage, requiring a new mortgage at a higher, competitive rate of interest.

The new mortgage must be the same term, amortization, and interest rate option of the previous mortgage. Indemnity shall be based on the difference between the mortgage rate in effect on the date of the loss and the new mortgage rate, based on the outstanding mortgage balance.

This Extension will continue:

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

whichever occurs first.

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

## **7. Newly Acquired Property**

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

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

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

## **8. Off-Premises Service Interruption**

This Form is extended to cover loss of business income arising from the interruption of business resulting from the direct physical loss of or damage to **stock** on the **premises** caused by a change of temperature or dampness or dryness of atmosphere, provided that such loss or damage results directly from an insured peril to **off-premises** public utility generating plants, switching stations, substations, transformers and pumping stations, including underground transmission lines and pipes, that generate and supply electricity, water, gas or steam to the insured property.

Such damaged apparatus must be located within 100 kilometres of the location specified on the Declaration Page(s).

This coverage does not insure loss or damage arising from loss of or damage to overhead electrical transmission or distribution lines (or their supporting structures) that are off the **premises**.

This Extension of coverage shall apply only if the **off-premises** service interruption exceeds 24 consecutive hours. The Insured shall then be eligible to indemnity from the beginning of the service interruption.

## **9. Product Research & Development Business Income Extension**

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

## **10. Professional Fees**

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

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

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

## **11. Tenant's Leasehold Interest – Rents**

If, as a result of direct physical loss of or damage to insured property from an insured peril, the landlord terminates the lease in accordance with the conditions of the lease, this Extension to cover the difference between the higher rent at the new premises and the rent stipulated in the prior lease for:

- 11.1. the unexpired term of the prior lease; or
- 11.2. twenty-four (24) months from the date of loss; whichever time period is shorter.

The difference shall be calculated on the basis that the new premises are of similar size, condition and location without allowances for improvement.

**PROPERTY COVERAGE****EARTHQUAKE SHOCK ENDORSEMENT**

This endorsement changes the policy. Please read it carefully.

Certain words and phrases in bold font have special meaning as defined below or in the form to which this endorsement is attached.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this form; these titles have only been inserted for ease of reading.

This endorsement applies to the Property Coverage of the policy and is subject to the terms, conditions, limitations and exclusions that are applicable to the Property Insurance Form to which this endorsement is attached.

This endorsement applies separately to each location for which Earthquake Shock is specified in the Declaration Page(s).

**1. INSURED PERIL**

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

**2. DEDUCTIBLE**

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

If a percentage deductible is specified, the amount of the deductible shall be that percentage of the amount of insurance for each item of insured property separately, as each such item is specified on the Declaration Page(s) 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 deductible and a percentage deductible are specified on the Declaration Page(s), 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**.

In the case only of Builders Risk insurance, the amount of the deductible shall be that percentage of total insured values existing at the time of an **earthquake occurrence**.

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**:

- 3.1. fire, explosion, or smoke;
- 3.2. **leakage from fire protective equipment**;
- 3.3. theft, vandalism, or **malicious acts**;
- 3.4. 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 of or damage to the insured property caused by wind, hail, rain or snow entering a building through an opening in the roof or walls directly resulting from **earthquake**.

**5. DEFINITIONS**

- 5.1. **Earthquake** includes snowslide, landslide, or other earth movements occurring concurrently with and directly resulting from an earthquake shock.
- 5.2. **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.
- 5.3. **Surface water** means water or natural precipitation temporarily diffused over the surface of the ground.

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

**PROPERTY COVERAGE****FLOOD ENDORSEMENT**

This endorsement changes the policy. Please read it carefully.

Certain words and phrases in **bold** have special meaning as defined below or in the form to which this endorsement is attached.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this form; these titles have only been inserted for ease of reading.

This endorsement applies to the Property Coverage of the policy and is subject to the terms, conditions, limitations and exclusions that are applicable to the Property Insurance Form to which this endorsement is attached.

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

**1. INSURED PERIL**

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

**2. DEDUCTIBLE**

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

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

**3. EXCLUSIONS**

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

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

**4. EXTENSION OF COVERAGE**

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

**5. DEFINITIONS**

5.1. **Flood** means the breaking out or overflow of any natural or artificial body of water and includes **surface water**, waves, tides, tidal waves and tsunamis.

5.2. **Flood occurrence** means all flooding which occurs within any 168 consecutive hours commencing during the policy period on or after the effective date of this endorsement. The expiration of this policy will not reduce the 168 hour period.

5.3. **Surface water** means water or natural precipitation temporarily diffused over the surface of the ground.

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

This endorsement changes the policy. Please read it carefully.

Words and phrases in bold have special meaning as defined below or in the form to which this endorsement is attached.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this form; these titles have only been inserted for ease of reading.

This endorsement applies to the Property Coverage of the policy and is subject to the terms, conditions, limitations and exclusions that are applicable to the Property Insurance Form to which this endorsement is attached.

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

### 1. Insured Peril

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

### 2. Deductible

The Insurer is liable for the amount by which the loss or damage caused by **sewer back up** exceeds the amount of the deductible specified on the Declarations Page(s) 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 Declaration Page(s) for this endorsement, the Insurer shall not be liable for more than that amount.

### 4. Definition

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

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

## Water Damage Deductible

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

This Endorsement Changes the Policy. Please Read it Carefully.

This endorsement modifies insurance provided under the following:  
BUILDING AND/OR CONTENTS – BROAD FORM

The Insurer is liable for the amount by which the loss or damage caused by Water Damage, with the exception of loss or damage caused by **sewer back up** or **flood**, while at the **premises**, exceeds the amount of the water damage deductible specified on the Declarations Page(s) in any one occurrence.

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

### Definitions

**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.

**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(s), of water from within sewers, sumps, septic tanks or drains.

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

## **Sewer Backup Endorsement – Concurrent Flood Deductible**

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**novex**

This Endorsement changes the policy. Please Read it Carefully.

Words and phrases in bold have special meaning as defined below or in the form to which this endorsement is attached.

Item 2. Deductible, provided under the Sewer Back Up Endorsement shown in the Declaration Page(s), is deleted in its entirety and replaced with the following:

### **2. Deductible**

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

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

In the event that the **sewer back up** occurs concurrently or in any sequence to the occasioning of loss or damage caused by **flood**, as provided by the Flood Endorsement shown in the Declarations Page(s), the **sewer back up** deductible shall be increased to the amount of deductible specified on the Declaration Page(s) for **flood** coverage.

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

## **Sewer Backup Endorsement – Concurrent Flood Exclusion**

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**novex**

This Endorsement changes the policy. Please read it carefully.

Words and phrases in bold have special meaning as defined below or in the form to which this endorsement is attached.

This Endorsement modifies the insurance provided under the Sewer Back Up Endorsement shown in the Declaration Page(s), and is only applicable in the event of a concurrent flood.

**Item 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 Declaration Page(s), of water from within sewers, sumps, septic tanks or drains.

**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.

**Surface water** means water or natural precipitation temporarily diffused over the surface of the ground.

**The following Concurrent Flood Exclusion is added:**

**5. Concurrent Flood Exclusion**

Coverage afforded by this form shall not apply in the event that the **sewer back up** occurs concurrently or in any sequence to the occasioning of loss or damage caused in whole or in part by **flood**, and the Flood Endorsement is not attached to this policy.

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

**Policy#**  
**Property**  
**GE0002**

**novex**

**Applicable to Form BF02N – Amendment to Premises Definition**

**This Endorsement Changes the Policy. Please Read it carefully.**

Words and phrases in bold have special meaning as defined below or in the form to which this endorsement is attached.

This endorsement modifies insurance provided under the BUILDING AND/OR CONTENTS – BROAD FORM.  
The Definition Section of the BUILDING AND/OR CONTENTS – BROAD FORM is amended as follows:

Section 15. Premises, is deleted and replaced by the following:

**15. PREMISES** means:

- 15.1.** the entire area within the property lines at the location(s) described in the Declaration Page(s), any location the Insured occupies and conducts therein the business operation described in the Declaration Page(s), or at any newly acquired location, including:
  - 15.1.1.** areas under adjoining sidewalks and driveways;
  - 15.1.2.** in or on vehicles within 100 metres (328 feet) of such property lines described in 15.1.;
- 15.2.** in the open within 305 metres (1000 feet) of such property lines described in 15.1;
- 15.3.** areas described in 15.1 and 15.2 that is within Canada.

**All other terms and conditions of the policy remain unchanged**

# CRIME 1.0

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## SUMMARY OF COVERAGES

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

Certain words and phrases in bold font have special meaning as defined in the DEFINITIONS Section.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.

This Form insures those coverages as specified in the Summary of Coverages Section of this Form.

In the event that more than one coverage as provided under this Form applies to the risk insured, only the coverage with the highest amount of insurance will apply.

### **Coverage 1. – Employee Dishonesty**

1. The Insurer will pay the Insured for the loss of **money, securities** and **other property** which:

- 1.1. the Insured sustains, directly resulting from one or more **fraudulent or dishonest acts** committed by an **employee**, acting alone or in collusion with others;
- 1.2. the Insured's **client** sustains, directly resulting from one or more **fraudulent or dishonest acts** committed by an **employee**, acting alone or in collusion with others.

1.2.1. However, in the event of collusion between the Insured's **employee** and the Insured's **client's** employee, there will be no coverage provided to the Insured under this insurance.

### **Coverage 2. – Theft, Robbery or Burglary**

2. The Insurer will pay the Insured for:

- 2.1. loss of, or damage to, **money** or **securities**, by their actual destruction, disappearance or theft;
- 2.2. loss of, or damage to, **other property**, by actual or attempted **safe burglary** or **robbery**;

which the Insured sustains from any of the following locations:

- a. within the **premises**, bank or similar place of safe deposit;
- b. while being carried by an armoured motor vehicle company or **messenger**;

However, the Insurer will only pay for the amount of loss or damage the Insured cannot recover:

- i. under a contract with the armoured motor vehicle company; and
- ii. from any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

c. within the living quarters of a **messenger**.

- 2.3. loss of, or damage to, **other property**, by theft while within the living quarters of a **messenger**;

- 2.4. damage to the **premises** or its exterior, directly resulting from, an actual or attempted theft, **robbery** or **safe burglary**, or by the unlawful entry or attempted unlawful entry into the **premises**, if the Insured is the owner of the **premises** or is liable for damage to the **premises**.

### **Coverage 3. – Fraud**

#### 3.1. **Money Orders or Counterfeit Money**

The Insurer will pay the Insured for loss sustained by the Insured directly resulting from the Insured's acceptance in good faith:

- 3.1.1. of a money order, or bank draft, issued or purported to have been issued by a bank, post office or express company, if such money order or bank draft is not paid upon presentation; or
- 3.1.2. of counterfeit Canadian or United States currency that is acquired during the course of the Insured's business; in exchange for merchandise, **money** or services.

### 3.2. Forgery or Alteration Coverage

3.2.1. The Insurer will pay the Insured for loss sustained by the Insured, directly resulting from:

3.2.1.1. **forgery** or alteration of a **financial instrument** by a **third party**;

3.2.1.2. **forgery** or alteration of, on or in any written instrument required in connection with a credit card or automated teller card issued to the Insured or to a partner, officer or **employee** of the Insured or to the Insured's spouse or a child residing permanently in the residence of the Insured; provided, that the Insured fully complies with the provisions, conditions and other terms under which the card was issued, and that the issued card is solely used for the Insured's business;

3.2.1.3. theft of the Insured's automated teller card, provided the Insured fully complies with the provisions, conditions and other terms under which the card was issued, and that the issued automated teller card is solely used for the Insured's business.

If the Insured is sued for refusing to pay for any instrument covered above, on the basis that it has been forged, altered or stolen, and the Insured has the Insurer's written consent to defend against the suit, the Insurer will pay for reasonable legal expenses incurred by the Insured and pay that defence. The amount that the Insurer will pay for such legal expenses and defence costs is in addition to the amount of insurance applicable to this Coverage.

### 3.3. Computer Fraud

The Insurer will pay the Insured for loss of, or damage to, **money, securities or other property**, which the Insured or the Insured's **client** sustains and that is caused directly by **computer fraud**.

### 3.4. Funds Transfer Fraud

The Insurer will pay the Insured for loss of **money** or **securities** held in a **transfer account** sustained by the Insured and directly resulting from a **fraudulent instruction** directing a **financial institution** to transfer, pay or deliver such **money** or **securities** from a **transfer account**.

## Coverage 4. – Expenses

### 4.1. Professional Fees

The Insurer will pay for necessary and reasonable fees charged by auditors, accountants, lawyers or other professionals retained by the Insured, for the purpose of producing or certifying particulars or details of the Insured's business and that are required by the Insurer in connection with a covered loss or damage and in order to arrive at the loss or damage payable under this Form.

These professional fees exclude any fees and cost of public adjusters, as well as the salary of any officer or **employee** of the Insured.

### 4.2. Theft, Robbery or Burglary Reward

If a theft, **robbery** or **burglary** occurs or is attempted, resulting in a loss or damage covered by this Form, the Insurer will pay for information that leads directly to a criminal conviction in connection with such loss or damage. The Insurer's liability under this coverage shall not be increased by the number of persons who provide information.

### 4.3. Medical Expenses

The Insurer will pay the Insured for expenses related to reasonable medical expenses incurred by a **messenger** who sustains **bodily injury** during and because of a **robbery** or attempted **robbery**.

This Form covers the following expenses:

4.3.1. first aid at the time of **bodily injury** arising from such actual or attempted **robbery**;

4.3.2. necessary medical, surgical, x-ray and dental services, including prosthetic devices;

4.3.3. necessary ambulance, hospital, and professional nursing services;

4.3.4. mental health and counselling services; and

4.3.5. in the event of death resulting from such injury, the funeral expense;

All these expenses must be incurred within twelve (12) consecutive months from the date such injury is sustained, provided:

4.3.6. such expenses are not payable under a governmental medical, dental, surgical or hospitalization plan, or under any other insurance contract;

4.3.7. such expenses are not payable under a workers' compensation, disability or medical benefits or unemployment or employment compensation law or a similar law.

### 4.4. Computer Data Restoration Expenses

The Insurer will pay the Insured for **computer data restoration expenses** incurred by the Insured and resulting directly from a loss or damage covered under Coverages 1. – Employee Dishonesty or 3.3. Computer Fraud.

## EXCLUSIONS

**This Form does not apply:**

### 1. INVENTORY COMPUTATION

Under Coverage 1. – Employee Dishonesty only, to loss or damage, or to that part of any loss or damage, where the proof of its existence or its amount, is dependent upon an inventory computation or a profit and loss computation;

### 2. MONEY DEVICES

Under Coverage 2. – Theft, Robbery or Burglary only, to loss of or damage to **money** contained in any money operated device or machine, unless the amount of **money** deposited within the device or machine is recorded by continuous recording;

### 3. GIFT CARDS

To loss of, or damage to, any gift certificate, gift card or card that has monetary exchange value. However, this exclusion does not apply to the first \$1,000 of any loss or damage insured, and is only provided if the Insured fully complies with the provisions, conditions and other terms under which the gift certificate or card was issued;

### 4. ACT BY EMPLOYEE

Under Coverage 2. – Theft, Robbery or Burglary and Coverage 3. – Fraud only, to loss or damage resulting from any fraudulent, dishonest or criminal act by an **employee**, director, trustee or authorized representative of any Insured whether acting alone or in collusion with others. This exclusion does not apply to actual or attempted **safe burglary** or **robbery**;

## 5. WAR AND INVASION

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

## 6. ACCOUNTING

To loss or damage due to accounting or arithmetical errors or omissions;

## 7. NUCLEAR

To loss or damage caused directly or indirectly:

- 7.1. By any nuclear incident (as defined in the *Nuclear Liability and Compensation Act*, any other nuclear liability act, law or statute, or any amending law) or nuclear explosion;
- 7.2. By contamination by radioactive material;

## 8. CRIMINAL ACTS

To loss or damage due to any fraudulent, dishonest or criminal act by any Insured or partner of the Insured, whether acting alone or in collusion with others;

## 9. FIRE

To any loss or damage resulting from fire however caused, except loss to **money, securities**, or loss of or damage to a safe or vault;

## 10. THREAT TO BODILY HARM OR DAMAGES

To loss of, or damage to, **money, securities** or **other property**, after it has been transferred or surrendered to a person or place outside the **premises** as a result of a threat to do:

- 10.1. Bodily harm to any person; or
- 10.2. Damage to the **premises** or property owned by the Insured or held by the Insured in any capacity;

These exclusions do not apply to loss of, or damage to, **money, securities** or **other property**, while outside the **premises** and being conveyed by a **messenger**.

## 11. DEFENSE OF LEGAL ACTION

To the defence of any legal action brought against the Insured; or to fees, costs or expenses incurred by the Insured for any legal action relating to any loss or damage covered by this Form, unless specifically stated elsewhere in this Form;

## 12. POTENTIAL INCOME

To any potential income, including but not limited to interest and dividends, not realized because of a loss or damage covered under this Form;

## 13. LEGAL LIABILITY OF INSURED

To all damages of any type for which the Insured is legally liable, except direct compensatory damage arising from a loss or damage covered under this Form;

## 14. TERRORISM

To any loss or damage caused directly or indirectly, in whole or in part, by **terrorism** or by any activity or decision of a government agency or other entity to prevent, respond to or terminate **terrorism**;

This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.

If any portion of this exclusion is found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect;

## 15. DATA

To loss of or damage to **data**, or loss or damage caused directly or indirectly by a **data problem**, except as provided under Paragraph 4.4. Computer Data Restoration Expenses;

## 16. SOCIAL ENGINEERING FRAUD

To loss or damage directly or indirectly resulting from **social engineering fraud**;

## 17. CONFIDENTIAL OR PERSONAL INFORMATION

To loss or damage resulting from:

- 17.1. the disclosure of the Insured's or any other person's or organization's confidential or personal information including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information; or
- 17.2. the use of another person's or organization's confidential or personal information including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or other type of non-public information.

## 18. GOVERNMENT AUTHORITY

To loss or damage resulting from any seizure or destruction of property by order of any governmental authority.

# GENERAL AGREEMENTS

## 1. CONSOLIDATION, MERGER OR PURCHASE

If the Insured consolidates or merges with, or purchases or acquires the assets of another entity, the coverage provided by this Form shall be extended to such consolidated or merged entity or such purchased or acquired assets, provided the Insured shall give the Insurer written notice thereof within sixty (60) days thereafter and shall pay the Insurer an additional premium computed pro rata from the date of such consolidation, merger or purchase to the end of the **current policy period**.

## 2. JOINT INSURED

If more than one Insured is covered under this Form, the Insured first named shall act for itself and for every other Insured for all purposes of this Form.

Knowledge possessed, or discovery made by any Insured or by any partner or officer shall, for the purposes of General Agreements 11. PRIOR FRAUD, DISHONESTY OR CANCELLATION, 12. LOSS–NOTICE–PROOF–ACTION AGAINST INSURER and 18. CANCELLATION AS TO ANY EMPLOYEE, constitute knowledge possessed or discovery made by every Insured. Cancellation of the insurance as respects any **employee** as provided in General Agreement 18. below shall apply to every Insured.

If, prior to the cancellation or termination of this policy, this policy or any Coverage hereof is cancelled or terminated as to any Insured, there shall be no liability for any loss or damage sustained by such Insured unless discovered within one year from the date of such cancellation or termination.

Payment by the Insurer to the Insured first named of any loss or damage under this Form shall fully release the Insurer on account of such loss.

If the Insured first named ceases for any reason to be covered under this Form, then the Insured next named shall thereafter be considered as the Insured first named for all purposes of this Form.

### 3. TERRITORY

This Form insures acts committed or events occurring:

- 3.1. With respect to Coverage 1. – Employee Dishonesty:
  - 3.1.1. within Canada and the United States of America (including their territories and possessions);
  - 3.1.2. anywhere in the world, for loss or damage caused by any **employee** temporarily outside of the territory specified in 3.1.1. above, for a period not exceeding ninety (90) days;
- 3.2. With respect to Coverages 2. – Theft, Robbery or Burglary, 3.1. Money Orders or Counterfeit Money, 3.3. Computer Fraud, and 3.4. Funds Transfer Fraud, within Canada and the United States of America (including their territories and possessions);
- 3.3. With respect to Coverage 3.2. Forgery or Alteration, anywhere in the world.

### 4. LOSS COVERED UNDER THIS POLICY AND PRIOR INSURANCE ISSUED BY THE INSURER

With respect to loss or damage which occurs:

- 4.1. partly during the **policy period**; and
- 4.2. partly during the period of other bonds or policies issued by the Insurer to the Insured or to any predecessor in interest of the Insured and terminated or cancelled or allowed to expire and in which the period for discovery has not expired at the time any such loss or damage is discovered;

The most the Insurer will pay is the larger of the amount recoverable under this Form or the prior insurance.

### 5. LOSS COVERED UNDER PRIOR INSURANCE

- 5.1. If the Insured or any predecessor in interest sustained a loss or damage during the period of any prior insurance that the Insured or such predecessor would have recovered under that insurance except that the time within which to discover the loss or damage had expired, the Insurer will pay for it under this Form, provided:
  - 5.1.1. the loss or damage is first discovered during the **current policy period**;
  - 5.1.2. the loss or damage would have been recoverable under the immediately preceding insurance, which prior policy is terminated, cancelled or allowed to expire as of the time of such substitution; and
  - 5.1.3. the loss or damage would have been covered by this Form had this Form been in effect when the loss or damage occurred.
- 5.2. The coverage under this General Agreement 5. is part of, and not in addition to, the amount of insurance applying under this Form and is limited to the lesser of the amount recoverable under:
  - 5.2.1. this Form as of the date such loss or damage was first discovered;
  - 5.2.2. this Form as of the date it was substituted for the prior insurance; or
  - 5.2.3. the prior insurance had it remained in effect.

### 6. LOSS OR DAMAGE SUSTAINED

Subject to General Agreement 5. LOSS COVERED UNDER PRIOR INSURANCE above, this Form applies only to acts committed or events which occurs during the **policy period** shown on the Declaration Page(s), and which are discovered by the Insured during the **policy period**, or during the period of time described under General Agreement 7. EXTENDED PERIOD TO DISCOVER LOSS below.

### 7. EXTENDED PERIOD TO DISCOVER LOSS

If, prior to the cancellation or termination of this policy, this policy or any Coverage is cancelled or terminated as to any Insured, there shall be no liability for any loss or damage sustained by such Insured unless discovered within one year from the date of such cancellation or termination.

### 8. LOSS CAUSED BY UNIDENTIFIABLE EMPLOYEES

If a loss or damage is alleged to have been caused by the **fraudulent or dishonest acts** of any **employee(s)** and the Insured is unable to identify the specific **employee(s)** causing such loss or damage, the Insured will have the benefit of Coverage 1. – Employee Dishonesty, subject to the provisions of the Exclusions to this policy, provided that the evidence submitted reasonably proves that the loss or damage was in fact due to the **fraudulent or dishonest acts** of **employee(s)**, and that the total liability of the Insurer will not exceed the amount of insurance applicable to Coverage 1. – Employee Dishonesty.

### 9. OWNERSHIP OF PROPERTY; INTERESTS COVERED

#### 9.1. Insured's Property

The property covered under this Form is limited to property that the Insured owns or leases, that is held by the Insured in any capacity or for which the Insured is legally liable, provided the Insured was liable for the property prior to the time the loss or damage was sustained.

#### 9.2. Client's Property

Solely with respect to the **client** coverage, the property covered under this Form is limited to property that the **client** owns or leases, that is held by the **client** in any capacity or for which the **client** is legally liable, provided the **client** was liable for the property prior to the time the loss or damage was sustained.

However, this insurance is for the Insured's benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss or damage that is covered under this Form must be presented by the Insured.

### 10. RECORDS

The Insured must keep records of all property insured under this Form in such manner from which the Insurer can accurately verify the amount of loss or damage.

### 11. PRIOR FRAUD, DISHONESTY OR CANCELLATION

Coverage 1. – Employee Dishonesty will not apply to any **employee** from the time that the Insured, any partner of the Insured or officer not in collusion with the **employee**, has knowledge or information that the **employee** has committed any **fraudulent or dishonest act**, whether the act was committed before or after the date of employment by the Insured.

If, prior to the issuance of this Form, any fidelity insurance in favour of the Insured or any predecessor in interest of the Insured and covering one or more of the Insured's **employee(s)** has been cancelled for any of such **employee(s)** by written notice of cancellation by that Insurer, and, if the **employee(s)** has not been reinstated under the coverage of that fidelity insurance or superseding fidelity insurance, the Insurer will not be liable on account of such **employee(s)** unless the Insurer has agreed in writing to include such **employee(s)** within Coverage 1. – Employee Dishonesty.

### 12. LOSS – NOTICE – PROOF – ACTION AGAINST INSURER

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

- 12.1. give notice thereof as soon as practicable to the Insurer or any of its authorized agents and, except under Coverages 1. – Employee Dishonesty and 3.2. Forgery or Alteration, also to the police if the loss or damage is due to a violation of law;
- 12.2. file detailed proof of loss or damage, duly sworn to, with the Insurer within four months after the discovery of loss or damage.

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

At the Insurer's request, the Insured must submit to examination, under oath if required, by the Insurer, all at reasonable times and places as the Insurer will designate. The Insured will cooperate with the Insurer in all matters pertaining to loss, damage or claims.

No action shall lie against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this policy, nor until 90 days after the required proofs of loss or damage have been filed with the Insurer, nor at all unless commenced within two years from the date when the Insured discovered the loss or damage, except in Québec, where such commencement begins within three (3) years of the discovery of such loss or damage.

If any limitation of time for notice of loss or damage or any legal proceeding herein contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this policy, the shortest permissible statutory limitation of time shall govern and shall supersede the time limitation herein stated.

### **13. BASIS OF VALUATION – PAYMENT – REPLACEMENT**

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

#### **13.1. Loss of money:**

The Insurer will pay for loss of or damage to **money**, but only up to its face value. The Insurer may, at its option, pay for loss of or damage to **money** issued by any country other than Canada:

13.1.1. at face value in the **money** issued by that country; or

13.1.2. in the Canadian dollar equivalent determined by the rate of exchange on the day the loss or damage was first discovered.

#### **13.2. Loss of Securities**

The Insurer will pay for loss of or damage to **securities**, but only for the market value of such **securities** at the close of business on the business day immediately preceding the day on which the loss was discovered.

#### **13.3. Loss of or Damage to Other Property or Damage to Premises**

In case of loss of or damage to **other property** or damage the **premises**, the Insurer shall not be liable for more than:

13.3.1. the actual cash value of such property; or

13.3.2. the actual cost of repairing such property or of replacing same with property or material of like quality and value.

The Insurer may, at its election, pay such actual cash value, or make such repairs or replacements. If the Insurer and the Insured cannot agree upon such cash value or such cost of repairs or replacements, such cash value or such cost shall be determined by arbitration.

### **14. RECOVERIES**

Any recoveries, less the cost of effecting such recoveries, made after settlement of a loss or damage covered under this Form, shall be distributed as follows:

14.1. First, to the Insured in satisfaction of its covered loss or damage in excess of the applicable amount of insurance and any applicable deductible amount;

14.2. Second, to the Insurer in satisfaction of the amounts paid to an Insured for a covered loss or damage;

14.3. Third, to an Insured in satisfaction of any deductible amount applicable to such loss or damage.

Recoveries do not include any amounts recovered from insurance, suretyship, reinsurance, security or indemnity taken for the Insurer's benefit.

### **15. AMOUNT OF INSURANCE**

The Insurer's total liability for all loss or damage resulting directly from an **occurrence** is the applicable amount of insurance shown in the Declaration Page(s) under each Coverage Section.

The maximum liability of the Insurer for loss or damage sustained will not exceed the amount of insurance as shown on the Declaration Page(s), regardless of the number of Insureds sustaining the loss.

Regardless of the number of years this policy continues in force and the number of premiums payable or paid, the limit of the Insurer's liability as specified on the Declaration Page(s) are not cumulative from **policy period** to **policy period**.

### **16. OTHER INSURANCE**

#### **16.1. Insurance Issued by The Insurer or Any Subsidiary**

Coverage provided under this Form may also be provided elsewhere by other coverages issued by the Insurer or a subsidiary of the parent of the Insurer to the Insured. In the event of any such coverage duplication or overlap, the limits afforded under the different coverages only and issued by the Insurer or a subsidiary of the parent of the Insurer to the Insured shall be cumulative, and this, notwithstanding any other provision to the contrary contained elsewhere within this policy or in any other policy issued by the Insurer or a subsidiary of the parent of the Insurer to the Insured.

In the event such loss or damage would also be afforded or invoked under any other valid or collectible insurance maintained by the Insured, except an insurance policy issued by the Insurer or a subsidiary of the parent of the Insurer, the provisions of clause 16.2. below will prevail.

#### **16.2. Insurance Issued by Another Insurer**

Under any other Coverage provided by this Form, if there is any other valid and collectible insurance (except for an insurance policy issued by the Insurer or a subsidiary of the parent of the Insurer as described under Paragraph 16.1. above), which would apply in the absence of such Coverage, the insurance under this policy shall apply only as excess insurance over such other insurance, except in the province of Québec where each of the Insureds under its respective contract is liable to the Insured for its rateable proportion of the loss or damage.

### **17. SUBROGATION**

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

### **18. CANCELLATION AS TO ANY EMPLOYEE**

Coverage 1. – Employee Dishonesty, shall be deemed cancelled as to any **employee**:

18.1. Immediately upon discovery by the Insured, or by any partner or officer thereof not in collusion with such **employee**, of any **fraudulent or dishonest act** on the part of such **employee**; or

18.2. Except in the province of Quebec, at 12:01 a.m. standard time as per the terms mentioned above, upon the effective date specified in a written notice mailed to the Insured.

Such date shall be not less than fifteen days after the date of mailing. The mailing by the Insurer of this notice to the Insured at the address shown in the Declaration Page(s) shall be sufficient proof of notice. Delivery of such written notice by the Insurer shall be equivalent to mailing. In the province of Quebec, cancellation shall be made by endorsement only.

### **19. NO BENEFIT TO BAILEE**

This General Agreement applies only to Coverage 2. – Theft, Robbery or Burglary.

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

### **20. DEDUCTIBLE**

The Insurer will not pay for loss or damage directly resulting from an **occurrence**, unless the amount of loss or damage exceeds any deductible amount shown on the Declaration Page(s). The Insurer will then pay the amount of loss in excess of the deductible amount, up to the applicable amount of insurance.

## DEFINITIONS

Wherever used in this Form:

1. **Bodily injury** means bodily or mental injury, disability or shock sustained by a person, including death.
2. **Client** means a customer of the Insured to whom such Insured provides goods or services pursuant to a written contract or for a fee.
3. **Computer data restoration expenses** means reasonable expenses, other than the Insured's internal corporate costs, fees, wages and salary, incurred by the Insured, with the Insurer's prior written consent, to reproduce or duplicate damaged or destroyed **data** that was stored in the Insured's **computer system** and was damaged or destroyed directly as a result of a loss covered under Coverage 1. – Employee Dishonesty or 3.3. Computer Fraud. Such damaged or destroyed **data** shall be reproduced or duplicated from other **data** available to the Insured.  
However, if such damaged or destroyed **data** cannot be reproduced or duplicated from other **data**, then **computer data restoration expenses** means reasonable costs, other than the Insured's internal corporate costs, fees, wages and salary, incurred by the Insured for computer programmers or technology consultants to restore such damaged or destroyed **data** to substantially the same level existing immediately before the covered loss. **Computer data restoration expenses** shall not include any expenses incurred by a **client**.
4. **Computer fraud** means the unlawful taking of **money, securities or other property** resulting from:
  - 4.1. The unauthorized entry of **data** or computer instructions directly into; or
  - 4.2. The unauthorized change of **data** or computer instructions within;  
a **computer system**, including any such entry or change made via the internet, by a natural person or entity, other than an **employee** or any individual under the direct supervision of the Insured.  
**Computer fraud** does not include **social engineering fraud**.
5. **Computer system** means any computer or network of computers, including its input, output, processing, storage and communication facilities, operating system or application software, that is rented by, owned by, leased by, licensed to, or under the direct operational control of, the Insured.
6. **Data** means representations of information or concepts, in any form stored in a **computer system**.
7. **Data problem** means:
  - 7.1. Erasure, destruction, corruption, misappropriation, misinterpretation of **data**;
  - 7.2. Error in creating, amending, entering, deleting or using **data**; or
  - 7.3. Inability to receive, transmit or use **data**.
8. **Employee** means:
  - 8.1. Any natural person:
    - 8.1.1. While in the Insured's service and for the first thirty (30) days immediately after termination of service, unless such termination is due to any **fraudulent or dishonest acts** committed by such natural person;
    - 8.1.2. Who the Insured compensates directly by salary, wages or commissions; and
    - 8.1.3. Who the Insured has the right to direct and control while performing services for the Insured;
  - 8.2. Any natural person who is furnished temporarily to the Insured:
    - 8.2.1. To substitute for a permanent **employee**, as defined in Paragraph 8.1. who is on leave; or
    - 8.2.2. To meet seasonal or short-term workload conditions;  
Who the Insured compensates directly by salary, wages or commissions and while that person is subject to the Insured's direction and control and performing services for the Insured;
  - 8.3. Any natural person whose services are leased to the Insured under a written agreement between the Insured and a labor leasing firm, to perform duties related to the conduct of the Insured's business, but excluding any temporary **employee** defined in Paragraph 8.2. above; or
  - 8.4. Any natural person who is a former **employee** retained by the Insured as a consultant while performing services for the Insured;**Employee** does not mean:
  - 8.5. Any volunteer, agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in this Paragraph 8. Above;
  - 8.6. Any director or trustee, except while performing acts coming within the scope of the usual duties of an **employee**.
9. **Financial institution** means:
  - 9.1. A bank, trust company, savings bank, credit union, savings and loan association, or similar banking institution; or
  - 9.2. A stock brokerage firm, mutual fund, liquid assets fund, or similar investment institution.
10. **Financial instrument** means any cheque, draft, promissory note, or similar written promise, order or direction to pay a sum certain in **money** that is made, drawn by or drawn upon the Insured or made or drawn by anyone acting as the Insured's agent, or that is purported to have been so made or drawn.
11. **Forgery** means the signing of the name of another person or entity with intent to deceive. **Forgery** does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose. Facsimile, mechanical or electronically produced or reproduced signatures shall be treated the same as original signatures.
12. **Fraudulent instruction** means:
  - 12.1. An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction which purports to have been transmitted by the Insured, but which was, in fact, fraudulently transmitted by another party without the Insured's knowledge or consent;
  - 12.2. A written instruction issued by the Insured, which was forged or altered by another party without the Insured's knowledge or consent, or which purports to have been issued by the Insured, but which was, in fact, fraudulently issued without the Insured's knowledge or consent; provided, that this Paragraph 12.2. does not include any **forgery** covered under Paragraph 3.2. Forgery or Alteration.
13. **Fraudulent or dishonest acts** means only fraudulent or dishonest acts committed by an **employee** with the manifest intent:
  - 13.1. To cause the Insured to sustain such loss or damage; and
  - 13.2. To cause the Insured's **client** to sustain such loss or damage, solely for the purposes of the coverage afforded under Paragraph 1.2. of Coverage 1. – Employee Dishonesty; and
  - 13.3. To obtain financial benefit for the **employee**, or for any other person or organization intended by the **employee** to receive such benefit, but does not mean benefits earned in the normal course of employment.

**14. Messenger** means the Insured or a partner of the Insured or any **employee** who is duly authorized by the Insured to have the care and custody of the property insured under this Form located outside or within the **premises**. **Messenger** does not include any person acting as a watchman, porter or janitor.

**15. Money** means:

- 15.1. Currency, coins, bank notes and bullion; and
- 15.2. Travellers' cheques, registered cheques and money orders, held for sale to the public.

**Money** does not include **virtual currency**.

**16. Occurrence** means:

- 16.1. As with respect to Coverage 1. – Employee Dishonesty, all loss or damage caused by, or involving, one or more **employees**, whether the result of a single act or series of acts;
- 16.2. As with respect to Coverage 3.2. Forgery or Alteration, all loss caused by any person or in which that person is involved, whether the loss or damage involves one or more instruments;
- 16.3. As respects all other Coverages:
  - 16.3.1. An act or event, or series of related acts or events, involving one or more persons; or
  - 16.3.2. An act or event, or a series of related acts or events, not involving any person.

**17. Other property** means any tangible property, other than **money** and **securities**, that has an intrinsic value.

**Other Property** does not include:

- 17.1. Intangible property such as computer programs or electronic data;
- 17.2. Any Insured's or another entity's or person's confidential or personal information;
- 17.3. Any property excluded under this Form; or
- 17.4. **Virtual currency**.

**18. Policy period** means each consecutive period of twelve (12) months included in the policy period shown on the Declaration Page(s). The first twelve-month period starts on the inception date of the policy and the subsequent period starts at the expiry of the first twelve-month period.

**19. Premises** means:

- 19.1. The interior of that portion of any building; or
- 19.2. Any temporary booth or similar location;

Which is occupied by the Insured in conducting its business.

For **robbery** only, the **premises** also include the space immediately surrounding such **premises**.

**20. Robbery** means the unlawful taking of property from the care and custody of a person by someone who has:

- 20.1. Caused or threatened to cause that person bodily harm; or
- 20.2. Committed an overt unlawful act witnessed by that person and of which that person was actually cognizant.

**21. Safe burglary** means the unlawful taking of property from within a locked safe or vault by forcible or violent entry, as evidenced by visible marks upon its exterior, or the unlawful taking of a safe or vault from within the **premises**.

**22. Securities** means all negotiable and non-negotiable instruments or contracts representing either **money** or **other property** and includes revenue and other stamps in current use, tokens and tickets. **Securities** does not include **money** or **virtual currency**.

**23. Social engineering fraud** means the intentional misleading of an **employee** or the Insured (if the Insured named in the Declaration Page(s) is a natural person who is a sole proprietor), through the use of an instruction received by the **employee** or the Insured that:

- 23.1. Causes such **employee** or such Insured to transfer, pay, or deliver **money**, **securities** or **other property**;
- 23.2. Contains a misrepresentation of a material fact; and
- 23.3. is relied upon by such **employee** or such Insured, believing the material fact to be true.

**24. Terrorism** means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

**25. Third party** means a natural person, other than:

- 25.1. An **employee**; or
- 25.2. A natural person acting in collusion with an **employee**.

**26. Transfer account** means an account maintained by the Insured at a **financial institution** from which the Insured can initiate the transfer, payment or delivery of **money** or **securities** by means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system, or by means of written instructions establishing the conditions under which such transfers are to be initiated by such **financial institution** through an electronic funds transfer system.

**27. Virtual currency** means a digital or electronic medium of exchange that is used and accepted as a means of payment, but that is not issued by, or guaranteed by, a central bank, government or public authority.

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Throughout this Policy the words "you" and "your" refer to the Named Insured shown in the Declaration Page(s), and any other person or organization qualifying as a Named Insured under Paragraph 3. of Section II – Who Is An Insured. The words "we", "us" and "our" refer to the company providing this insurance.

The word "Insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

**Other words and phrases that appear in bold have special meaning. Refer to Section IV – Definitions.**

**The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.**

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

## SECTION I – COVERAGES

### COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

This insurance applies only when a Limit of Insurance - Each Occurrence is indicated in the Declaration Page(s).

#### 1. INSURING AGREEMENT

- 1.1. We will pay those sums that the Insured becomes legally obligated to pay as **compensatory damages** because of **bodily injury or property damage** to which this insurance applies. We will have the right and duty to defend the Insured against any **action** seeking those **compensatory damages**. However, we will have no duty to defend the Insured against any **action** seeking **compensatory damages** for **bodily injury or property damage** to which this insurance does not apply. We may, at our discretion, investigate any **occurrence** and settle any claim or **action** that may result. But:
  - 1.1.1. The amount we will pay for **compensatory damages** is limited as described in Section III – Limits of Insurance and Deductibles; and
  - 1.1.2. Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical payments under Coverage C.
- No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A, B and D.
- 1.2. This insurance applies to **bodily injury and property damage** only if:
  - 1.2.1. The **bodily injury or property damage** is caused by an **occurrence** that takes place in the **coverage territory**; and
  - 1.2.2. The **bodily injury or property damage** occurs during the **policy period**; and
  - 1.2.3. Prior to the **policy period**, no Insured listed under Paragraph 1. of Section II – Who Is An Insured and no **employee** authorized by you to give or receive notice of an **occurrence** or claim, knew that the **bodily injury or property damage** had occurred, in whole or in part. If such a listed Insured or authorized **employee** knew, prior to the **policy period**, that the **bodily injury or property damage** occurred, then any continuation, change or resumption of such **bodily injury or property damage** during or after the **policy period** will be deemed to have been known prior to the **policy period**.
- 1.3. **Bodily injury or property damage** which occurs during the **policy period** and was not, prior to the **policy period**, known to have occurred by any Insured listed under Paragraph 1. of Section II – Who Is An Insured or any **employee** authorized by you to give or receive notice of an **occurrence** or claim, and includes any continuation, change or resumption of that **bodily injury or property damage** after the end of the **policy period**.
- 1.4. **Bodily injury or property damage** will be deemed to have been known to have occurred at the earliest time when any Insured listed under Paragraph 1. of Section II – Who Is An Insured or any **employee** authorized by you to give or receive notice of an **occurrence** or claim:
  - 1.4.1. Reports all or any part, of the **bodily injury or property damage** to us or any other insurer;
  - 1.4.2. Receives a written or verbal demand or claim for **compensatory damages** because of the **bodily injury or property damage**; or
  - 1.4.3. Becomes aware by any other means that **bodily injury or property damage** has occurred or has begun to occur.
- 1.5. **Compensatory damages** because of **bodily injury** include **compensatory damages** claimed by any person or organization for care, loss of services or death resulting at any time from the **bodily injury**.

#### 2. EXCLUSIONS

##### This insurance does not apply to:

- 2.1. Expected or Intended Injury or Damage  
**Bodily injury or property damage** expected or intended from the standpoint of the Insured. This exclusion does not apply to **bodily injury or property damage** resulting from the use of reasonable force to protect persons or property.
- 2.2. Contractual Liability  
**Bodily injury or property damage** for which the Insured is obligated to pay **compensatory damages** by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for **compensatory damages**:
  - 2.2.1. That the Insured would have in the absence of the contract or agreement; or
  - 2.2.2. Assumed in a contract or agreement that is an **insured contract**, provided the **bodily injury or property damage** occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an **insured contract**, reasonable legal fees and necessary litigation expenses incurred by or for a party other than an Insured are deemed to be **compensatory damages** because of **bodily injury or property damage**, provided:
    - 2.2.2.1. Liability to such party for, or for the cost of, that party's defence has also been assumed in the same **insured contract**; and
    - 2.2.2.2. Such legal fees and litigation expenses are for defence of that party against a civil or alternative dispute resolution proceeding in which **compensatory damages** to which this insurance applies are alleged.
- 2.3. Workers' Compensation and Similar Laws  
Any obligation of the Insured under a workers' compensation, disability benefits or unemployment or employment compensation law or any similar law.
- 2.4. Employer's Liability  
**Bodily injury** to:
  - 2.4.1. An **employee** of the Insured arising out of and in the course of:
    - 2.4.1.1. Employment by the Insured; or
    - 2.4.1.2. Performing duties related to the conduct of the Insured's business; or
  - 2.4.2. The spouse, child, parent, brother or sister of that **employee** as a consequence of sub-paragraph 2.4.1. above.

This exclusion applies:

- 2.4.3. Whether the Insured may be liable as an employer or in any other capacity; and
- 2.4.4. To any obligation to share **compensatory damages** with or repay someone else who must pay **compensatory damages** because of the injury.

**This exclusion does not apply to:**

- 2.4.5. Liability assumed by the Insured under an **insured contract** but only with respect to a Canadian resident **employee**; or
- 2.4.6. A claim made or an **action** brought by a Canadian resident **employee**, because of **bodily injury** sustained in the course of employment or while performing duties on your behalf.

2.5. Watercraft

- 2.5.1. **Bodily injury** or **property damage** arising out of the ownership, maintenance, use, operation or entrustment to others by you or on your behalf of any self-propelled watercraft that exceeds 100 tons gross registry.

**This exclusion does not apply to:**

- 2.5.2. A watercraft while ashore on premises that are owned by, rented to or controlled by you;
- 2.5.3. Sub-paragraph 2.5.1. does not apply to **bodily injury** sustained by any of your **employees** while acting on your behalf.

2.6. Aircraft

- 2.6.1. **Bodily injury** or **property damage** arising out of:

- 2.6.1.1. The ownership, maintenance, use, operation or entrustment to others, by or on behalf of the Insured of any aircraft or any air cushion vehicle;
- 2.6.1.2. The ownership, use, operation or entrustment to others by or on behalf of the Insured of any premises for the purpose of an airport or an aircraft landing area;
- 2.6.1.3. All operations that are necessary or incidental to sub-paragraph 2.6.1.1. or 2.6.1.2. above;
- 2.6.1.4. Use includes **loading or unloading**;
- 2.6.1.5. Work or operations conducted by or on behalf of the Insured at airport premises or airport property (including but not limited to any runway, hangar, taxiway, apron, or air traffic control facility), but this exclusion shall not apply to such work or operations in Canada that are conducted solely within an area that is not designated by Transport Canada (or other airport regulatory authority) as a restricted area.

2.7. Automobile

- 2.7.1. **Bodily injury** or **property damage** arising directly or indirectly, in whole or in part, out of the ownership, maintenance, use, operation or entrustment to others of any **automobile** owned or operated by, or on behalf of, or rented or loaned to any Insured;

- 2.7.2. This exclusion also applies to any:

- 2.7.2.1. Motorized snow vehicle or its trailers, except when being used for your business; or
- 2.7.2.2. Vehicle while being used in any speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity.

- 2.7.3. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the **bodily injury** or **property damage**.

**This exclusion does not apply to:**

- 2.7.4. **Bodily injury** to an **employee** of the Insured on whose behalf contributions are made by or required to be made by the Insured under the provisions of any Canadian provincial or territorial workers' compensation law;
- 2.7.5. **Bodily injury** or **property damage** arising out of a defective condition in, or improper maintenance of, any **automobile** that is owned by the Insured while leased to others for a period of thirty (30) days or more provided the lessee is obligated under contract to ensure that the **automobile** is insured;
- 2.7.6. **Bodily injury** or **property damage** liability imposed by law upon the Insured for loss or damage arising out of the ownership, maintenance, use or operation of machinery or apparatus (including its equipment), mounted on or attached to any **automobile** at the site of the use or operation of such machinery or apparatus and provided the Insured is not insured for liability arising out of the ownership, use or operation of such mounted or attached machinery or apparatus under any automobile policy.

2.8. Damage to Property

**Property damage to:**

- 2.8.1. Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- 2.8.2. Premises you sell, give away or abandon, if the **property damage** arises out of any part of those premises;
- 2.8.3. Property loaned to you;
- 2.8.4. Personal property in your care, custody or control, including but not limited to:
  - 2.8.4.1. Property held by you for sale or entrusted to you for storage or safekeeping;
  - 2.8.4.2. Property being on premises that is owned or rented by you for the purpose of having operations performed on such property by the Insured;
- 2.8.5. That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the **property damage** arises out of those operations; or
- 2.8.6. That particular part of any property that must be restored, repaired or replaced because **your work** was incorrectly performed on it.

Sub-paragraph 2.8.2. of this exclusion does not apply if the premises are **your work** and were occupied, rented or held for rental by you, for a period not exceeding twelve (12) months.

Sub-paragraphs 2.8.3., 2.8.4., 2.8.5. and 2.8.6. of this exclusion do not apply to liability assumed under a sidetrack agreement.

Sub-paragraph 2.8.6. of this exclusion does not apply to **property damage** included in the **products-completed operations hazard**.

2.9. Damage to Your Product

**Property damage to your product** arising out of it or any part of it. This exclusion is replaced by exclusion 2.9.1., but only in respect to your operations related to the business of selling, repairing, or servicing automobiles:

- 2.9.1. **Property damage to your product** arising out of it or any part of it if caused by a defect existing at the time it was sold or transferred to another.

2.10. Damage to Your Work

**Property damage** to that particular part of **your work** arising out of it or any part of it and included in the **products-completed operations hazard**, this exclusion shall only apply to that part of **your work** that is defective.

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

- 2.11. Damage to Impaired Property or Property not Physically Injured
 

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

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

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to **your product** or **your work** after it has been put to its intended use.
- 2.12. Recall of Products, Work or Impaired Property
 

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

  - 2.12.1. **Your product**;
  - 2.12.2. **Your work**; or
  - 2.12.3. **Impaired property**;

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

**Compensatory damages** arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate **electronic data**.
- 2.14. Access to or Disclosure of Confidential or Personal Information (Privacy Breach)
 

**Compensatory damages** arising out of any access to or disclosure of any person's or organization's confidential or personal information, including but not limited to patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information.
- 2.15. Personal Injury and Advertising Injury
 

**Bodily injury** arising out of **personal injury** or **advertising injury**.
- 2.16. Professional Services
 

**Bodily injury** (other than **incidental medical malpractice injury**), or **property damage** due to the rendering of or failure to render by you or on your behalf of any **professional services** for others, or any error or omission, malpractice or mistake in providing those services.
- 2.17. Asbestos - see Common Exclusions.
- 2.18. Fungi or Spores - see Common Exclusions.
- 2.19. Nuclear Energy Liability - see Common Exclusions.
- 2.20. Pollution - see Common Exclusions.
- 2.21. Terrorism - see Common Exclusions.
- 2.22. War Risks - see Common Exclusions.
- 2.23. Unsolicited Communication - see Common Exclusions.

## COVERAGE B - PERSONAL INJURY AND ADVERTISING INJURY LIABILITY

This insurance applies only when a Personal Injury and Advertising Injury Limit of Insurance is indicated in the Declaration Page(s).

### 1. INSURING AGREEMENT

- 1.1. We will pay those sums that the Insured becomes legally obligated to pay as **compensatory damages** because of **personal injury** or **advertising injury** to which this insurance applies. We will have the right and duty to defend the Insured against any **action** seeking those **compensatory damages**. However, we will have no duty to defend the Insured against any **action** seeking **compensatory damages** for **personal injury** or **advertising injury** to which this insurance does not apply. We may, at our discretion, investigate any offence and settle any claim or **action** that may result. But:
  - 1.1.1. The amount we will pay for **compensatory damages** is limited as described in Section III - Limits of Insurance and Deductibles; and
  - 1.1.2. Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical payments under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A, B and D.
- 1.2. This insurance applies to **personal injury** and **advertising injury** caused by an offence arising out of your business but only if the offence was committed in the **coverage territory** during the **policy period**.

### 2. EXCLUSIONS

#### This insurance does not apply to:

- 2.1. Knowing Violation of Rights of Another
 

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

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

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

**Personal injury** or **advertising injury** arising out of a criminal act committed by or at the direction of the Insured.
- 2.5. Contractual Liability
 

**Advertising injury** for which the Insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for **compensatory damages** that the Insured would have in the absence of the contract or agreement.
- 2.6. Breach of Contract
 

**Advertising injury** arising out of a breach of contract, except an implied contract to use another's advertising idea in your **advertisement**.

2.7. Quality or Performance of Goods - Failure to Conform to Statements  
**Advertising injury** arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your **advertisement**.

2.8. Wrong Description of Prices  
**Advertising injury** arising out of the wrong description of the price of goods, products or services stated in your **advertisement**.

2.9. Infringement of Copyright, Patent, Trademark or Trade Secret  
**Personal injury** and **advertising injury** arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. However, this exclusion does not apply to infringement, in your **advertisement**, of copyright, trade dress or slogan.

2.10. Insureds in Media and Internet Type Businesses  
**Personal injury** or **advertising injury** committed by an Insured whose business is:

- 2.10.1. Advertising, broadcasting, publishing or telecasting;
- 2.10.2. Designing or determining content of web-sites for others; or
- 2.10.3. An Internet search, access, content or service provider.

**However, this exclusion does not apply to:**

- 2.10.4. False arrest, detention or imprisonment;
- 2.10.5. Malicious prosecution;
- 2.10.6. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

2.11. Interactive Websites, Electronic Chatrooms, Interactive Forums or Bulletin Boards  
**Personal Injury** or **advertising injury** arising out of an electronic interactive website, a chatroom, an interactive forum or a bulletin board the Insured hosts, owns, or over which the Insured exercises control.

2.12. Unauthorized Use of Another's Name or Product  
**Advertising injury** arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

2.13. Access to or Disclosure of Confidential or Personal Information (Privacy Breach)  
**Personal injury** or **advertising injury** arising out of any access to or disclosure of any person's or organization's confidential or personal information, including but not limited to patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information.

- 2.14. Asbestos - see Common Exclusions.
- 2.15. Fungi or Spores - see Common Exclusions.
- 2.16. Nuclear Energy Liability - see Common Exclusions.
- 2.17. Pollution - see Common Exclusions.
- 2.18. Terrorism - see Common Exclusions.
- 2.19. War Risks - see Common Exclusions.
- 2.20. Unsolicited Communication - see Common Exclusions.

## COVERAGE C - MEDICAL PAYMENTS

This insurance applies only when a Medical Payments Limit of Insurance is indicated in the Declaration Page(s).

### 1. INSURING AGREEMENT

- 1.1. We will pay medical expenses as described below for **bodily injury** caused by an accident:
  - 1.1.1. On premises you own or rent;
  - 1.1.2. On ways next to premises you own or rent; or
  - 1.1.3. Because of your operations.

provided that:

  - 1.1.4. The accident takes place in the **coverage territory** and during the **policy period**; and
  - 1.1.5. The injured person submits to an examination, at our expense, by physicians of our choice as often as we reasonably require.
- 1.2. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance as described in Section III - Limits of Insurance and Deductibles. We will pay reasonable expenses for:
  - 1.2.1. First aid administered at the time of an accident;
  - 1.2.2. Necessary medical, surgical, x-ray and dental services, including prosthetic devices;
  - 1.2.3. Necessary ambulance, hospital, professional nursing and funeral services; and
  - 1.2.4. Travel and babysitting expenses.

### 2. EXCLUSIONS

#### We will not pay expenses for bodily injury:

- 2.1. Any Insured  
To any Insured, except **volunteer workers**.
- 2.2. Hired Person  
To any person while engaged in maintenance and repair of the insured premises or alteration, demolition or construction operations at such premises.
- 2.3. Injury on Normally Occupied Premises  
To any person injured on that part of premises you own or rent, that such person normally occupies.

2.4. Workers' Compensation and Similar Laws

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

2.5. Athletics Activities

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

2.6. Products-Completed Operations Hazard

Included within the **products-completed operations hazard**.

2.7. Coverage A Exclusions

Excluded under Coverage A.

## COVERAGE D - TENANTS' LEGAL LIABILITY

This insurance applies only when a Tenant's Legal Liability Limit of Insurance is indicated in the Declaration Page(s).

### 1. INSURING AGREEMENT

1.1. We will pay those sums that the Insured becomes legally obligated to pay as **compensatory damages** because of **property damage** to which this insurance applies. This insurance applies only to **property damage** to premises of others (including building fixtures permanently attached thereto other than improvements and betterments) rented to you or occupied by you. We will have the right and duty to defend the Insured against any **action** seeking those **compensatory damages**. However, we will have no duty to defend the Insured against any **action** seeking **compensatory damages** for **property damage** to which this insurance does not apply. We may, at our discretion, investigate any **occurrence** and settle any claim or **action** that may result. But:

1.1.1. The amount we will pay for **compensatory damages** is limited as described in Section III - Limits of Insurance and Deductibles; and

1.1.2. Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical payments under Coverage C.

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

1.2. This insurance applies to **property damage** only if:

1.2.1. The **property damage** is caused by an **occurrence** that takes place in the **coverage territory**;

1.2.2. The **property damage** occurs during the **policy period**; and

1.2.3. Prior to the **policy period**, no Insured listed under Paragraph 1. of Section II - Who Is An Insured and no **employee** authorized by you to give or receive notice of an **occurrence** or claim, knew that the **property damage** had occurred, in whole or in part. If such a listed Insured or authorized **employee** knew, prior to the **policy period**, that the **property damage** occurred, then any continuation, change or resumption of such **property damage** during or after the **policy period** will be deemed to have been known prior to the **policy period**.

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

1.4. **Property damage** will be deemed to have been known to have occurred at the earliest time when any Insured listed under Paragraph 1. of Section II - Who Is An Insured or any **employee** authorized by you to give or receive notice of an **occurrence** or claim:

1.4.1. Reports all or any part, of the **property damage** to us or any other insurer;

1.4.2. Receives a written or verbal demand or claim for **compensatory damages** because of the **property damage**; or

1.4.3. Becomes aware by any other means that **property damage** has occurred or has begun to occur.

### 2. EXCLUSIONS

**This insurance does not apply to:**

2.1. Expected or Intended Damage

**Property damage** expected or intended from the standpoint of the Insured.

2.2. Contractual Liability

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

2.3. Asbestos - see Common Exclusions.

2.4. Fungi or Spores - see Common Exclusions.

2.5. Nuclear Energy Liability - see Common Exclusions.

2.6. Pollution - see Common Exclusions.

2.7. Terrorism - see Common Exclusions.

2.8. War Risks - see Common Exclusions.

2.9. Unsolicited Communication - see Common Exclusions.

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

**This insurance does not apply to:**

1. ASBESTOS

**Bodily injury, property damage or personal injury** related to or arising from any actual or alleged liability for any legal remedy of any kind whatsoever (including but not limited to damages, interest, mandatory or other injunctive relief, statutory orders or penalties, legal or other costs, or expenses of any kind) in respect of actual or threatened loss, damage, cost or expense directly or indirectly caused by, resulting from, in consequence of or in any way involving, asbestos or any materials containing asbestos in whatever form or quantity.

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

## 2. FUNGI OR SPORES

- 2.1. **Bodily injury, property damage or personal injury** or any other cost, loss or expense incurred by others, arising directly or indirectly from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any **fungi or spores** however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of **fungi or spores**;
- 2.2. Any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with 2.1. above; or
- 2.3. Any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in 2.1. or 2.2. above.

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

For the purpose of the following exception:

- 2.4. **Property damage** means physical injury to animals;
- 2.5. **Product-completed operations hazard** means all **bodily injury** and **property damage** that arises out of **your product** provided the **bodily injury** or **property damage** occurs after you have relinquished physical possession of **your product**.

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

- 2.6. Applied topically to humans or animals; or
- 2.7. Ingested by humans or animals.

### LIMITED COVERAGE

This **FUNGI OR SPORES** exclusion does not apply to **bodily injury, property damage or personal injury** included in the **products-completed operations hazard**, which is not otherwise excluded by this Form. Subject to the Each Occurrence Limit and the Products-Completed Operations Aggregate Limit shown in the Declaration Page(s), the Fungi or Spores Liability Limit is \$500,000 in any one **occurrence** and in the Aggregate and is the most we will pay under this **LIMITED COVERAGE**.

## 3. NUCLEAR ENERGY LIABILITY

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

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

## 4. POLLUTION

- 4.1. **Bodily injury, property damage or personal injury** arising out of the actual, alleged or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants**:
  - 4.1.1. At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any Insured. However, this sub-paragraph does not apply to:
    - 4.1.1.1. **Bodily injury** if sustained within a building and caused by smoke, fumes, vapour or soot from equipment used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
    - 4.1.1.2. **Bodily injury or property damage** for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional Insured with respect to your ongoing operations performed for that additional Insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any Insured, other than that additional Insured; or
    - 4.1.1.3. **Bodily injury or property damage** arising out of heat, smoke or fumes from, or fire extinguishing substances used to fight, a **hostile fire**;
  - 4.1.2. At or from any premises, site or location which is or was at any time used by or for any Insured or others for the handling, storage, disposal, processing or treatment of waste;
  - 4.1.3. Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    - 4.1.3.1. Any Insured; or
    - 4.1.3.2. Any person or organization for whom you may be legally responsible; or
  - 4.1.4. At or from any premises, site or location on which any Insured or any contractors or subcontractors working directly or indirectly on any Insured's behalf are performing operations if the **pollutants** are brought on or to the premises, site or location in connection with such operations by such Insured, contractor or subcontractor. However, this sub-paragraph does not apply to:
    - 4.1.4.1. **Bodily injury or property damage** arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment or its parts, if such fuels, lubricants or other operating fluids escape from a permanent and integral mobile equipment part designed to hold, store or receive them. This exception does not apply if the **bodily injury or property damage** arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such Insured, contractor or subcontractor;
    - 4.1.4.2. **Bodily injury or property damage** sustained within a building and caused by the release of gases, fumes or vapours from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
    - 4.1.4.3. **Bodily injury or property damage** arising out of heat, smoke or fumes from, or fire extinguishing substances used to fight, a **hostile fire**.
  - 4.1.5. At or from any premises, site or location on which any Insured or any contractors or subcontractors working directly or indirectly on any Insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify, decontaminate, stabilize, remediate or neutralize, or in any way respond to, or assess the effect of **pollutants**.

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

4.2.1. Request, demand, order or statutory or regulatory requirement that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify, decontaminate, stabilize, remediate or neutralize, or in any way respond to, or assess the effects of, **pollutants**; or

4.2.2. Claim or **action** by or on behalf of a governmental authority for **compensatory damages** because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, decontaminating, stabilizing, remediating or neutralizing, or in any way responding to, or assessing the effects of, **pollutants**.

However, this Section 4.2. does not apply to liability for **compensatory damages** because of **property damage** that the Insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or **action** by or on behalf of a governmental authority.

## 5. TERRORISM

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

## 6. WAR RISKS

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

## 7. UNSOLICITED COMMUNICATION

**Bodily injury, property damage, personal injury or advertising injury** imposed by or arising from any **action** or omission that violates or allegedly violates any federal, provincial, territorial, state or municipal act, law, statute, ordinance, rule or regulation, that restricts or prohibits the transmitting of any **unsolicited communication**, regardless of the jurisdiction.

## SUPPLEMENTARY PAYMENTS - COVERAGES A, B and D

1. We will pay, with respect to any claim we investigate or settle, or any **action** against an Insured we defend:

- 1.1. All expenses we incur;
- 1.2. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds;
- 1.3. All costs to protect you against any levy of execution arising from a judgment;
- 1.4. All reasonable expenses you incur at our request to assist us in the investigation or defence of the claim or **action**, including actual loss of earnings because of time off from work;
- 1.5. All costs assessed or awarded against you in the **action**;
- 1.6. Any interest accruing after entry of judgment upon that part of the judgment which is within the applicable limit of insurance and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

If we are prevented by law or otherwise from defending the Insured, we will reimburse the Insured for defence costs and expenses that are incurred with our consent. These payments will not reduce the limits of insurance.

2. If we defend an Insured against an **action** and an indemnitee of the Insured is also named as a party to the **action**, we will defend that indemnitee if all of the following conditions are met:

- 2.1. The **action** against the indemnitee seeks **compensatory damages** for which the Insured has assumed the liability of the indemnitee in a contract or agreement that is an **insured contract**;
- 2.2. This insurance applies to such liability assumed by the Insured;
- 2.3. The obligation to defend, or the cost of the defence of, that indemnitee, has also been assumed by the Insured in the same **insured contract**;
- 2.4. The allegations in the **action** and the information we know about the **occurrence** are such that no conflict appears to exist between the interests of the Insured and the interests of the indemnitee;
- 2.5. The indemnitee and the Insured ask us to conduct and control the defence of that indemnitee against such **action** and agree that we can assign the same counsel to defend the Insured and the indemnitee; and
- 2.6. The indemnitee:
  - 2.6.1. Agrees in writing to:
    - 2.6.1.1. Cooperate with us in the investigation, settlement or defence of the **action**;
    - 2.6.1.2. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the **action**;
    - 2.6.1.3. Notify any other insurer whose coverage is available to the indemnitee; and
    - 2.6.1.4. Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
  - 2.6.2. Provides us with written authorization to:
    - 2.6.2.1. Obtain records and other information related to the **action**; and
    - 2.6.2.2. Conduct and control the defence of the indemnitee in such **action**.

So long as the above conditions are met, legal fees incurred by us in the defence of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of sub-paragraph 2.2.2. of Section I - Coverage A - Bodily Injury and Property Damage Liability, such payments will not be deemed to be **compensatory damages** for **bodily injury** and **property damage** and will not reduce the limits of insurance.

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

- 2.7. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- 2.8. The conditions set forth above, or the terms of the agreement described in sub-paragraph 2.6. above, are no longer met.

## SECTION II - WHO IS AN INSURED

### 1. IF YOU ARE DESIGNATED IN THE DECLARATION PAGE(S) AS:

- 1.1. An individual, you and your spouse are Insureds, but only with respect to the conduct of a business of which you are the sole owner.
- 1.2. A partnership, limited liability partnership or joint venture, you are an Insured. Your members, your partners, and their spouses are also Insureds, but only with respect to the conduct of your business.
- 1.3. A limited liability company, you are an Insured. Your members are also Insureds, but only with respect to the conduct of your business. Your managers are Insureds, but only with respect to their duties as your managers.
- 1.4. An organization other than a partnership, limited liability partnership, joint venture or limited liability company, you are an Insured. Your **executive officers** and directors are Insureds, but only with respect to their duties as your officers or directors. Your shareholders are also Insureds, but only with respect to their liability as shareholders.
- 1.5. A trust, you are an Insured. Your trustees are also Insureds, but only with respect to their duties as trustees.
- 1.6. An incorporated association, each member of the incorporated association is an Insured but solely in respect of the liability arising out of his actions as a member and his participation in the activities of the incorporated association. This insurance shall only apply as excess coverage to the extent of any amount not paid due to the exhaustion of the personal General Liability policy of a member. This insurance does not apply to loss, damage or injury to a member caused by another member of the incorporated association.

### 2. EACH OF THE FOLLOWING IS ALSO AN INSURED:

- 2.1. Your **volunteer workers** only while performing duties related to the conduct of your business, or **employees**, other than either your **executive officers** (if you are an organization other than a partnership, limited liability partnership, joint venture or limited liability company), or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these **employees** or **volunteer workers** are Insureds for:
  - 2.1.1. **Bodily injury, personal injury or advertising injury:**
    - 2.1.1.1. To you, to your partners or members (if you are a partnership, limited liability partnership or joint venture), to your members (if you are a limited liability company), to a **co-employee** while in the course of his or her employment or performing duties on your behalf, or to your other **volunteer workers** while performing duties related to the conduct of your business, except with respect to **incidental medical malpractice injury**;
    - 2.1.1.2. To the spouse, child, parent, brother or sister of that **co-employee** or **volunteer worker** as a consequence of sub-paragraph 2.1.1.1. above;
    - 2.1.1.3. For which there is any obligation to share **compensatory damages** with or repay someone else who must pay **compensatory damages** because of the injury described in sub-paragraphs 2.1.1.1. or 2.1.1.2. above;
    - 2.1.1.4. Arising out of his or her providing or failing to provide professional health care services; or
    - 2.1.1.5. To any person who at the time of injury is entitled to benefits under any workers' compensation or disability benefits law or a similar law.
  - 2.1.2. **Property damage** to property that is:
    - 2.1.2.1. Owned or occupied by; or
    - 2.1.2.2. Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose.

By you, any of your **employees**, **volunteer workers**, any partner or member (if you are a partnership, limited liability partnership or joint venture) or any member (if you are a limited liability company).
- 2.2. Any person (other than your **employee** or **volunteer worker**), or any organization while acting as your real estate manager.
- 2.3. Any person or organization having proper temporary custody of your property if you die, but only:
  - 2.3.1. With respect to liability arising out of the maintenance or use of that property; and
  - 2.3.2. Until your legal representative has been appointed.
- 2.4. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Form.
- 2.5. Your unit or strata lot owners and any tenants, but only with respect to the conduct of the corporation for liability arising out of the common property, excluding liability arising out of the owner's or tenant's possession, occupation or use of property designated for exclusive use.
- 2.6. Any Canadian domiciled person or organization under your management control and for which you are responsible for arranging insurance, but only with respect to your premises, your operations, **your product** or **your work**.
- 2.7. Any person, firm or organization for whom you have contracted to provide liability insurance. Coverage under this provision is afforded as per the present policy terms, limits and conditions and only with respect to your premises, **your product** or **your work**. However, this sub-paragraph does not apply to any person, firm or organization who is added to this Policy as an Additional Insured by endorsement.
- 2.8. **Agents** acting on your behalf but solely in respect of any liability arising out of the performance of their duties on your behalf.  
For the purpose of this sub-paragraph only, **agent** means any person who solicits and procures business from potential clients on your behalf, and who receives a commission in return for the performance of their duties.

3. Any organization you newly acquire or form, other than a partnership, limited liability partnership or joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- 3.1. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the **policy period**, whichever is earlier;
- 3.2. Coverage A and D do not apply to **bodily injury** or **property damage** that occurred before you acquired or formed the organization; and
- 3.3. Coverage B does not apply to **personal injury** or **advertising injury** arising out of an offence committed before you acquired or formed the organization.

No person or organization is an Insured with respect to the conduct of any current or past partnership, limited liability partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declaration Page(s).

## SECTION III - LIMITS OF INSURANCE AND DEDUCTIBLES

### 1. The Limits of Insurance shown in the Declaration Page(s), subject to the rules below, are the most we will pay regardless of the number of:

- 1.1. Insureds;
- 1.2. Claims made or **actions** brought; or

- 1.3. Persons or organizations making claims or bringing **actions**.
2. The Abuse Aggregate Limit is the most we will pay under Coverage A for **compensatory damages** because of **bodily injury** arising out of **abuse**.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for **compensatory damages** because of **bodily injury** and **property damage** included in the **products-completed operations hazard**.
4. Subject to Paragraphs 2. and 3. above, the Each Occurrence Limit is the most we will pay for the sum of:
  - 4.1. **Compensatory damages** under Coverage A; and
  - 4.2. Medical payments under Coverage C;
 because of all **bodily injury** and **property damage** arising out of any one **occurrence**.
5. The Personal Injury and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all **compensatory damages** because of all **personal injury** and **advertising injury** sustained by any number of person(s) or organization(s) in the Aggregate.
6. The Tenants' Legal Liability Limit is the most we will pay under Coverage D for **compensatory damages** because of **property damage** to any one premises.
7. Subject to Paragraph 4. above, the Medical Payments Limit is the most we will pay under Coverage C for all medical payments because of **bodily injury** sustained by any one person.
8. The Limits of Insurance of this Policy apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the **policy period** shown in the Declaration Page(s), unless the **policy period** is extended after issuance for an additional period of less than twelve (12) months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

**9. DEDUCTIBLES**

- 9.1. Our obligation under Property Damage Liability and Tenants' Legal Liability to pay **compensatory damages** on your behalf applies only to the amount of **compensatory damages** in excess of any deductible amounts stated in the Declaration Page(s) as applicable to such coverages, and the limits of insurance applicable to each **occurrence** for Property Damage Liability and any one premises for Tenants' Legal Liability will be reduced by the amount of such deductible.
- 9.2. The deductible amounts apply as follows:
  - 9.2.1. Coverage A  
Under Coverage A: To all **compensatory damages** because of **property damage** as the result of any one **occurrence**, regardless of the number of persons or organizations who sustain **compensatory damages** because of that **occurrence**.
  - 9.2.2. Coverage D  
Under Coverage D: To all **compensatory damages** because of **property damage** as the result of any one **occurrence**, regardless of the number of persons or organizations who sustain **compensatory damages** because of that **occurrence**. However, this deductible shall not be applied to claims arising out of the perils of fire, explosion, smoke and sprinkler leakage.
- 9.3. The terms of this insurance, including those in respect to:
  - 9.3.1. Our right and duty to defend any **action** seeking those **compensatory damages**; and
  - 9.3.2. Your duties in the event of an **occurrence**, claim or **action**;  
apply irrespective of the application of the deductible amount.
- 9.4. We may pay any part or all of the deductible amount to effect settlement of any claim or **action** and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

## SECTION IV - DEFINITIONS

1. **Abuse** means, but is not limited to, any act or threat involving molestation, harassment, corporal punishment, assault or battery or any other form of sexual, physical, mental, psychological or emotional abuse.
2. **Action** means a civil proceeding in which **compensatory damages** because of **bodily injury**, **property damage**, **personal injury** or **advertising injury** to which this insurance applies are alleged. **Action** includes:
  - 2.1. An arbitration proceeding in which such **compensatory damages** are claimed and to which the Insured must submit or does submit with our consent; or
  - 2.2. Any other alternative dispute resolution proceeding in which such **compensatory damages** are claimed and to which the Insured submits with our consent.
3. **Advertisement** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - 3.1. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - 3.2. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an **advertisement**.
4. **Advertising injury** means injury arising out of one or more of the following offences:
  - 4.1. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
  - 4.2. Oral or written publication, in any manner, of material that violates a person's right of privacy; or
  - 4.3. The use of another's advertising idea in your **advertisement**; or
  - 4.4. Infringing upon another's copyright, trade dress or slogan in your **advertisement**.
5. **Automobile** means a self-propelled land motor vehicle, trailer or semitrailer that is required by law to be insured under a contract evidenced by a motor vehicle liability policy, or any vehicle insured under such a contract, including any machinery or equipment attached to such automobile.
6. **Bodily injury** means bodily or mental injury, sickness, disease, disability or shock sustained by a person, including death resulting at any time.
7. **Compensatory damages** means damages (including prejudgment interest) due or awarded in payment for actual injury or economic loss. **Compensatory damages** does not include punitive or exemplary damages or the multiple portion of any multiplied damage award.

**8. Coverage territory** means any part of the world:

- 8.1. Provided the Insured's responsibility to pay **compensatory damages** is determined in an **action** on the merits in Canada or the United States of America (including their territories and possessions) or in an out-of-court settlement to which we have agreed; or
- 8.2. If the loss, damage or injury arises out of the Insured's use of space intended for commercial representation purposes related to the Insured's business, such as sales offices, showrooms, or during trade shows, exhibitions, fairs or conferences. For the purpose of this sub-paragraph 8.2., any loss, damage or injury arising from the **products-completed operations hazard**, is covered only to the extent described in sub-paragraph 8.1.

**9. Electronic data** means information, facts or programs in any form or representations of information or concepts in any form stored as or on, created or used on, or transmitted to or from computer or data processing software (including systems and application software), memory devices, data processing devices or any other media that are used with electronically controlled equipment.

**10. Employee** includes a **leased worker** and a **temporary worker**.

**11. Executive officer** means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document or any person designated as an officer by you.

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

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

**14. Hostile fire** means a fire that becomes uncontrollable or breaks out from where it was intended to be.

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

- 15.1. It incorporates **your product** or **your work** that is known or thought to be defective, deficient, inadequate or dangerous; or
- 15.2. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

- 15.3. The repair, replacement, adjustment or removal of **your product** or **your work**; or
- 15.4. Your fulfilling the terms of the contract or agreement.

**16. Incidental medical malpractice injury** means **bodily injury** arising out of the rendering of or failure to render, during the **policy period**, the following services:

- 16.1. Medical, surgical, dental, x-ray or nursing services or treatment or the furnishing of food or beverages in connection therewith; or
- 16.2. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;

by any Insured or any indemnitee causing the **incidental medical malpractice injury** who is not engaged in the business or occupation of providing any of the services described in sub-paragraphs 16.1. and 16.2. above.

**17. Insured contract** means:

- 17.1. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage to premises while rented to you or temporarily occupied by you with permission of the owner is not an **insured contract**;
- 17.2. A sidetrack agreement;
- 17.3. An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
- 17.4. Any other easement agreement;
- 17.5. An obligation, as required by ordinance or bylaw, to indemnify a municipality, except in connection with work for a municipality;
- 17.6. An elevator maintenance agreement;
- 17.7. A declaration of co-ownership;
- 17.8. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for **compensatory damages** because of **bodily injury** or **property damage** to a third person or organization, provided the **bodily injury** or **property damage** is caused, in whole or in part, by you or by those acting on your behalf and provided that such **bodily injury** or **property damage** arises from **your work**. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Sub-paragraph 17.8. does not include that part of any contract or agreement:

17.8.1. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

- 17.8.1.1. Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
- 17.8.1.2. Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

17.8.2. Under which the Insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the Insured's rendering or failure to render **professional services**, including those listed in 17.8.1. above and supervisory, inspection, architectural or engineering activities.

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

**19. Loading or unloading** means the handling of property:

- 19.1. After it is moved from the place where it is accepted for movement into or onto an aircraft;
- 19.2. While it is in or on an aircraft; or
- 19.3. While it is being moved from an aircraft to the place where it is finally delivered;

but **loading or unloading** does not include the movement of property by means of a mechanical device that is not attached to the aircraft.

**20. Nuclear energy hazard** means the radioactive, toxic, explosive, or other hazardous properties of **radioactive material**.

**21. Nuclear facility** means:

- 21.1. Any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
- 21.2. Any equipment or device designed or used for:
  - 21.2.1. Separating the isotopes of plutonium, thorium and uranium or any one or more of them; or
  - 21.2.2. Processing or packaging waste;
- 21.3. Any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the Insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

21.4. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste **radioactive material**; and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.

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

23. **Personal injury** means injury, including consequential **bodily injury**, arising out of one or more of the following offences:

23.1. False arrest, detention or imprisonment;

23.2. Malicious prosecution;

23.3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;

23.4. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

23.5. Oral or written publication, in any manner, of material that violates a person's right of privacy;

23.6. Discrimination, (except in such jurisdictions where by legislation, court decisions or administrative ruling, such insurance is prohibited or held to violate the law or public policy of any such jurisdiction) sustained by any person or persons during the **policy period**.

24. **Policy period** means each consecutive period of twelve (12) months included in the **policy period** shown on the Declaration Page(s). The first twelve-month period starts on the inception date of the policy and the subsequent period starts at the expiry of the first twelve-month period.

25. **Pollutants** mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, odour, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

26. **Products-completed operations hazard**

26.1. Includes all **bodily injury** and **property damage** occurring away from premises you own or rent and arising out of **your product or your work** except:

26.1.1. Products that are still in your physical possession; or

26.1.2. Work that has not yet been completed or abandoned. However, **your work** will be deemed completed at the earliest of the following times:

26.1.2.1. When all of the work called for in your contract has been completed;

26.1.2.2. When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site;

26.1.2.3. When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

26.2. Does not include **bodily injury** or **property damage** arising out of the existence of tools, uninstalled equipment or abandoned or unused materials.

27. **Professional services** means, without limitation:

27.1. Medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection with such service or treatment;

27.2. Service or treatment conducive to health;

27.3. Professional services of a pharmacist;

27.4. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;

27.5. The handling or treatment of deceased human bodies including autopsies, organ donations or other procedures;

27.6. Cosmetic, body piercing, hairdressing, massage, physiotherapy, chiropody, hearing aid, optical or optometric services or treatments;

27.7. The preparation or approval of maps, plans, opinions, reports, surveys, field orders, change orders or drawings and specifications;

27.8. Supervisory, inspection, architectural, design or engineering services;

27.9. Professional advice or activities of accountants, advertisers, notaries (Quebec), public notaries, paralegals, lawyers, real estate brokers or agents, insurance brokers or agents, travel agents, financial institutions, or consultants;

27.10. Computer programming or re-programming, consulting, advisory or related services; or

27.11. Claim, investigation, adjusting of claims, appraisal, survey or audit services.

28. **Property damage** means:

28.1. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

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

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

29. **Radioactive material** means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances which may be designated by any nuclear liability act, law or statute, or any law amendatory thereof, as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy.

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

31. **Temporary worker** means a person who is furnished to you to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.

32. **Terrorism** means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

33. **Unsolicited communication** means communication in any form sent to any person or organization, without their prior consent.

34. **Volunteer worker** means a person who is not your **employee**, and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

35. **Your product**

35.1. Means:

35.1.1. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

35.1.1.1. You;

35.1.1.2. Others trading under your name; or

35.1.1.3. A person or organization whose business or assets you have acquired; and

35.1.2. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

35.2. Includes:

35.2.1. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your product**; and

35.2.2. The providing of or failure to provide warnings or instructions.

35.3. Does not include vending machines or other property rented to or located for the use of others but not sold.

#### **36. Your work**

36.1. Means:

36.1.1. Work or operations performed by you or on your behalf; and

36.1.2. Materials, parts or equipment furnished in connection with such work or operations.

36.2. Includes:

36.2.1. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your work**; and

36.2.2. The providing of or failure to provide warnings or instructions.

**COMMERCIAL GENERAL LIABILITY COVERAGE****EMPLOYEE BENEFIT LIABILITY EXTENSION**

**This Endorsement Changes the Policy. Please Read It Carefully.**

Certain words and phrases that appear in bold have special meaning as defined below or in the Form to which this Endorsement is attached.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.

This Endorsement is attached to the Commercial General Liability Max Form and is subject to the terms, conditions, limitations and exclusions of such Form.

Insurance provided under **SECTION I – COVERAGES** of the Commercial General Liability Max Form is extended to include the following:

**1. INSURING AGREEMENT****EMPLOYEE BENEFIT LIABILITY**

We will pay on behalf of the **Insured** all sums that the **Insured** becomes legally obligated to pay as **compensatory damages** because of a **wrongful act** in the **administration** of your **employee benefit programs**, provided that the claim is first made during the **policy period** within Canada.

We will have the right and duty to defend any **action** against the **Insured** seeking damages because of such **wrongful act**, even if any of the allegations of the **action** are groundless, false or fraudulent, and we may make such investigation and settlement of any claim or **action** as we deem expedient. However, we will have no duty to defend the **Insured** against any **action** seeking **compensatory damages** to which this insurance does not apply. We may, at our discretion, investigate any **occurrence** and settle any claim or **action** that may result, but we will not be obligated to pay any claim or judgment or to defend any **action** after the applicable Limit of Insurance has been exhausted by payment of judgments or settlements.

**2. EXCLUSIONS****This insurance does not apply to any claim based upon:**

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

**3. LIMITS OF INSURANCE**

The Limits of Insurance shown in the Declaration Page(s) and the rules below fix the most we will pay regardless of:

- 3.1. **Insureds** under this Policy;
- 3.2. **Wrongful acts** for which coverage is afforded under this Endorsement;
- 3.3. Persons sustaining any such **wrongful act**;
- 3.4. Claims made or **actions** brought on account of any such **wrongful act**; or
- 3.5. Plans included in the **employee benefit programs**.

The Limit of Insurance stated in the Declaration Page(s) is the total limit of our liability for all **compensatory damages** because of **wrongful acts** to which this insurance applies sustained by any one **employee**, including such **employees**, dependants and beneficiaries, in any one **policy period** and in the Aggregate.

If the Policy is for a term in excess of one year, the Limit of Insurance stated in the Declaration Page(s) will apply separately to each consecutive annual period thereof. If you elect to exercise the option described in paragraph 6. **EXTENDED REPORTING PERIOD (optional)** of this Endorsement, the Limit of Insurance will apply separately, but not cumulatively, to such extended reporting period.

**4. DEDUCTIBLE**

Subject to the foregoing clause as respects Limits of Insurance, our liability will be only for the amount of each claim that is in excess of the deductible amount stated in the Declaration Page(s).

The terms of this insurance, including those with respect to notice of claim or **action**, our right to investigate, negotiate and settle any claim or **action**, and our right and duty to defend apply irrespective of the application of the deductible amount.

The Insurer may pay any part of or all of the deductible amount to effect settlement of any claim or **action** and, upon notification of the action taken, you will promptly reimburse us for such part of the deductible amount as has been paid by us.

**5. ADDITIONAL DEFINITIONS**

For the purposes of this Endorsement:

- 5.1. **Administration** means:
  - 5.1.1. Application of rules determining eligibility for participation to the **employee benefit programs**;
  - 5.1.2. Calculation of service and compensation credits for benefits;
  - 5.1.3. Preparation of **employee** communications material;
  - 5.1.4. Maintenance of participants' service and employment records;
  - 5.1.5. Preparation of reports required by government agencies;
  - 5.1.6. Calculation of benefits;

5.1.7. Orientation of new participants and advising participants of their rights and options with respect to the **employee benefit programs**;

5.1.8. Interpreting the **employee benefit programs**;

5.1.9. Collection of contributions and application of contributions as provided in the **employee benefit programs** and book keeping;

5.1.10. Preparation of reports concerning participants' benefits; and

5.1.11. Processing of claims, effecting enrollment, termination or cancellation of **employees** under the **employee benefit programs**;

provided all such acts are authorized by you.

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

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

5.3.1. Group life insurance, group accident or health insurance, profit sharing plans, pension plans and stock subscription plans, investment plans, unemployment insurance, social security benefits, workers' compensation and disability benefits insurance; or

5.3.2. Any other similar **employee benefit programs** sponsored by you.

5.4. **Insured** means:

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

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

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

5.6. **Wrongful act** means any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or other act done or wrongfully attempted by an **Insured** or any matter claimed, against an **Insured**, by reason of or in connection with the **administration** of the **employee benefit programs**.

6. **EXTENDED REPORTING PERIOD (optional)**

If this Policy is cancelled or not renewed for any reason other than non-payment of premium you may elect to purchase a one (1) year extension of time to report claims, hereafter called "extended reporting period", but only as respects claims which are brought against the **Insured** during the "extended reporting period", because of a **wrongful act** which occurred prior to the termination date of this insurance. To exercise this option, you will give written notice of such election to us within thirty (30) days following such termination date and will pay, when due, the premium required by our rules, rates and rating plans then in effect.

**All other terms and conditions of the Policy remain unchanged.**

## Applicable to Non-Owned Automobile Liability

In consideration of the premium herein stated, the Policy to which this endorsement is attached is extended, subject always to the condition that the Insurer shall be liable under the subsection or subsections as specified in the Declarations.

## Legal Liability for Damage to Hired Automobiles

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

Subsection 1 – **All Perils** – from all perils;

Subsection 2 – **Collision or Upset** – caused by collision with another object or by upset;

Subsection 3 – **Comprehensive** – from any peril other than by collision with another object or by upset;

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

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

Subsection 4 – **Specified Perils** – caused by fire, lightning, theft or attempt thereat, 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, derailing or collision of any conveyance in or upon which the automobile is being transported on land or water.

## Deductible Clause

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

## Two or More Automobiles

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

The Insurer shall not be liable:

- (1) for loss or damage to any automobile while personally driven by the Insured if the Insured is an individual; or
- (2) under any subsection hereof for loss or damage
  - (a) To tires or consisting of or caused by mechanism fracture or breakdown of any part of an automobile or by rusting, corrosion, wear and tear, freezing or explosion within the combustion chamber, unless the loss or damage is coincident with other loss or damage covered by such subsection or is caused by fire, theft or malicious mischief covered by each subsection; or
  - (b) to any automobile while being used without the consent of the owner thereof; or
  - (c) caused directly or indirectly by contamination by radioactive material; or

- (d) to contents of trailers or to rugs or robes; or
- (e) to tapes and equipment for use with a tape recorder when detached therefrom; or
- (f) caused directly or indirectly by bombardment, invasion, civil war, insurrection, rebellion, revolution, military or usurped power, or by the operation of armed forces while engaged in hostilities whether war be declared or not; or
- (g) for any amount in excess of the limit stated in the applicable subsection hereof and expenditures provided for in the Additional Agreements of the policy to which this endorsement is attached; or

(3) under subsections 3 (Comprehensive), 4 (Specified Perils) for a collision loss or damage occurring after theft by any person or persons residing in the same dwelling premises as the Insured, or by any employee of the Insured engaged in the operation, maintenance or repair of the automobile whether the theft occurs during the hours of such service or employment or not unless the policy provides insurance under subsections 1 or 2.

#### **Additional Agreement**

The Insurer further agrees to pay general average, salvage and fire department charges and custom duties of Canada or of the United States of America for which the Insured is legally liable.

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

**Contractual Liability Endorsement**  
**(for attachment only to a Non-Owned Automobile Policy)**

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**novex**

This Endorsement Changes the Policy. Please Read it Carefully.

In consideration of the premium herein stated, it is understood and agreed that exclusion (c) of the Insuring Agreement of the policy to which this endorsement is attached is amended to read as follows:

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

**Date(s) of Contract(s)**

As reported to the Insurer

**Name(s) of other contracting party or parties**

As reported to the Insurer

Except as otherwise provided in this endorsement all terms and conditions of this policy shall 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)**

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**novex**

In consideration of the premium for which this policy is issued, it is understood and agreed that Item 3 (Hired Automobiles Defined) of the General Provisions and Definitions of the policy to which this endorsement is attached is hereby amended to read as follows:

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

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

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

**APPLICABLE IN ALL PROVINCES AND TERRITORIES, EXCEPT QUÉBEC**

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

**APPLICATION**

**ITEMS**

1. FULL NAME OF THE APPLICANT: **SEE POLICY DECLARATIONS**  
POSTAL ADDRESS (including County or District) **SEE POLICY DECLARATIONS**  
Applicant is: **SEE POLICY DECLARATIONS**  
(State whether Individual, Partnership, Corporation, Municipality or Estate)

2. Policy Period  
From 12.01 A.M. STANDARD TIME AT THE APPLICANT'S ADDRESS  
**SEE POLICY DECLARATIONS**  
STATED HEREIN AS TO EACH OF SAID DATES

3. THE AUTOMOBILES IN RESPECT OF WHICH INSURANCE IS TO BE PROVIDED ARE THOSE NOT OWNED IN WHOLE OR IN PART BY, NOR LICENSED IN  
THE NAME OF THE APPLICANT, USED IN THE APPLICANT'S BUSINESS OF:

**AS KNOWN TO THE INSURER**

4. The Applicant's Partners, Officers, Employees And Agents As Of The Date Of This Application Are As Follows:

Partners, Officers And Employees Who Regularly Use Automobiles Not Owned By The Applicant In His Business. All Other Partners, Officers And Employees

LOCATION:

CLASS A1 - Private Passenger:  
Number:  
Rate:  
Premium:

CLASS A2 – Commercial:  
Number:  
Rate:  
Premium:

**AS KNOWN TO THE INSURER**

LOCATION :

CLASS B:  
Number:  
Rate:  
Premium:

CLASS C:  
Number:  
Rate:  
Premium:

**AS KNOWN TO THE INSURER**

5. **"HIRED AUTOMOBILES"** - THE AUTOMOBILES HIRED BY THE APPLICANT ARE AS FOLLOWS:

TYPE OF AUTOMOBILE:  
ESTIMATED COST OF HIRE:

RATES PER \$100 OF COST OF HIRE:

ADVANCE PREMIUM:

**COVERED, IF ANY, SUBJECT TO PREMIUM ADJUSTMENT**

THE ADVANCE PREMIUM IS SUBJECT TO ADJUSTMENT AT THE END OF THE POLICY PERIOD AS PROVIDED IN THE POLICY.

6. "AUTOMOBILES OPERATED UNDER CONTRACT" ON BEHALF OF THE APPLICANT ARE AS FOLLOWS:

TYPE OF AUTOMOBILE & DESCRIPTION OF USE:

ESTIMATED CONTRACT COST:

RATES PER \$100 OF CONTRACT COST:

ADVANCE PREMIUM:

**COVERED, IF ANY, SUBJECT TO PREMIUM ADJUSTMENT**

THE ADVANCE PREMIUM IS SUBJECT TO ADJUSTMENT AT THE END OF THE POLICY PERIOD AS PROVIDED IN THE POLICY.

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	SECTION A THIRD PARTY LIABILITY	COMBINED PREMIUMS
PERILS	Legal Liability for Bodily Injury to or Death of any Person or Damage to Property of Others not in the Care, Custody or Control of the Applicant	
LIMIT	\$ <b>IN ACCORDANCE WITH POLICY LIMITS</b> (Exclusive of Interest and Costs) for loss or damage resulting from Bodily Injury to or the Death of one or more Persons, and for loss or damage to Property, regardless of the number of claims arising from any one Accident.	\$ <b>INCLUDED</b>
ENDORSEMENTS	\$ <b>IN ACCORDANCE WITH POLICY LIMITS</b>	\$ <b>INCLUDED</b>
MINIMUM RETAINED PREMIUM	\$ <b>IN ACCORDANCE WITH POLICY LIMITS TOTAL PREMIUM</b>	\$ <b>INCLUDED</b>

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.

INJURY TO PERSONS

#### AS KNOWN TO THE INSURER

DAMAGE TO PROPERTY OF OTHERS  
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

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

#### SECTION A - THIRD PARTY LIABILITY

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

#### BODILY INJURY TO OR THE DEATH OF ANY PERSON OR DAMAGE TO PROPERTY OF OTHERS NOT IN THE CARE, CUSTODY OR CONTROL OF THE INSURED:

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

- (a) for any liability which arises from the use or operation of any automobile while personally driven by the Insured if the Insured is an individual; or
- (b) for any liability imposed upon any person insured by this Policy (Not applicable in the Province of Ontario)
  - 1) by any workmen's compensation law; or

- 2) by any law for bodily injury to or the death of the Insured or any partner, officer or employee of the Insured while engaged in the business of the Insured; or
- (c) for 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 defence to a claim that might not be set up if the Policy were a motor vehicle liability policy issued in the province or territory of Canada in which the accident occurred.

#### **AGREEMENTS OF INSURED**

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

- (a) by the acceptance of this Policy, constitutes and appoints the Insurer his irrevocable attorney to appear and defend in any province or territory of Canada in which action is brought against the Insured arising out of the use or operation of an automobile with respect to which insurance is provided hereunder;
- (b) shall reimburse the Insurer, upon demand, in the amount which the Insurer has paid by reason of the provisions of any statute relating to automobile insurance and which the Insurer would not otherwise be liable to pay under this Policy.

#### **GENERAL PROVISIONS AND DEFINITIONS**

##### **1. ADDITIONAL 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 leased or "**hired automobile**" 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.

**7. LIMITATION OF ACTIONS**

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the *Insurance Act* of the province or territory in which the Policy was issued.

**STATUTORY CONDITIONS**

The insurance provided under this Coverage is subject to the "Automobile Statutory Conditions" approved by the Superintendent of insurance for the province or territory in which this policy was issued and upon request the Company will make available a complete copy of same.

Words and phrases that appear in bold and/or in quotation marks are defined within the present endorsement or to the Definitions section of the present policy.

**All other terms and conditions of the policy remain unchanged.**

**1. Purpose of this endorsement:**

This endorsement alters the coverage provided by this policy with respect to claims in Ontario for loss or damage arising directly or indirectly from the use or operation of a motor vehicle that is leased.

**2. How the policy coverage is changed:**

- The Insurer also agrees to pay on behalf of every partner, officer or employee of the Insured who, in the business of the Insured stated in Item 3 of the application, leases an automobile **for a period of not more than 30 days** in their own name, all sums which such partner, officer or employee is legally obligated to pay as a result of liability imposed by law arising from the negligence of the driver of such leased automobile(s).
- The insurance provided under this policy with respect to leased automobiles is in excess of the underlying coverage available to the Insured or to the partner, officer or employee of the Insured.
- Underlying coverage available to the Insured or to the partner, officer or employee of the Insured includes any motor vehicle liability insurance that is required to respond to the liability of the driver or lessee of the leased automobile.

The terms leased, lease and lessee are used as equivalent to rented, rent and renter.

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

**COMMERCIAL GENERAL LIABILITY COVERAGE****ABUSE EXCLUSION ENDORSEMENT**

**This Endorsement Changes the Policy. Please Read It Carefully.**

**Certain words and phrases that appear in bold have special meaning as defined below or in the Form to which this Endorsement is attached.**

**The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.**

This Endorsement is attached to the Commercial General Liability Max Form and is subject to all terms, conditions, limitations and exclusions of such Form.

Notwithstanding any contrary provisions contained in this Policy, the Commercial General Liability Max Form is amended by the addition of the following exclusion under section 2. **EXCLUSIONS of SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY:**

**This Insurance does not apply to:**

**2.24. Abuse**

- 2.24.1. directly or indirectly arising out of, or on account of, resulting from or relating to any actual or threatened **abuse** committed or alleged to have been committed by an Insured, including the transmission of disease arising out of any act of **abuse**;
- 2.24.2. based on your practices for **employee** hiring, for acceptance of **volunteer workers**, for supervision of **employees** and **volunteer workers** or based on your retention of any person alleged to have committed **abuse**;
- 2.24.3. alleging knowledge by an Insured of the alleged **abuse**;
- 2.24.4. when you have failed to report the actual, suspected or alleged **abuse**, although you had a statutory or regulatory obligation to do so, to the police and to other appropriate authorities.

**All other terms and conditions of the Policy remain unchanged.**

## COMMERCIAL GENERAL LIABILITY COVERAGE

## GENERAL AGGREGATE LIMIT ENDORSEMENT

This Endorsement Changes the Policy. Please Read It Carefully.

Certain words and phrases that appear in bold have special meaning as defined below or in the Form to which this Endorsement is attached.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.

This Endorsement is attached to the Commercial General Liability Max Form and is subject to all terms, conditions, limitations and exclusions of such Form.

**SECTION III – LIMITS OF INSURANCE AND DEDUCTIBLES** under the Commercial General Liability Max Form is deleted and replaced as follows:

1. The Limits of Insurance shown in the Declaration Page(s), subject to the rules below, are the most we will pay regardless of the number of:
  - 1.1. Insureds;
  - 1.2. Claims made or **actions** brought; or
  - 1.3. Persons or organizations making claims or bringing **actions**.
2. The General Aggregate Limit is the most we will pay for the sum of:
  - 2.1. **Compensatory damages** under Coverage A, except **compensatory damages** because of **bodily injury** or **property damage** included in the **products-completed operations hazard**;
  - 2.2. **Compensatory damages** under Coverage B; and
  - 2.3. Medical expenses under Coverage C.
3. Subject to Paragraph 2. above the Abuse Aggregate Limit is the most we will pay under Coverage A for **compensatory damages** because of **bodily injury** arising out of **abuse**.
4. 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**.
5. Subject to Paragraphs 2., 3. and 4. above, the Each Occurrence Limit is the most we will pay for the sum of:
  - 5.1. **Compensatory damages** under Coverage A; and
  - 5.2. Medical payments under Coverage C;
 because of all **bodily injury** and **property damage** arising out of any one **occurrence**.
6. Subject to Paragraph 2. above, the Personal Injury and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all **compensatory damages** because of all **personal injury** and **advertising injury** sustained by any number of person(s) or organization(s) in the Aggregate.
7. 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.
8. Subject to Paragraph 5. above, the Medical Payments Limit is the most we will pay under Coverage C for all medical payments because of **bodily injury** sustained by any one person.
9. The Limits of Insurance of this Policy apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the **policy period** shown in the Declaration Page(s), unless the **policy period** is extended after issuance for an additional period of less than twelve (12) months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

**10. DEDUCTIBLES**

- 10.1. Our obligation under Property Damage Liability and Tenants' Legal Liability to pay **compensatory damages** on your behalf applies only to the amount of **compensatory damages** in excess of any deductible amount(s) stated in the Declaration Page(s) as applicable to such coverages, and the limits of insurance applicable to each **occurrence** for Property Damage Liability and any one premises for Tenants' Legal Liability will be reduced by the amount of such deductible.
- 10.2. The deductible amounts apply as follows:
  - 10.2.1. Coverage A
 

Under Coverage A: To all **compensatory damages** because of **property damage** as the result of any one **occurrence**, regardless of the number of persons or organizations who sustain **compensatory damages** because of that **occurrence**.
  - 10.2.2. Coverage D
 

Under Coverage D: To all **compensatory damages** because of **property damage** as the result of any one **occurrence**, regardless of the number of persons or organizations who sustain **compensatory damages** because of that **occurrence**. However, this deductible shall not be applied to claims arising out of the perils of fire, explosion, smoke and sprinkler leakage.
- 10.3. The terms of this insurance, including those in respect to:
  - 10.3.1. Our right and duty to defend any **action** seeking those **compensatory damages**; and
  - 10.3.2. Your duties in the event of an **occurrence**, claim or **action**;
 apply irrespective of the application of the deductible amount.
- 10.4. 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 remain unchanged.

**Policy#**  
**General Liability**  
**GE0007**

**Anti-Stacking Endorsement**

**This Endorsement Changes the Policy. Please Read It carefully.**

Attached to and forming part of the General Conditions Form and/or Miscellaneous Malpractice Liability Form (Occurrence).

The Other Insurance clause under Section II – Liability Conditions of the General Conditions Form and Section VI – Professional Liability Conditions of the Miscellaneous Malpractice Liability Form (Occurrence) is amended by adding the following:

If this policy and any other policy or coverage form issued to an insured by Intact Insurance Company or any of its affiliates apply to the same occurrence, the combined maximum limits of liability under all of the policies or coverage forms shall not exceed the highest applicable limit of liability available under any one policy or coverage form.

**All other terms and conditions of the Policy remain unchanged.**

## **NARCOTICS EXCLUSION – ABSOLUTE**

**This Endorsement Changes the Policy. Please Read It Carefully.**

**Certain words and phrases that appear in bold have special meaning as defined below or in the Form to which this Endorsement is attached.**

**The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.**

This Endorsement is attached to and modifies all Commercial Liability Coverages being part of this Policy, including but not limited to the following lines of business:

Commercial General Liability Coverages; Commercial Umbrella Coverages; Commercial Excess Liability Coverages; Directors and Officers Liability Coverages; Non-Profit Organization Liability Coverages; Employment Practices Liability Coverages; or Professional Liability (Errors and Omissions) Coverages; and

Any extensions, clauses, or additions of coverage to such Liability Coverages and such Liability Forms, including exceptions to exclusions.

The following paragraphs are added to the Forms:

- 1.1. Notwithstanding any contrary provision contained under this Policy, this insurance does not apply to any **bodily injury, personal injury, advertising injury, property damage, loss, compensatory damages, claim, damages, defence costs, defence expenses, ultimate net loss** or other liability, loss, injury, damage, damages, cost, expense or other sum based upon, arising out of, in relation to or directly or indirectly resulting from any **Controlled Substance**.
- 1.2. For the purpose of this Endorsement, **Controlled Substance** means:
  - 1.2.1. codeine, fentanyl, hydrocodone, oxycontin, hydromorphone, meperidine, methadone, oxycodone or naloxone;
  - 1.2.2. any other opioid or opiate drug or opioid or opiate medication or substance; or
  - 1.2.3. any opioid or opiate drug or opioid or opiate medication or substance that is considered a controlled substance as defined by or included in the *Controlled Drugs and Substance Act* (S.C.1996, c.19), the Schedules of the *Controlled Substance Act* (21 U.S.C. § 801 et seq.) or any similar legislation.

**All other terms, conditions and limitations of this Policy shall remain unchanged.**

# Miscellaneous Malpractice Liability Form (Occurrence)

**novex**

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

The word "Insured" means any person qualifying as such under SECTION III WHO IS AN INSURED.

Other words and phrases that appear in quotation marks have special meaning as defined in SECTION II DEFINITIONS.

## SECTION I – COVERAGE

In consideration of the payment of premium and in reliance upon representations made to the Insurer during the process of obtaining this insurance and subject to the Limits of Insurance shown in the "Declaration Page(s)", and all the exclusions, terms and conditions of this form, the Insurer agrees with the Insured as follows:

### 1. Insuring Agreement

- a. The Insurer will pay those sums that the Insured becomes legally obligated to pay as "damages" because of "injury" arising out of the rendering of, or failure to render, during the "policy period", professional services described in the "Declaration Page(s)". No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Item 2., Supplementary Payments. The "injury" must take place in the "coverage territory". The Insurer will have the right and duty to defend any "action" seeking those "damages" but:
  - (1) the amount the Insurer will pay for "damages" is limited as described in SECTION IV LIMITS OF INSURANCE;
  - (2) the Insurer may investigate and settle any "claim" or "action" at the Insurer's discretion; and
  - (3) the Insurer's right and duty to defend end when the Insurer has used up the applicable Limits of Insurance in the payment of judgments or settlements as provided under SECTION IV – LIMITS OF INSURANCE.
- b. "Damages" because of "injury" include "damages" claimed by any person or organization for care, loss of services or death resulting at any time from the "injury".

### 2. Supplementary Payments

The Insurer will pay, with respect to any "claim" or "action" the Insurer defends:

- a. counsel fees and all other litigation expenses;
- b. the cost of bonds to release attachments, but only for bond amounts within the applicable Limits of Insurance. The Insurer does not have to furnish these bonds;
- c. costs taxed against the Insured in the "action";
- d. "pre-judgment interest" awarded against the Insured on that part of any judgment covered under this form. If the Insurer offers the applicable Limits of Insurance in settlement of a "claim" or "action", the Insurer will not pay any "pre-judgment interest" imposed or earned after the date of such offer; and
- e. interest on the full amount of any judgment that accrues after entry of the judgment and before the Insurer has paid, offered to pay, or deposited in court the amount available for the judgment under the provisions of SECTION IV – LIMITS OF INSURANCE.

The Insurer will not pay:

- a. salaries and expenses of the Insurer's employees or the Named Insured's employees other than that portion of the Insurer's employed counsel's fees, salaries and expenses allocated to a specific "claim" or "action"; or
- b. fees and expenses of Independent adjusters the Insurer hires.

These payments will not reduce the Limits of Insurance.

## SECTION II – DEFINITIONS

1. **“Action”** means a civil proceeding in which “damages” because of an “injury” to which this insurance applies are alleged. “Action” includes:
  - a. an arbitration proceeding in which such “damages” are sought and to which the Insured must submit or submits with the Insurer’s consent; or
  - b. any other alternative dispute resolution proceeding in which such “damages” are sought and to which the Insured submits with the Insurer’s consent.
2. **“Automobile”** means any self-propelled land motor vehicle, trailer or semi-trailer (including machinery, apparatus, or equipment attached thereto) which is principally designed and is being used for transportation of persons or property on public roads.
3. **“Claim”** means any demand upon the Insured for “damages” or services alleging liability of the Insured as the result of any “injury”.
4. **“Coverage territory”** means Canada. Further, the “injury” must give rise to a “claim” or “action” instituted within Canada or the United States of America (including its territories and possessions).
5. **“Damages”** means compensatory monetary amounts the Insured is legally obligated to pay as judgments, awards and settlements to which the Insurer has agreed in writing. “Damages” include compensatory damages claimed by any person or organization for care, loss of services or death resulting at any time from the “injury”. “Damages” does not include:
  - a. civil, criminal, administrative or other fines or penalties;
  - b. any portion of a judgment or award that represents a multiple of the compensatory amounts;
  - c. the restitution of consideration or expense paid to any Insured for services or goods;
  - d. equitable relief, injunctive relief, declarative relief or any other relief or recovery other than monetary amounts; or
  - e. judgments or awards from acts deemed uninsurable by law.
6. **“Data”** means representations of information or concepts in any form.
7. **“Declaration Page(s)”** means the Declarations Page(s) applicable to this form.
8. **“Fungi”** includes, but is not limited to, any form or type of mould, yeast, mushroom, mildew, wet or dry rot, or bacteria 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.
9. **“Injury”** means bodily injury, sickness, or disease sustained by a natural person. This includes death, shock, fright, mental anguish, mental injury, or disability which result from any of these at any time.
10. **“Policy Period”** means the period shown in the “Declaration Page(s)”.
11. **“Pre-Judgment Interest”** means interest added to a settlement, verdict, award or judgment based on the amount of time prior to the settlement, verdict, award or judgment whether or not made part of the settlement, verdict, award or judgment.
12. **“Spores”** includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any “fungi”.  
13. **“Terrorism”** means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

## SECTION III – WHO IS AN INSURED

1. If the Named Insured is designated in the “Declaration Page(s)” as:
  - a. An individual, the Named Insured and the Named Insured’s spouse are Insureds, but only with respect to the conduct of a business of which the Named Insured is the sole owner.
  - b. A partnership or joint venture, the Named Insured is an Insured. The Named Insured’s members, the Named Insured’s partners, and their spouses are also Insureds, but only with respect to the conduct of the Named Insured’s business.
  - c. An organization other than a partnership or joint venture, the Named Insured is an Insured. The Named Insured’s executive officers and directors are Insureds, but only with respect to their duties in the conduct of the Named Insured’s business. The Named Insured’s stockholders are also Insureds, but only with respect to their liability as stockholders.
2. Each of the following is also an Insured:
  - a. The Named Insured’s employees, other than the Named Insured’s executive officers, but only for acts within the scope of their employment by the Named Insured.

- b. The Named Insured's legal representative if the Named Insured dies, but only with respect to duties as such. That representative will have all the Named Insured's rights and duties under this form.
- 3. Any organization the Named Insured newly acquires or forms, other than a partnership or joint venture, and over which the Named Insured maintains ownership or majority interest, will be deemed to be 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 the Named Insured acquires or forms the organization or the end of the "policy period", whichever is earlier; and
  - b. coverage does not apply to "injury" that occurred before the Named Insured acquired or formed the organization.

No person or organization is an Insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the "Declaration Page(s)".

## SECTION IV – LIMITS OF INSURANCE

- 1. The Limits of Insurance shown on the "Declaration Page(s)" and the rules below fix the most the Insurer 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 Each Claim Limit is the most the Insurer will pay for the sum of all "damages" arising out of any one "claim" or "action". Multiple "claims" arising out of or related to one act or to a series of related acts shall be treated as one "claim" that is subject to one Each Claim Limit.
- 3. Subject to 2. above, the Aggregate Limit is the most the Insurer will pay for the sum of all "damages" under this form.
- 4. The Limits of Insurance applicable to this form apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the "policy period" shown on the "Declaration Page(s)" unless the "policy period" is extended after issuance for an additional period of less than 12 months. In that case the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

## SECTION V – EXCLUSIONS

This insurance does not apply to:

- a. liability of the Insured as a proprietor, superintendent or executive officer of any hospital, sanatorium, clinic with bed and board facilities, or laboratory.
- b. liability of any Insured acting in their professional capacity as a physician.
- c. (1) "injury" caused by the Named Insured or, with the knowledge of the Named Insured, by any of his/her employees, in the commission of any criminal act, in the violation of any law or ordinance, or while under the influence of hypnotics, narcotics or intoxicants;
- (2) "injury" arising out of or on account of, resulting from or relating to any actual or threatened "abuse".

The Insurer shall not have any duty to defend any "claim" or action arising out of, or on account of, any "claim" for "injury" arising out of any "abuse".

"Abuse" means, but is not limited to, sexual, physical, mental, psychological, or emotional abuse or molestation, sexual harassment, sexual assault, assault or battery.

- d. "injury" for which the Insured is obligated to pay "damages" by reason of the assumption of liability in a contract or agreement, including an employment contract. This exclusion does not apply to liability for "damages" that the Insured would have in the absence of the contract or agreement.
- e. (1) "injury" arising out of the ownership, use or operation by or on behalf of any Insured of:
  - (a) any "automobile";
  - (b) any motorized snow vehicle or its trailers;
  - (c) 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; or
  - (d) any vehicle which if it were to be insured would be required by law to be insured under a contract evidenced by a motor vehicle liability policy, or any vehicle insured under such a contract.
- (2) "injury" with respect to which any motor vehicle liability policy is in effect or would be in effect but for its termination upon exhaustion of its limit of liability or is required by law to be in effect.

- f. (1) "injury" which would not have occurred in whole or in part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;
- (2) any loss, cost or expense arising out of any:
  - (a) request, demand or order that any Insured or others test for, monitor, cleanup, remove, contain, treat, detoxify, decontaminate, stabilize, remediate 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 "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".

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

- g. Nuclear Energy Liability:
  - 1. Liability imposed by or arising under any nuclear liability act, law or statute, or any law amendatory thereof;
  - 2. "Injury" with respect to which an Insured under this form is also insured under a contract of nuclear energy liability insurance (whether the Insured is unnamed in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an Insured under any such policy but for its termination upon exhaustion of its limit of liability;
  - 3. "Injury" resulting directly or indirectly from the nuclear energy hazard arising from:
    - (a) the ownership, maintenance, operation or use of a nuclear facility by or on behalf of an Insured;
    - (b) 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;
    - (c) the possession, consumption, use, handling, disposal or transportation of fissionable substances, or 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.

As used in this form:

- (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 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;
- (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.
- h. "injury" due to war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power.
- i. liability for:
  - (1) erasure, destruction, corruption, misappropriation, misinterpretation of "data"; or
  - (2) erroneously creating, amending, entering, deleting or using "data"; and

any loss of use arising therefrom.

- j. liability arising out of the distribution or display of "data", by means of an Internet Website, the Internet, an intranet, extranet, or similar device or system designed or intended for electronic communication of "data".
- k. liability 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 "injury".
- l.
  - (1) "injury" or any other cost, loss or expense incurred by others, arising directly or indirectly, from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any "fungi" or "spores" however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of "fungi" or "spores";
  - (2) any supervision, instructions, recommendation, warnings, or advice given or which should have been given in connection with the testing for, assessment, monitoring, removal, abatement, mitigation, treatment, detoxification or neutralization of, "fungi" or "spores"; or
  - (3) any obligation, whether imposed under statute or common law, to share damages with, to pay or repay someone else who must pay damages because of the "injury", damage or activity referred to in (1). or (2). above.

This exclusion applies regardless of the cause of the loss or damage, other causes of the "injury", damage, expense or costs or whether other causes acted concurrently or in any sequence to produce the injury, damage, expenses or costs.

- m. any actual or alleged liability whatsoever for any "claim" or "claims" in respect of loss or losses, damage, cost or expense directly or indirectly caused by, resulting from or 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 loss, damage, cost or expense.

## **SECTION VI – PROFESSIONAL LIABILITY CONDITIONS**

### **1. Bankruptcy**

Bankruptcy or insolvency of the Insured or of the Insured's estate will not relieve the Insurer of their obligations under this form.

### **2. Canadian Currency Clause**

All Limits of Insurance, premiums and other amounts as expressed in this form are in Canadian currency.

### **3. Termination**

#### a. This policy may be terminated:

- (1) by the Insurer giving to the first Named Insured:
  - (i) 30 days' written notice of termination by registered mail;
  - (ii) 5 days' written notice of termination personally delivered;
  - (iii) 15 days' written notice of termination by registered mail when cancelling for non-payment of premium;
- (2) by the first Named Insured at any time on request.

#### b. Where this policy is terminated by the Insurer:

- (1) the Insurer shall refund the excess of premium actually paid by the first Named 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
- (2) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.

#### c. Where the policy is terminated by the first Named Insured:

- (1) and where the premium is developed on other than an estimated basis, the Insurer will refund the excess of the paid premium above the short rate premium for the time the policy has been in force calculated in accordance with the short rate premium table in use by the Insurer, and except in Quebec, subject to the retention of the minimum premium, if any, provided by the policy; or
- (2) where the premium is developed by an estimated basis, the Insurer will refund the excess of the paid premium above the premium earned, when determined, and except in Quebec, subject to the retention of the minimum premium, if any, provided by the policy.

#### d. The refund may be made by money, postal or express company money order or cheque payable at par.

#### e. The fifteen days mentioned in clause a. (1) (iii) 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.

#### f. The Insurer will mail or deliver the notice to the first Named Insured's last mailing address known to the Insurer.

In Quebec the following conditions apply:

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 cancellation.

- (i) The Insurer will mail or deliver the notice to the first Named Insured's last mailing address known to the Insurer.
- (ii) The "policy period" will end on the date cancellation takes effect.
- (iii) If this policy is cancelled, the Insurer will send the first Named Insured any premium refund due. If the Insurer cancels, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if the Insurer has not made or offered a refund.

#### **4. Changes**

This form contains all the agreements between the Named Insured and the Insurer concerning the insurance afforded. The first Named Insured shown on the "Declaration Page(s)" is authorized to make changes in the terms of this form with the Insurer's consent. This form's terms can be amended or waived only by endorsement or amendment issued by the Insurer and made a part of this form.

#### **5. Duties in the Event of "Injury", "Claim" or "Action"**

- a. The Named Insured must see to it that the Insurer is notified promptly of an "injury" which may result in a "claim". Notice should include:
  - (1) how, when and where the "injury" took place; and
  - (2) the names and addresses of any injured persons and of witnesses.
- b. If a "claim" is made or "action" is brought against any Insured, the Named Insured must see to it that the Insurer receives prompt written notice of the "claim" or "action".
- c. The Named Insured and any other involved Insured must:
  - (1) immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "action";
  - (2) authorize the Insurer to obtain records and other information;
  - (3) co-operate with the Insurer in the investigation, settlement or defence of the "claim" or "action"; and
  - (4) assist the Insurer, upon the Insurer's request, in the enforcement of any right against any person or organization which may be liable to the Insured because of "injury" to which this insurance may also apply.
- d. No Insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without the Insurer's consent.

#### **6. Examination of the Named Insured's Books and Records**

The Insurer may examine and audit the Named Insured's books and records as they relate to this form at any time during the "policy period" and up to three years afterward.

#### **7. Inspections and Surveys**

The Insurer has the right but is not obligated to:

- a. make inspections and surveys at any time;
- b. give the Named Insured reports on the conditions the Insurer finds; and
- c. recommend any changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. The Insurer does not make safety inspections. The Insurer does not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And the Insurer does not warrant that conditions:

- (i) are safe or healthful; or
- (ii) comply with laws, regulations, codes or standards.

This condition applies not only to the Insurer, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

## **8. Legal Action Against the Insurer**

No person or organization has a right under this form:

- a. to join the Insurer as a party or otherwise bring the Insurer into an "action" asking for "damages" from an Insured; or
- b. to sue the Insurer on this form unless all of its terms have been fully complied with.

A person or organization may sue the Insurer to recover on an agreed settlement or on a final judgment against an Insured obtained after an actual trial; but the Insurer will not be liable for "damages" that are not payable under the terms of this form or that are in excess of the applicable Limits of Insurance. An agreed settlement means a settlement and release of liability signed by the Insurer, the Insured and the claimant or the claimant's legal representative. Every "action" or proceeding against the Insurer shall be commenced within one year next after the date of such judgment or agreed settlement and not afterwards. If this form is governed by the law of Quebec every "action" or proceeding against the Insurer shall be commenced within three years from the time the right of "action" arises.

## **9. Other Insurance**

If other valid and collectible insurance is available to the Insured for a loss the Insurer covers under this form, the Insurer's obligations are limited as follows:

- a. As this insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis, except such insurance as is specifically purchased to apply in excess of this form's Limits of Insurance, the Insurer will pay only the Insurer's share of the amount of the "damages", 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 this or any other insurance.
- b. The Insurer will have no duty under this form to defend any "claim" or "action" that any other Insurer has a duty to defend. If no other Insurer defends, the Insurer may undertake to do so, but the Insurer will be entitled to the Insured's rights against all other Insurers.

## **10. Premium Audit**

- a. The Insurer will compute all premiums for this form in accordance with the Insurer's rules and rates.
- b. Premium shown in the "Declaration Page(s)" applicable to this form as advance premium is a deposit premium only. At the close of each audit period the Insurer 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, the Insurer will return the excess to the first Named Insured subject to the retention of the minimum premium shown on the "Declaration Page(s)".
- c. The first Named Insured must keep records of the information the Insurer needs for premium computation, and send the Insurer copies at such times as the Insurer may request.

## **11. Premiums**

The first Named Insured shown in the "Declaration Page(s)":

- a. is responsible for the payment of all premiums; and
- b. will be the payee for any return premiums the Insurer pays.

## **12. Representations**

By accepting this form, the Named Insured agrees:

- a. the statements on the "Declaration Page(s)" are accurate and complete;
- b. those statements are based upon representations the Named Insured made to the Insurer in the application(s) for this form and such application(s) will be deemed to be part of this form as if it had been physically attached; and
- c. the Insurer has issued this insurance in reliance upon the Named Insured's representations.

## **13. Separation of Insureds, Cross Liability**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned 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.

## **14. Sole Agent**

The first Named Insured shown on the "Declaration Page(s)" is authorized to act on behalf of all Insureds with respect to giving or receiving notice of cancellation or non-renewal, receiving refunds, requesting "claim" information and agreeing to any changes in this form.

## **15. Transfer of Rights of Recovery Against Others to the Insurer**

If the Insured has rights to recover all or part of any payment the Insurer has made under this form, those rights are transferred to the Insurer. The Insured must do nothing after loss to impair them. At the Insurer's request, the Insured will bring "action" or transfer those rights to the Insurer and help the Insurer enforce them.

## **16. Transfer of the Named Insured's Rights and Duties Under this Form**

The Named Insured's rights and duties under this form may not be transferred without the Insurer's written consent except in the case of death of an individual Named Insured.

## **IMPORTANT**

The notice below applies to insurance contracts containing non-automobile legal liability coverages in provinces where statistical data relating to such contracts must be reported to the Superintendent of Insurance.

### **NOTICE TO INSUREDS**

**pursuant to the**

**FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT, 1987.**

**LEGAL AUTHORITY FOR COLLECTION.**

Insurance Act, R.S.O., 1990, c.1.8, section 101(1)

**PRINCIPAL PURPOSE FOR WHICH PERSONAL INFORMATION IS INTENDED TO BE USED:**

Information collected by Insurers from Insureds or supplied to Insurers pertaining to the attached document will be used:

- ◆ to compile aggregate statistical data to be used in monitoring trends in the insurance industry;
- ◆ to develop statistical exhibits to be used in monitoring the insurance industry;
- ◆ to respond to requests for customized statistical information on the insurance industry;
- ◆ to respond to inquiries on statistical information made to the Office of the Superintendent of Insurance; and
- ◆ to use and disclose such information for purposes which are consistent with the previous clauses.

**THE PUBLIC OFFICIAL WHO CAN ANSWER QUESTIONS ABOUT THE COLLECTION IS:**

Novex Insurance Company  
Privacy Officer  
700 University Avenue, Suite 1500  
Toronto, Ontario  
M5G 0A1

OR

Provincial Regulator or Superintendent of Insurance in your Province.

Legal Expense Insurance (Occurrence Form)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

1. Insuring Agreement  
In consideration of the payment of the premium and in reliance upon all statements made and information furnished to the Insurer, including the statements made in the application, and subject to all the terms, conditions and limitations of this form, the Insurer agrees to reimburse the "Insured" for:
  - 1.1. "Legal expenses" incurred by the "Insured"; and
  - 1.2. for costs of "Legal consultation";both arising from, or in connection with, a "covered proceeding", but only if such "covered proceeding" results from an "occurrence" that takes place within the "territorial limits" and during the "policy period".
2. Extensions  
Subject otherwise to the terms hereof, this form shall respond to a "Claim" made against the estates, heirs, or legal representatives of deceased "Insured" and the legal representatives of "Insured" in the event of their incompetency, insolvency or bankruptcy, who were insured at the time notice of the "Claim" is received by the "Insured".
3. Limits of Insurance  
The limits of insurance and rules described below fix the most the Insurer will pay regardless of the number of insureds, "claims" made, or persons or organizations making "claims".  
The maximum amounts in respect of which the Insurer will reimburse the "Insured" are as follows, unless otherwise indicated on the "Declaration Page(s)":
  - (a) Twenty-Five Thousand Dollars (\$25,000.00) for "legal expenses" arising out of any one "Claim" subject to a maximum of Fifty Thousand Dollars (\$50,000.00) during any one "policy period". Multiple "claims" arising out of or related to one "occurrence" shall be treated as one "claim".
  - (b) Five Thousand Dollars (\$5,000.00) per "Claim" or in the aggregate, per "Policy Period" in respect of the cost of retaining an "Expert Witness" for purposes of the defence of a "Claim".
  - (c) Five Thousand Dollars (\$5,000.00) during any one "Policy period" in respect of costs incurred by the "Insured" for "Legal Consultation".The limits of insurance applicable to this form apply separately to each, 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 to be part of the last preceding "policy period" for purposes of determining the limits of insurance.
4. Definitions
  - (a) **Civil Proceeding**" means a proceeding instituted in a court of competent jurisdiction in Canada seeking compensatory, aggravated, punitive or exemplary damages and/or declaratory or injunctive relief in connection therewith and judgment against an "Insured" for such damages, declaratory or injunctive relief, together with legal costs, pre- and post-judgment interest and further and other relief.
  - (b) **Claim**" means receipt by the "Insured" of, or the filing of, a notice or complaint against the "Insured", alleging that the "Insured" has contravened any Federal or Provincial statute, any regulation or order passed pursuant thereto, or any by-laws, rules and regulations passed by or by any organization, association, corporation or entity which governs members of the "Insured Profession" including the manner in which they conduct themselves within their "Insured Practice".  
"Claim" does not include :
    - (1) any form of relief pursued by way of a "Civil Proceeding";
    - (2) any allegation, complaint, charge, or relief claimed in connection with a "Criminal Proceeding".
  - (c) **Covered Proceeding**" means a "claim" instituted and conducted in Canada before a legally constituted tribunal, board, board of inquiry, board of review, commission, committee or commissioner with jurisdiction to hear and/or review evidence, documentary or otherwise, make findings of fact in relation thereto, make a determination or render a decision as to whether the "Insured" is guilty of contravening the statutes, regulations, orders or by-laws governing the conduct of members of the "Insured Profession", or has otherwise failed to meet the standards of the "Insured Profession", and to impose any form of disciplinary sanction, including suspension of the "Insured's" license or ability to practice the "Insured Profession", or expulsion from the "Insured Profession", or to impose a fine, penalty or other monetary sanction (not including any form of damages, compensatory or otherwise) upon the "Insured" as a result thereof.  
"Covered Proceeding" does not include:
    - (1) a "Civil Proceeding";
    - (2) a "Criminal Proceeding".
  - (d) **Criminal Proceeding**" means a proceeding instituted by means of the swearing of an information, the laying of a charge or the return of an indictment, before a Court of competent jurisdiction in Canada with jurisdiction to hear and determine the charges referred to therein, alleging or charging that the "Insured" has contravened the provisions of any Provincial or Federal statute, including the *Criminal Code*, R.S.C. 1985 ch. C-46 as amended, which creates an offence or crime and which provides for conviction thereunder, whether by way of summary conviction or indictment, and as a result of which the "Insured" is liable to be convicted, fined or sentenced to some form of imprisonment or other punishment.
  - (e) **Declaration Page(s)**" means the "Declaration Page(s)" applicable to this form.
  - (f) **Expert Witness**" means a person who is qualified by education, training and/or experience, to provide evidence with respect to the practice of, or the standard of practice required by, the "Insured Profession" and to opine concerning whether the "Insured" has met or exceeded such standard, whether the "Insured" contravened or breached any statute, regulation or by-law governing the conduct of the "Insured Profession", or upon any other issue material to the "Covered Proceeding".
  - (g) **Insured**" is the Named Insured(s) shown in the "Declaration Page(s)" and includes the Named Insured's employees, but only for acts within the scope of their employment by the Named Insured, or any student working under the supervision of the Named Insured.
  - (h) **Insured Profession**" or **Insured Practice**" means the profession described in the "Declaration Page(s)", performed in accordance with the legislation regulating the practice of such profession.
  - (i) **Legal Consultation**" means the obtaining of legal advice by the "Insured" in relation to his or her legal obligation to release confidential information, documentary or otherwise, created, obtained, received and/or held by the "Insured" in connection with his or her "Insured Practice" and in his or her capacity as a member of the "Insured Profession".
  - (j) **Legal Expenses**" means:
    - (1) fees, not to exceed \$250.00 per hour, charged by a lawyer qualified to practice in the jurisdiction in which the "Covered Proceeding" is instituted,

in respect of time spent in defending a "Covered Proceeding", including fees charged for the services of articling students, paralegals, clerks and other professional staff working with and under the direction of such lawyer, but not including any overtime charges or charges in respect of any secretarial or other office support staff;

- (2) all necessary disbursements incurred in defence of a "Covered Proceeding", including photocopying and binding charges, courier or messenger services, long distance telephone and telecopier charges, filing and postage charges, the cost of summonses, other than costs for retaining an "Expert Witness", amounts paid to process servers, charges for obtaining transcripts of evidence or reasons for decision in connection with the "Covered Proceeding", and necessary transportation, accommodation and meal charges incurred in connection with the "Covered Proceeding";
- (3) Goods and Services Tax payable as required by law on the fees and disbursements in (1) and (2) above;
- (4) legal costs including court costs awarded against the "Insured" in a "Covered Proceeding", excluding any fines or penalties or costs assessed against the "Insured" in connection with a "Covered Proceeding", except those costs which are specifically included within the definition of "Legal Expenses";
- (5) any other expense not included in (1), (2), (3) or (4) except costs for "Legal Consultation" or costs for retaining any "Expert Witness" which, in the opinion of the lawyer retained by the "Insured" to defend a "Covered Proceeding", is necessary for such defence but only where specific approval has been sought from the Insurer, and provided in writing, in advance of such expense being incurred.

(k) **"Occurrence"** means an event or incident resulting from the manner in which the "Insured" conduct themselves within their "Insured Practice". Furthermore, if there is more than one event arising at different times from the same originating cause, the date of occurrence is the date of the first of these events, or if there is a series of related incidents, then the date of occurrence is the earliest date of the related incidents.

(l) **"Policy Period"** means the period stated in the "Declaration Page(s)" or such lesser period in the event that this policy is cancelled.

(m) **"Territorial Limits"** means Canada, including all provinces, Yukon, Northwest Territories and Nunavut.

## 5. Exclusions

This insurance does not apply to:

- (a) "Legal Expenses" in respect of a "Claim" instituted against or notified to the "Insured", or amounts incurred for "Legal Consultation" or for any "Expert Witness" arising out of a demand or request received by the "Insured", prior to the inception of the "Policy Period", or arising from any matter, circumstance or situation known to the "Insured" prior to inception of the "Policy Period";
- (b) "Legal Expenses", costs of "Legal Consultation" or costs for any "Expert Witness" in relation to, or arising out of, any intentional or deliberate violation or contravention by the "Insured" of any statute, regulation, order or by-law in force in the "Territorial Limits" or anywhere else in the world;
- (c) "Legal Expenses", costs of "Legal Consultation" or costs for any "Expert Witness" incurred to defend "Covered Proceedings" instituted, commenced, brought or transferred outside the "Territorial Limits";
- (d) any "Legal Expenses", costs of "Legal Consultation" or costs for any "Expert Witness" incurred without the consent by the Insurer having been provided in accordance with Section 6 of this form;
- (e) "Legal Expenses" incurred to defend a "Covered Proceeding", costs of "Legal Consultation", or costs for any "Expert Witness" arising from any actual or alleged dishonesty, fraud or malicious conduct on the part of the "Insured", provided however, that if the "Insured" is found by the trier of fact in the "Covered Proceeding" not to have acted in a dishonest, fraudulent or malicious manner, the "Insurer" will reimburse the "Insured" in accordance with all terms and conditions of this form within a reasonable time after such "Covered Proceeding" and any appeal therefrom relating to such findings have been concluded;
- (f) "Legal Expenses", costs of "Legal Consultation" or costs for any "Expert Witness" incurred to appeal or seek review of a decision rendered at first instance in a "Covered Proceeding", unless the Insurer specifically agrees in writing that such appeal or review should be taken;
- (g) "Legal Expenses", costs of "Legal Consultation" or costs for any "Expert Witness" covered by any other valid policy of insurance covering and available to the "Insured" in respect of the defence of a "Covered Proceeding" or for purposes of obtaining "Legal Consultation" or for retaining any "Expert Witness".

## 6. Conditions

### 1. Notice

- (a) In the event of a "Claim" is received by the "Insured" during the "Policy Period", the "Insured" shall promptly, provide notice in writing to the Insurer of such "Claim", together with a copy of the "Claim" or any other document in relation thereto, sufficient to apprise the Insurer of the nature of the "Claim" and to enable a determination to be made by the Insurer as to whether coverage is provided under this policy and, if so, to consent to "Legal Expenses", or costs for retaining an "Expert Witness" being incurred.
- (b) In the event that during the "Policy Period" the "Insured" receives a demand or request to release confidential information and reasonably feels that he or she requires "Legal Consultation" in connection with such demand or request, the "Insured" shall promptly, provide notice thereof in writing to the Insurer, together with a copy of any written demand or request, which notice shall be in a form sufficient to apprise the Insurer of the nature of the demand or request and to enable the "Insurer" to make a determination as to whether coverage is provided under this form and, if so, to consent to costs of such "Legal Consultation".
- (c) Within a reasonable time after receipt of notice from the "Insured" under Sections 1(a) and 1(b) hereof, if the The Insurer accepts coverage under this form for "Legal Expenses", "Legal Consultation" or for retaining any "Expert Witness", the Insurer shall provide its written consent to the "Insured" incurring "Legal Expenses", costs of "Legal Consultation" or costs of retaining any "Expert Witness" subject to all terms and conditions of this form.
- (d) If notice as required by this Section is not provided by the "Insured" to the Insurer, or if the The Insurer determines that there is no coverage under this form for the "Claim", request or demand, the Insurer will so advise the "Insured", within a reasonable time after such notice, in writing, and no coverage will be provided under this form in respect of such "Claim", demand or request. Failure of the "Insured" to comply with the notice requirements of this Section in respect of any "Claim", demand or request shall not invalidate the "Insured's" right to seek reimbursement in respect of any other "Claim", demand or request received during the "Certificate Period" and notified to the Insurer as required by this Section.

### 2. Conduct of "Covered Proceedings" and "Legal Consultation"

- (a) The "Insured" shall have the right to select the lawyer by whom the "Legal Expenses" will be incurred or who will provide "Legal Consultation" or will arrange for the retention of any "Expert Witness" as contemplated by this form. The "Insured" shall advise the Insurer of the identity of such lawyer, his or her address, and any other information concerning such lawyer which is reasonably requested by the Insurer.
- (b) The lawyer referred to in 2 (a) above shall report jointly to the "Insured" and the Insurer, as required, with respect to the status of the "Covered Proceeding" in order to apprise the Insurer of such information as it reasonably requires to monitor the "Covered Proceeding" and "Legal Expenses" being incurred in connection therewith. The lawyer providing "Legal Consultation" or arranging for the retention of any "Expert Witness" shall confirm to the Insurer in writing the nature of the demand or request concerning which the "Legal Consultation" or retention of any "Expert Witness" was made necessary.
- (c) Accounts rendered by the lawyers referred to in 2 (a) and 2 (b) above shall identify in respect of each attendance: the nature of the work performed, the person performing the service, the date upon which the service was performed, the time spent and the hourly rate of each person performing services as contained in the account. Accounts shall also contain details as to disbursements incurred and copies of receipts. Accounts shall be rendered to, and paid at first instance by, the "Insured" who shall, subject to all other terms and conditions of this form and to proof of payment, be entitled to reimbursement from the Insurer in respect thereof.
- (d) The "Insured" shall take all reasonable steps to minimize the "Legal Expenses" being incurred and/or the cost of "Legal Consultation", and/or the costs of retaining any "Expert Witness" consistent with maintaining the "Insured's" status in the "Insured Profession" and the "Insured's"

right to engage in his or her "Insured Practice".

3. **Coverage Territory**

Coverage provided by this form applies to amounts incurred for "Legal Expenses", costs of "Legal Consultation" retaining any "Expert Witness" only in relation to the defence of "Covered Proceedings" within the "Territorial Limits".

4. **Changes**

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

5. **Other Insurance**

In the event that the "Insured" is entitled to reimbursement for "Legal Expenses", for the cost of "Legal Consultation", or for the costs of retaining any "Expert Witness", or is entitled to be afforded a defence under any other valid insurance policy or policies, the coverage provided by this form shall be excess of and will not contribute, in any manner whatsoever, to such other valid and collectable insurance.

6. **Termination**

This policy may be terminated:

(1) By the Insurer giving to the "Insured" excluding the "Insured" residing in the province of Quebec:

- (i) 30 days' written notice of termination by registered mail at his or her last known address;
- (ii) 5 days' written notice of termination personally delivered;

(2) By the Insurer giving to the "Insured" residing in the province of Quebec:

- (i) 30 days' written notice of termination by registered mail at his or her last known address;
- (ii) 15 days' written notice of termination by registered mail at his or her last known address when cancelling for nonpayment of premium;

(3) By the "Insured" upon written notice. The cancellation takes effect upon receipt of the notice by the Insurer.

7. **Notice of "Claim"**

The "Insured", upon knowledge of loss, shall give immediate notice thereof to the Insurer or to the authorized representative through whom the policy was issued.

8. **Subrogation**

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

9. **Assignment**

Assignment of interest under this form shall not bind the Insurer until its consent is endorsed hereon; if, however, the "Insured", excluding the "Insured" residing in the province of Quebec, shall die or be adjudged bankrupt or insolvent within the "Policy period", this form, unless cancelled, shall, if written notice be given to the Insurer within sixty days after the date of such death or adjudication, cover the "Insured's" legal representative as the "Insured".

In the case of death of the "Insured" residing in the province of Quebec, bankruptcy or assignment of insurance between the persons co-insured, the insurance coverage will be passed on to the heir, to the trustee or to the remaining persons insured.

10. **Action against the "Insurer"**

No suit shall be brought by the "Insured" living in the Territorial Limits excluding Quebec under this form until ninety days after proof of loss as required herein has been furnished nor at all unless commenced within two (2) years from the date upon which the loss was discovered by the "Insured".

No suit shall be brought by the "Insured" living in the province of Quebec under this form until ninety days after proof of loss as required herein has been furnished nor at all unless commenced within three (3) years from the date upon which the loss was discovered by the "Insured".

11. **Representation**

By accepting this insurance, the "Insured" agrees:

The statements on the "Declaration Page(s)" are accurate and complete;

- (a) Those statements are based upon representations the Named Insured made to the Insurer in the application(s) for this insurance; and
- (b) The Insurer has issued this insurance in reliance upon the Named Insured's representations.

12. **Currency**

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

Words and phrases that appear in bold and/or in quotation marks are defined within the present endorsement or in the Definitions section of the present policy.

All other terms and conditions of the policy remain unchanged.

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

**novex**

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

- 1.** The "emergency" must have a direct effect or impact on:
  - i)** the Insured, the insured site or insured property located in the declared emergency area; or
  - ii)** the operations of the Insurer or its agent/broker located in the declared emergency area.
- 2. A.** Any time limitation described in the Termination condition of this policy, with respect to termination of this policy by the Insurer, will not continue to run until the "emergency" is terminated plus the lesser of:
  - i)** 30 days; or
  - ii)** the number of days equal to the total time the "emergency" order was in effect.
- 2. B.** If this policy is due to expire during an "emergency", it will continue in force until the "emergency" is terminated plus the lesser of:
  - i)** 30 days; or
  - ii)** the number of days equal to the total time the "emergency" order was in effect.
- 3.** In no event shall the total term of this extension exceed 120 consecutive days

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

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

- a) with respect to a situation or an impending situation that constitutes a danger of major proportions that could result in serious harm to persons or substantial damage to property and that is caused by the forces of nature, a disease or other health risk, an accident or an act whether intentional or otherwise; or
- b) as provided for by the relevant governing legislation if different from a).

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

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

## **VIRUS AND BACTERIA EXCLUSION ENDORSEMENT**

**This Endorsement Changes the Policy. Please Read It Carefully.**

**Words and phrases in bold font or quotation marks have special meaning as defined below or in the Form to which this endorsement is attached.**

**The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this endorsement. These titles have only been inserted for ease of reading.**

This endorsement is attached to and modifies all commercial property coverage forms and endorsements in the policy, including but not limited to any of the following:

**PROPERTY COVERAGE**, including but not limited to Building and/or Contents Broad Form, Commercial Building and Contents Named Perils Form, Farm Outbuildings and Contents Broad Form and Farm Outbuildings and Contents Named Perils Form, as specified in the Declaration Page(s) for each Location;

**BUSINESS INTERRUPTION COVERAGE**, including but not limited to Profits, Profits Actual Loss Sustained, Gross Earnings, Gross Rentals, Rental Income and Contingent Business Interruption, as specified in the Declaration Page(s) for each Location;

**BUILDERS RISK COVERAGE**, as specified in the Declaration Page(s) for each Location;

**EQUIPMENT BREAKDOWN COVERAGE**, as specified in the Declaration Page(s) for each Location;

**MISCELLANEOUS OR OTHER PROPERTY COVERAGE**, including but not limited to Contractors Equipment Actual Cash Value Form and Farm Equipment Broad Form, as specified in the Declaration Page(s);

**ANY EXTENSIONS, CLAUSES OR ADDITIONS OF COVERAGE** to such a base Property, Business Interruption, Builders Risk, Equipment Breakdown, Miscellaneous Form or other form, including exceptions to exclusions.

The following paragraphs are added to the Forms:

- 1.1. This Form does not insure against loss or damage caused directly or indirectly, in whole or in part, by any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.
- 1.2. The exclusion in paragraph 1.1. does not apply to loss or damage caused directly or indirectly, in whole or in part, by **fungi** or **spores** directly caused by an insured peril not otherwise excluded under the policy, but only to the extent such loss or damage is insured under another Form in the policy.
- 1.3. With respect to any loss or damage subject to the exclusion in paragraph 1.1., such exclusion supersedes any exclusion relating to pollution, **pollutants** or **hazardous substance**.
- 1.4. The terms of the exclusion in paragraph 1.1., or the inapplicability of this exclusion to a particular loss, do not serve to create coverage that would not otherwise be included under the policy.

**All other terms and conditions of this policy remain unchanged.**

## CYBER INCIDENT EXCLUSION

**This Endorsement Changes the Policy. Please Read It Carefully.**

**Words and phrases in bold font or quotation marks have special meaning as defined below or in the Form to which this endorsement is attached.**

**The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this endorsement. These titles have only been inserted for ease of reading.**

This endorsement is attached to and modifies commercial property coverage forms and endorsements in the policy, including but not limited to any of the following:

PROPERTY COVERAGE, including but not limited to Building and/or Contents Broad Form, Commercial Building and Contents Named Perils Form, Farm Outbuildings and Contents Broad Form and Farm Outbuildings and Contents Named Perils Form, as specified in the Declaration Page(s) for each Location;

BUSINESS INTERRUPTION COVERAGE, including but not limited to Profits, Profits Actual Loss Sustained, Gross Earnings, Gross Rentals, Rental Income and Contingent Business Interruption, as specified in the Declaration Page(s) for each Location;

BUILDERS RISK COVERAGE, as specified in the Declaration Page(s) for each Location;

EQUIPMENT BREAKDOWN COVERAGE, as specified in the Declaration Page(s) for each Location;

MISCELLANEOUS OR OTHER PROPERTY COVERAGE, including but not limited to Contractors Equipment Actual Cash Value Form and Farm Equipment Broad Form, as specified in the Declaration Page(s);

EXTENSIONS, CLAUSES OR ADDITIONS OF COVERAGE to such a base Property, Business Interruption, Builders Risk, Equipment Breakdown, Miscellaneous Form or other form, including exceptions to exclusions.

The following exclusion is added to the EXCLUSIONS Section of the Forms:

### **1. EXCLUSION**

This Form does not insure against loss or damage caused directly or indirectly by a **cyber incident**.

Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

### **2. EXCEPTIONS AND LIMITATIONS**

#### **2.1. Fire or Explosion**

If a **cyber incident** results in fire or explosion, the Insurer will pay for the loss or damage to insured property caused by that resulting fire or explosion.

#### **2.2. Privacy Breach Expense Endorsement**

Paragraph 1. does not apply to the Privacy Breach Expense Endorsement when such Endorsement is attached to the policy.

### **3. VANDALISM AND MALICIOUS ACTS**

For purposes of this endorsement, vandalism and **malicious acts** do not include a **cyber incident**.

### **4. DEFINITIONS**

For purposes of this endorsement, the following definitions are added to the Definitions Sections:

**4.1. Computer System** means any computer, hardware, media, electronic or digital **data**, software, communications or networking system, electronic device (including but not limited to smart phones, laptops, tablets, wearable devices), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, **data** storage device, networking equipment or back-up facility.

#### **4.2. Cyber Incident** means:

4.2.1. Unauthorized access to or use of any **computer system**;

4.2.2. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any **computer system** and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any **computer system** or otherwise disrupt its normal functioning or operation; or

4.2.3. Denial of service attack which disrupts, prevents or restricts access to or use of any **computer system**, or otherwise disrupts its normal functioning or operation.

**All other terms, conditions and limitations of the policy shall remain unchanged.**

**GENERAL CONDITIONS – ONTARIO – ATLANTIC REGION****TABLE OF CONTENTS**

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Throughout this Form the word "Insured" refers to the Named Insured shown in the Declaration Page(s). The word "Insurer" refers to the company providing this insurance.

Other words and phrases that appear in bold have special meaning. Refer to either this Form or to the DEFINITIONS of Liability Coverage forms or the Property Coverage forms attached to this Policy.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.

The following Conditions, as modified or supplemented by the attached forms or endorsements, apply to all perils insured by this Policy under a Property Coverage form (including fire) or a Liability Coverage. 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.

The following General Conditions are only applicable to the provinces of Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.

## SECTION I – PROPERTY COVERAGE STATUTORY CONDITIONS

### 1. MISREPRESENTATION

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

### 2. PROPERTY OF OTHERS

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

### 3. CHANGE OF INTEREST

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

### 4. MATERIAL CHANGE

Any change material to the risk and within the control and knowledge of the Insured voids the contract as to the part affected by the change, unless the change is promptly notified in writing to the Insurer or its local agent. The Insurer, when so notified, may return the unearned portion, if any, of the premium paid and cancel the contract. Alternatively, the Insurer may notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within fifteen (15) days of the receipt of the notice, pay to the Insurer an additional premium. In default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

### 5. TERMINATION

5.1. This contract may be terminated,

5.1.1. by the Insurer giving to the Insured written notice of termination at least:

5.1.1.1. five (5) days before the effective date of termination if personally delivered;

5.1.1.2. fifteen (15) days before the effective date of termination if the contract is terminated by registered mail for nonpayment of premium; or

5.1.1.3. thirty (30) days before the effective date of termination if the contract is terminated by registered mail for any other reason.

5.1.2. by the Insured at any time on request.

5.2. When this contract is terminated by the Insurer,

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

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

5.3. When this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.

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

5.5. The fifteen (15) and thirty (30) days mentioned in clauses 5.1.1.2. and 5.1.1.3. of this condition commence to run on the day following the receipt of the registered letter at the post office to which it is addressed.

### Special condition applicable to Condominium Corporations:

In those jurisdictions where provincial legislation under which the **Condominium Corporation** is constituted prescribes different policy termination conditions from those contained in the Statutory Conditions or General Conditions of this Policy as the case may be, such prescribed conditions shall apply.

### 6. REQUIREMENTS AFTER LOSS

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

6.1.1. immediately give notice of the loss or damage in writing to the Insurer;

6.1.2. deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration,

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

6.1.2.2. 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,

6.1.2.3. stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the Insured,

6.1.2.4. showing the amount of other insurances and the names of other Insurers,

6.1.2.5. showing the interest of the Insured and of all others in the property with particulars of all mortgages, liens, encumbrances and other charges upon the property,

6.1.2.6. showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract,

6.1.2.7. showing the place where the insured property was located at the time of loss or damage;

6.1.3. if required, give a complete inventory of undamaged property, showing in detail quantities, cost, actual cash value;

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

6.2. The evidence furnished under clauses 6.1.3. and 6.1.4. of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

## 7. FRAUD

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

## 8. WHO MAY GIVE NOTICE AND PROOF

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

## 9. SALVAGE

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

9.2. The Insurer shall contribute proportionately, according to the respective interests of the parties, towards any reasonable and proper expenses in connection with steps taken by the Insured and required under subsection 9.1. of this condition.

## 10. ENTRY, CONTROL, ABANDONMENT

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

## 11. APPRAISAL

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

## 12. WHEN LOSS PAYABLE

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

## 13. REPLACEMENT

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

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

## 14. ACTION

Every action or proceeding against the Insurer for the recovery of any claim shall be absolutely barred unless commenced within one (1) year after the loss or damage occurs.

## 15. NOTICE

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

# ADDITIONAL CONDITIONS (Property Coverage)

## 1. NOTICE TO AUTHORITIES

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

## 2. 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.

## 3. 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.

## 4. SUBROGATION

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

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

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

### Special condition applicable to Condominium Corporations

Except with respect to criminal act or intentional acts or vehicle impact, the Insurer agrees with the Insured to waive its right of subrogation as to any claim against:

- the **Condominium Corporation**, its Directors, Property Managers, agents and employees; and
- the owner of a unit and, if residents of the household of the owner of a unit, his or her **spouse**, the relatives of either and any other person under the age of 21 in the care of an owner of a unit or his or her spouse. **Spouse** means a person who is married to or has entered into a civil union with another person of the opposite or the same sex and is living with that person for at least three years or for at least one year if a child was born or adopted of their union.

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

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

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

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

#### **5. EXAMINATION UNDER OATH**

In the event of loss or damage to the insured property, the Insured shall submit to examination under oath or warrant to the truth and shall produce all documents required by the Insurer and shall permit copies thereof to be made.

#### **6. CANADIAN CURRENCY CLAUSE**

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

#### **7. CONTRIBUTION**

If, on the happening of any loss or damage to property in consequences 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 under this Policy shall be limited to its proportionate share of such claim.

#### **8. VERIFICATION OF VALUES**

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

#### **9. BREACH OF CONDITION**

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

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

9.2. Special condition applicable to Condominium Corporations:

Where a loss occurs and there has been a breach of condition relating to a matter before the happening of the loss, which breach would otherwise disentitle the Insured from recovery under this Policy, the breach shall not disentitle the Insured from recovery if the Insured establishes that the loss was not caused or contributed to by the breach of condition.

It is further agreed that this insurance shall not be prejudiced by:

9.2.1. any act or neglect of any occupants or owners of the **building** or any part thereof when such act or neglect is not within the control of the **Condominium Corporation**, or

9.2.2. failure of the **Condominium Corporation** to comply with any warranty or condition herein with regard to any portion of the **premises** over which the **Condominium Corporation** has no control.

#### **10. REINSTATEMENT**

Unless specified otherwise in this Policy, losses hereunder shall not reduce the amount of insurance of this Policy.

#### **11. LOSS PAYABLE**

Special clause applicable to Condominium Corporations

Loss, if any, shall be payable in accordance with the provisions of the provincial legislation under which the **Condominium Corporation** is constituted. If the legislation has no such provisions, loss, if any, shall be payable as stated on the Declaration Page(s).

#### **12. PROPERTY OF OTHERS – CONDOMINIUMS**

Special condition applicable to Condominium Corporations

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.

## **GENERAL INSURING AGREEMENT APPLICABLE TO THIS POLICY**

1. In consideration of the premium specified and the statements contained in the Declaration Page(s) and the conditions, stipulations and declarations contained in the Forms and Endorsements, the Insurer agrees to insure the Insured named in the Declaration Page(s) to the extent provided by the Forms and Endorsements for the policy period.

By acceptance of this Policy, the Insured acknowledges the cancellation from the effective date of this Policy, of any previous policy (or the renewal thereof) which is stated in the Declaration Page(s) as replaced.

#### **2. TERMINATION**

Notwithstanding anything contained to the contrary in the Conditions specifically applying to each section of this Policy, the Termination condition of the Commercial Property Policy Conditions of this Policy may at the Insurer's option be applied to the contract entirely.

#### **3. DEFINITION**

Wherever the word "policy", "contract" (meaning the insurance contract) or "insurance" (meaning the insurance contract) is used in the Conditions applicable to this Policy or in the Forms and Endorsements forming part thereof, such word shall be held to apply only to the specific cover provided by that Section and by the Forms and Endorsements forming part thereof.

## 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** – The 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 THE MORTGAGEE'S 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 therefore existed, it shall be legally subrogated to all rights of the Mortgagee against the Insured; but any subrogation shall be limited to the amount of such loss payment and shall be subordinate and subject to the basic right of the Mortgagee to recover the full amount of its mortgage equity in priority to the Insurer; 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 THE 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.

## CLAUSE TYPE RELATIVE AUX GARANTIES HYPOTHÉCAIRES (Approuvée par le Bureau d'Assurance du Canada)

1. **VIOLATIONS DU CONTRAT** – Ne sont pas opposables aux créanciers hypothécaires les actes, négligences ou déclarations des propriétaires, locataires ou occupants des biens assurés, notamment en ce qui concerne les transferts d'intérêts, la vacance ou l'inoccupation, ou l'affectation des lieux à des fins plus dangereuses que celles déclarées.  
Les créanciers hypothécaires sont tenus d'aviser l'Assureur (si ce dernier leur est connu) dès qu'ils sont au courant de toute inoccupation ou vacance de plus de trente jours consécutifs, de tout changement dans les droits de propriété ou de toute aggravation du risque, à charge pour eux d'acquitter, sur demande raisonnable, les surprise afférentes aux aggravations dépassant les normes d'acceptation fixées pour le présent contrat et cela au tarif établi à cet égard et pour la durée du contrat restant à courir à compter du début des aggravations en question.
2. **SUBROGATION** – À concurrence des indemnités versées par lui aux créanciers hypothécaires, l'Assureur est subrogé dans les droits de ces derniers contre les débiteurs ou propriétaires auxquels il se croit justifié d'opposer un motif de non-garantie, les créanciers hypothécaires n'en demeurant pas moins en droit de recouvrer le solde de leurs créances avant que la subrogation ci-dessus puisse être exercée. L'Assureur se réserve cependant le droit d'acquitter les créances intégralement, auquel cas il a droit au transfert de celles-ci et de toutes les sûretés les garantissant.
3. **PLURALITÉ D'ASSURANCES** – Si d'autres assurances sont, à quelque titre que ce soit, acquises aux créanciers hypothécaires, les indemnités qu'ils peuvent en recevoir doivent être prises en ligne de compte pour la détermination des sommes qui leur sont payables.
4. **PRÉSENTATION DES DEMANDES D'INDEMNITÉ** – En cas d'absence ou incapacité de l'Assuré, ou s'il refuse ou néglige de présenter les déclarations de sinistre ou formulaires de demandes d'indemnité exigées pas le contrat, ces déclarations peuvent en être faites par les créanciers hypothécaires dès qu'ils sont au courant des sinistres, les formulaires de demande devant dès lors être produits par eux dans les meilleurs délais.
5. **CESSATION** – Les effets de la présente clause prennent fin en même temps que le contrat, sous réserve des droits de résiliation dont l'Assureur peut se prévaloir aux termes de ce dernier, et à charge pour l'Assureur de se conformer aux dispositions de l'article 5 des Conditions légales, et de donner aux créanciers hypothécaires le préavis exigé de toute résiliation ou modification pouvant leur causer préjudice.
6. **SAISIE** – Si les créanciers hypothécaires ou leurs ayants droit acquièrent, par saisie ou autrement, les titres ou les droits de propriété des biens assurés, ils ont droit dès lors au bénéfice de la présente assurance tant qu'elle demeure en vigueur.  
Aux conditions ci-dessus (lesquelles doivent par ailleurs prévaloir en ce qui concerne les intérêts des créanciers hypothécaires contre toutes celles du contrat en conflit avec elles), les sinistres sont payables directement aux créanciers hypothécaires ou à leurs ayants droit.

### Cancellation Agreement

This is to certify that the undersigned insured and other interested parties, where applicable, named in this Policy acknowledge the termination of the insurance coverage provided under this Policy effective \_\_\_\_\_ 20 \_\_\_\_ at 12:01 a.m. Standard Time at the postal address of the named insured.

Signature of Insured: \_\_\_\_\_

### Résiliation

Ceci est pour attester que l'assuré, et la personne ayant droit à toute partie du montant de garantie où applicable, nommé, dans le contrat accuse réception que le présent contrat est résilié à partir de \_\_\_\_\_ 20 \_\_\_\_ à 0h 01 heure normale à l'adresse du proposant.

Signature de l'Assuré: \_\_\_\_\_

## SECTION II – LIABILITY CONDITIONS

If similar liability conditions are contained in the liability forms forming part of this Policy, those conditions prevail over the following provisions.

### 1. BANKRUPTCY

Bankruptcy or insolvency of the Insured or of the Insured's estate will not relieve the Insurer of the Insurer's obligation under this Policy.

### 2. CANADIAN CURRENCY CLAUSE

All limits of insurance, premiums and other amounts are in Canadian currency.

### 3. CHANGES

This Policy contains all the agreements between the Named Insured and the Insurer concerning the insurance afforded. The first Named Insured shown in the Declaration Page(s) is authorized to make changes in the terms of this Policy with the Insurer's consent. This Policy's terms can be amended or waived only by endorsement issued by the Insurer and made a part of this Policy.

### 4. DUTIES IN THE EVENT OF OCCURRENCE, OFFENCE, CLAIM OR ACTION

- 4.1. The Named Insured must see to it that the Insurer is notified as soon as practicable of an **occurrence** or an offence which may result in a claim. To the extent possible, notice should include:
  - 4.1.1. How, when and where the **occurrence** or offence took place;
  - 4.1.2. The names and addresses of any injured persons and witnesses; and
  - 4.1.3. The nature and location of any injury or damage arising out of the **occurrence** or offence.
- 4.2. If a claim is made or **action** is brought against any Insured, the Named Insured must:
  - 4.2.1. Immediately record the specifics of the claim or **action** and the date received; and
  - 4.2.2. Notify the Insurer as soon as practicable.The Named Insured must see to it that the Insurer receives written notice of the claim or **action** as soon as practicable.
- 4.3. The Named Insured and any other involved Insured must:
  - 4.3.1. Immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with the claim or **action**;
  - 4.3.2. Authorize the Insurer to obtain records and other information;
  - 4.3.3. Cooperate with the Insurer in the investigation or settlement of the claim or defence against the **action**; and
  - 4.3.4. Assist the Insurer, upon the Insurer's request, in the enforcement of any right against any person or organization which may be liable to the Insured because of injury or damage to which this insurance may also apply.
- 4.4. No Insured will, except at that Insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without the Insurer's consent.

### 5. EXAMINATION OF THE NAMED INSURED'S BOOKS AND RECORDS

The Insurer may examine and audit the Named Insured's books and records as they relate to this Policy at any time during the **policy period** and up to three (3) years afterward.

### 6. INSPECTIONS AND SURVEYS

- 6.1. The Insurer has the right to:
  - 6.1.1. Make inspections and surveys at any time;
  - 6.1.2. Give the Named Insured reports on the conditions the Insurer finds; and
  - 6.1.3. Recommend changes.
- 6.2. The Insurer is not obligated to make any inspections, surveys, reports or recommendations and any such actions the Insurer does undertake relate only to insurability and the premiums to be charged. The Insurer does not make safety inspections. The Insurer does not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And the Insurer does not warrant that conditions:
  - 6.2.1. Are safe or healthful; or
  - 6.2.2. Comply with laws, regulations, codes or standards.
- 6.3. Sub-paragraphs 6.1. and 6.2. of this condition apply not only to the Insurer, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
- 6.4. Sub-paragraph 6.2. of this condition does not apply to any inspections, surveys, reports or recommendations the Insurer may make relative to certification, under provincial or municipal statutes, ordinances, by-laws or regulations, of boilers, pressure vessels or elevators.

### 7. LEGAL ACTION AGAINST THE INSURER

No person or organization has a right under this Policy:

- 7.1. To join the Insurer as a party or otherwise bring the Insurer into an **action** asking for **compensatory damages** from an Insured; or
- 7.2. To sue the Insurer on this Policy unless all of its terms have been fully complied with.

A person or organization may sue the Insurer to recover on an agreed settlement or on a final judgment against an Insured; but the Insurer 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 the Insurer, 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 the Insurer covers by this Policy, the Insurer's obligations are limited as follows:

- 8.1. Primary Insurance  
This insurance is primary except when sub-paragraph 8.2. below applies. If this insurance is primary, the Insurer's obligations are not affected unless any of the other insurance is also primary. Then, the Insurer will share with all that other insurance by the method described in sub-paragraph 8.3. below.
- 8.2. Excess Insurance  
This insurance is excess over:
  - 8.2.1. any of the other insurance, whether primary, excess, contingent or on any other basis:
    - 8.2.1.1. that is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for **your work**;
    - 8.2.1.2. that is Fire insurance for premises rented to the Named Insured or temporarily occupied by the Named Insured with permission of the owner;
    - 8.2.1.3. If the loss arises out of the maintenance or use of watercraft or **automobile** not otherwise excluded under this Policy.

8.2.2. any other primary insurance available to the Named Insured covering liability for **compensatory damages** arising out of the premises or operations or **products-completed operations hazard** for which the Named Insured has been added as an additional insured by attachment of an Endorsement.

8.2.3. Excess Insurance (Claims Made Form)

If this Policy provides claims-made coverage, this insurance is excess over any of the other insurance (whether primary, excess, contingent or on any other basis) that is effective prior to the beginning of the **policy period** shown in the Declaration Page(s) of this insurance and applies to **bodily injury, property damage, personal injury or advertising injury** on other than a claims-made basis.

When this insurance is excess, the Insurer will have no duty to defend the Insured against any **action** if any other insurer has a duty to defend the Insured against that **action**. If no other insurer defends, the Insurer will undertake to do so, but the Insurer will be entitled to the Insured's rights against all those other insurers.

When this insurance is excess over other insurance, the Insurer will pay only the Insured's share of the amount of the loss, if any, that exceeds the sum of:

8.2.4. the total amount that all such other insurance would pay for the loss in the absence of this insurance; and

8.2.5. the total of all deductible and self-insured amounts under all that other insurance.

The Insurer 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 Declaration Page(s) of this Policy.

8.3. Method of Sharing

If all of the other insurance permits contribution by equal shares, the Insurer 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, the Insurer 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**

9.1. The Insurer will compute all premiums for this Policy in accordance with the Insurer's rules and rates.

9.2. Premium shown in this Policy as advance premium is a deposit premium only. At the close of each audit period the Insurer 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, the Insurer will return the excess to the first Named Insured subject to the retention of the minimum retained premium shown in the Declaration Page(s) of this Policy.

9.3. The first Named Insured must keep records of the information the Insurer needs for premium computation, and send the Insurer copies at such times as the Insurer may request.

**10. PREMIUMS**

The first Named Insured shown in the Declaration Page(s):

10.1. Is responsible for the payment of all premiums; and

10.2. Will be the payee for any return premiums the Insurer pays.

**11. REPRESENTATIONS**

By accepting this Policy, the Named Insured agrees:

11.1. The statements in the Declaration Page(s) are accurate and complete;

11.2. Those statements are based upon representations the Named Insured made to the Insurer; and

11.3. The Insurer has issued this Policy in reliance upon the Named Insured's 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:

12.1. As if each Named Insured were the only Named Insured; and

12.2. Separately to each Insured against whom claim is made or **action** is brought.

**13. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO THE INSURER**

If the Insured has rights to recover all or part of any payment the Insurer has made under this Policy, those rights are transferred to the Insurer. The Insured must do nothing after loss to impair them. At the Insurer's request, the Insured will bring **action** or transfer those rights to the Insurer and help the Insurer enforce them.

**14. TRANSFER OF THE NAMED INSURED'S RIGHTS AND DUTIES UNDER THIS POLICY**

The Named Insured's rights and duties under this Policy may not be transferred without the Insurer's written consent except in the case of death of an individual Named Insured.

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

**15. PROVISIONAL PREMIUM**

If the premium shown in this Policy is a provisional premium, the Insurer will, at the end of each audit period, compute the earned premium for that period. Audit premiums are due and payable on notice to the Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, the Insurer will return the excess to the Named Insured subject to the retention of the minimum premium shown in the Declarations of this Policy.

**16. TERMINATION**

16.1. The first Named Insured shown in the Declaration Page(s) may terminate this Policy by mailing or delivering to the Insurer advance written notice of termination.

16.2. The Insurer may terminate this Policy by mailing or delivering to the first Named Insured written notice of termination at least:

16.2.1. Five (5) days before the effective date of termination if personally delivered;

16.2.2. Fifteen (15) days before the effective date of termination if the Insurer terminates for non-payment of premium; or

16.2.3. Thirty (30) days before the effective date of termination if the Insurer terminates for any other reason.

16.3. The Insurer will mail or deliver the notice to the first Named Insured's last mailing address known to the Insurer.

16.4. The policy period will end on the date termination takes effect.

16.5. If this Policy is terminated, the Insurer will send the first Named Insured any premium refund due. If the Insurer terminates, 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 the Insurer has not made or offered a refund. If the premium is provisional, a premium audit will take place as per Paragraph 15. **PROVISIONAL PREMIUM**.

## ADDITIONAL CONDITIONS APPLICABLE ONLY TO THE COMMERCIAL UMBRELLA LIABILITY POLICY AND COMMERCIAL EXCESS LIABILITY POLICY

### 1. ASSIGNMENT

Assignment of interest under this Form will not bind the Insurer until its consent is evidenced by an endorsement to this Form. If, however, the Named Insured will die or be adjudged bankrupt or insolvent, this insurance, unless cancelled, will cover the Insured's legal representative as the Named Insured for the unexpired portion of such period, but only while acting within the scope of his or her duties as such.

### 2. SUBROGATION

- 2.1. In as much as insurance under this Form is excess coverage, an Insured's right of recovery against any person or other entity cannot be exclusively subrogated to the Insurer. In case of any payment hereunder, the Insurer will act in concert with all other interests (including the Insured) concerned, in the exercise of such rights of recovery.
- 2.2. The apportioning of any amounts which may be so recovered will follow the principle that any interests (including the Insured) that will have paid any amount over and above any payment hereunder, will first be reimbursed up to the amount paid by them; the Insurer is then to be reimbursed out of any balance then remaining up to the amount paid hereunder; lastly, the interests (including the Insured) of whom this coverage is in excess are entitled to claim the residue, if any, but a different apportionment may be made to effect settlement of a claim by agreement signed by all interests.
- 2.3. Expenses necessary to the recovery of any such amounts will be apportioned between the interests (including the Insured) concerned, in the ratio of their respective recoveries as finally settled.

## ADDITIONAL CONDITION APPLICABLE TO BOTH LIABILITY AND PROPERTY

### 1. TRADE AND ECONOMIC SANCTIONS

The Insurer shall not provide any coverage or be liable to provide any indemnity or payment or other benefit under this Policy if and to the extent that doing so would breach any **Prohibition**.

For the purposes of this Clause:

1. **Prohibition** means any prohibition or restriction imposed by law or regulation including but not limited to:

- 1.1. trade and/or economic sanctions laws and/or regulations of Canada, the United Kingdom, or any other jurisdiction or authority relevant to the parties; and
- 1.2. any activities that would be subject to a license requirement under those laws and/or regulations in respect of transit and/or export control, unless such license has been obtained prior to the activity commencing and the Insurer has approved the provision of insurance for the activity.

All other terms and conditions of the Policy remain unchanged.

## **COMMERCIAL POLICY CONDITIONS AND STATUTORY CONDITIONS**

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Throughout this Form the word "Insured" refers to the Named Insured show in the Declaration Page(s). The word "Insurer" refers to the company providing this insurance.

The following Statutory Conditions and supplementary Additional Conditions apply to all coverages insured by this Policy (including fire), except where indicated.

**Other words and phrases that appear in bold font have special meaning, as defined either in the Definitions Section of this Form or in the Liability or Property Coverage forms attached to this Policy.**

For British Columbia, Alberta and Manitoba, Statutory Conditions 1., 6., 7., 8., 9., 10., 11., 12. and 13. apply only to property insurance.

For Northwest Territories, Nunavut, Saskatchewan and Yukon, Statutory Conditions 2., 6., 7., 8., 9., 10., 11., 12., 13. and 14. apply only to property insurance.

## **SECTION I – STATUTORY CONDITIONS (BRITISH COLUMBIA, ALBERTA AND MANITOBA)**

### **1. MISREPRESENTATION**

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

### **2. PROPERTY OF OTHERS**

The Insurer is not liable for loss or damage to property owned by a person other than the Insured unless:

- 2.1. otherwise specifically stated in the contract; or
- 2.2. the interest of the Insured in that property is stated in the contract.

### **3. CHANGE OF INTEREST**

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

### **4. MATERIAL CHANGE IN RISK**

- 4.1. The Insured must promptly give notice in writing to the Insurer or its agent of a change that is:
  - 4.1.1. material to the risk; and
  - 4.1.2. within the control and knowledge of the Insured.
- 4.2. If an Insurer or its agent is not promptly notified of a change under sub-paragraph 4.1. of this condition, the contract is void as to the part affected by the change.
- 4.3. If an Insurer or its agent is notified of a change under sub-paragraph 4.1. of this condition, the Insurer may:
  - 4.3.1. terminate the contract in accordance with Statutory Condition 5; or
  - 4.3.2. notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within fifteen (15) days after receipt of the notice, pay to the Insurer an additional premium specified in the notice.
- 4.4. If the Insured fails to pay an additional premium when required to do so under sub-paragraph 4.3.2. of this condition, the contract is terminated at that time and Statutory Condition 5.2.1. applies in respect of the unearned portion of the premium.

### **5. TERMINATION OF INSURANCE**

- 5.1. The contract may be terminated
  - 5.1.1. by the Insurer giving to the Insured fifteen (15) days' notice of termination by registered mail or 5 days' written notice of termination personally delivered; or
  - 5.1.2. by the Insured at any time on request.
- 5.2. If the contract is terminated by the Insurer,
  - 5.2.1. 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
  - 5.2.2. 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.
- 5.3. 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.
- 5.4. The fifteen (15) day period referred to in sub-paragraph 5.1.1. of this condition starts to run on the day the registered letter or notification of it is delivered to the Insured's postal address.

### **6. REQUIREMENTS AFTER LOSS**

- 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,
  - 6.1.1. immediately give notice in writing to the Insurer;
  - 6.1.2. 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;
    - 6.1.2.1. 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;
    - 6.1.2.2. 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;
    - 6.1.2.3. stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the Insured;
    - 6.1.2.4. stating the amount of other insurances and the names of other Insurers;
    - 6.1.2.5. 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;
    - 6.1.2.6. stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued; and
    - 6.1.2.7. stating the place where the insured property was at the time of loss.
  - 6.1.3. if required by the Insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property; and
  - 6.1.4. if required by the Insurer and if practicable;
    - 6.1.4.1. produce books of account and inventory lists;
    - 6.1.4.2. furnish invoices and other vouchers verified by statutory declaration; and

6.1.4.3. furnish a copy of the written portion of any other relevant contract.

6.2. The evidence given, produced or furnished under sub-paragraph 6.1.3. and 6.1.4. of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

## 7. FRAUD

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

## 8. WHO MAY GIVE NOTICE AND PROOF

Notice of loss under Statutory Condition 6.1.1. may be given and the proof of loss under Statutory Condition 6.1.2. may be made:

- 8.1. by the agent of the Insured; if
  - 8.1.1. the Insured is absent or unable to give the notice or make the proof; and
  - 8.1.2. the absence or inability is satisfactorily accounted for; or
- 8.2. 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 8.1. of this condition.

## 9. 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.
- 9.2. The Insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the Insured under sub-paragraph 9.1. of this condition.

## 10. ENTRY, CONTROL, ABANDONMENT

After loss or damage to insured property, the Insurer has:

- 10.1. 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
- 10.2. 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
  - 10.2.1. without the Insured's consent, the Insurer is not entitled to the control or possession of the insured property; and
  - 10.2.2. without the Insurer's consent, there can be no abandonment of it of the insured property.

## 11. 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.
- 11.2. There is no right to a dispute resolution process under this condition until:
  - 11.2.1. a specific demand is made for it in writing; and
  - 11.2.2. the proof of loss has been delivered to the Insurer.

## 12. WHEN LOSS PAYABLE

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

## 13. REPAIR OR REPLACEMENT

- 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.
- 13.2. If the Insurer gives notice under sub-paragraph 13.1. of this condition, the Insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

## 14. NOTICE

- 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.
- 14.2. 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.

# SECTION II – STATUTORY CONDITIONS (NORTHWEST TERRITORIES, NUNAVUT, SASKATCHEWAN AND YUKON)

## 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.

\* *Bankruptcy and Insolvency Act (Canada)* applies to Saskatchewan.

## 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 (15) days of the receipt of the notice, pay to the Insurer an additional premium, and in default of such a payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

## 5. TERMINATION

- 5.1. This contract may be terminated:

- 5.1.1. by the Insurer giving to the Insured fifteen (15) days' notice of termination by registered mail or five (5) days' written notice of termination personally delivered;
  - 5.1.2. by the Insured at any time on request.

- 5.2. Where this contract is terminated by the Insurer:
  - 5.2.1. the Insurer shall refund the excess of premium actually paid by the Insured over 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
  - 5.2.2. the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
- 5.3. Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable, the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
- 5.4. The refund may be made by money, postal or express company money order or cheque payable at par.
- 5.5. The fifteen (15) days mentioned in clause 5.1.1. of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

## 6. REQUIREMENTS AFTER LOSS

- 6.1. Upon the occurrence of any loss 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:
  - 6.1.1. forthwith give notice thereof in writing to the Insurer;
  - 6.1.2. deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration:
    - 6.1.2.1. 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;
    - 6.1.2.2. 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;
    - 6.1.2.3. stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the Insured;
    - 6.1.2.4. showing the amount of other insurances and the names of other Insurers;
    - 6.1.2.5. 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;
    - 6.1.2.6. showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract;
    - 6.1.2.7. showing the place where the property insured was at the time of loss;
  - 6.1.3. if required, give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value;
  - 6.1.4. 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.
- 6.2. The evidence furnished under clauses 6.1.3. and 6.1.4. of sub-paragraph 6.1. of the 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 declarations.

## 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

- 9.1. 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.
- 9.2. 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 9.1. of this condition according to the respective interests of the parties.

## 10. ENTRY, CONTROL, ABANDONMENT

After loss or damage to insured property, the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and, after the Insured has secured the property, a further right of access and entry sufficient to enable them to make an 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 60 days after completion of the proof of loss, unless the contract provides for a shorter period.

## 13. REPLACEMENT

- 13.1. 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.
- 13.2. In the event the Insurer shall commence to so repair, rebuild, or replace the property within 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.

\*\* 14. Action is not applicable in Saskatchewan

\*\*\* Two years in Yukon Territory.

## 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.

## SECTION III – ADDITIONAL CONDITIONS (APPLICABLE ONLY TO PROPERTY INSURANCE UNLESS NOTED OTHERWISE)

### 1. NOTICE TO AUTHORITIES

Where the loss is due to malicious mischief, burglary, robbery, theft, or attempted theft, 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 way insure 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(s), whether scheduled or unscheduled, which is (are) a part of a set, the measure of loss of or damage to such article(s) shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of 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 (ALL LINES OF INSURANCE)

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

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.

**Refer to Special Provisions applying to Condominium Corporations which follows.**

### 8. ACTION (EXCLUDING NORTHWEST TERRITORIES, NUNAVUT, AND YUKON)

An action or proceeding against an Insurer in relation to a contract must be commenced, where required under legislation:

- 8.1. in the case of loss or damage to insured property, not later than two years after the date the Insured knew or ought to have known the loss or damage occurred; and
- 8.2. in any other case, not later than two years after the date the cause of action against the Insurer arose.

### 9. BREACH OF CONDITIONS

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.

**Refer to Special Provision applying to Condominium Corporations which follows.**

### 10. OTHER INSURANCE

The Insurer is not liable:

- 10.1. for more than the portion of any loss, destruction or damage covered by this Policy which the applicable limit of this Policy bears to the total amount of insurance covering against the peril of fire irrespective of whether or not such other insurance gives insurance in respect of the perils covered by this Policy, whether by endorsement thereto or otherwise;
- 10.2. where such other insurance does not insure against loss, destruction or damage by fire, for more than the excess (if any) of any loss or damage over the applicable limit of any other insurance which would attach if this insurance had not been effected.

**Refer to Special Provision applying to Condominium Corporations which follows.**

### 11. 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.

### 12. REINSTATEMENT

With the exception of losses that are subject to annual aggregate limits, any loss under this Form shall not reduce the limits of insurance.

### 13. VERIFICATION OF VALUES

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

### 14. EXAMINATION UNDER OATH

In the event of loss or damage to the insured property, the Insured shall submit to examination under oath or warrant to the truth and shall produce all documents required by the Insurer and shall permit copies thereof to be made.

### 15. CANADIAN CURRENCY CLAUSE (ALL LINES OF INSURANCE)

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

## SECTION IV – SPECIAL PROVISIONS APPLICABLE TO CONDOMINIUMS

### 1. SUBROGATION

This clause replaces **Additional Conditions 7.** above.

Subrogation shall be in accordance with the provisions of the provincial or territorial legislation under which the **Condominium Corporation** is constituted. If the legislation has no such provisions, subrogation is as stated in this clause.

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 in the name of the Insured to enforce such rights. The Insurer shall have the right to control such subrogation.

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

Except with respect to criminal or intentional acts or vehicle impact, the Insurer agrees with the Insured to waive its right of subrogation as to any claim against:

- 1.1. the **Condominium Corporation**, its Directors, Property Managers, agents and employees; and
- 1.2. the owner of a **unit** and, if residents of a the household of the owner of a **unit**, his or her **spouse**, the relatives of either and any other person under the age of 21 in the care of an owner of a **unit** or his or her **spouse**.

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

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

### 2. LOSS PAYABLE

Loss, if any, shall be payable in accordance with the provisions of the legislation under which the **Condominium Corporation** is constituted. If the legislation has no such provisions, loss, if any, shall be payable as stated on the Declaration Page(s).

### 3. BREACH OF CONDITION

This clause replaces **Additional Conditions 9.** above:

If the **Condominium Corporation** does not comply with a condition of this insurance, any claim for subsequent loss or damage is not recoverable. The Insurer will not deny a claim for this reason if the **Condominium Corporation** proves that the non-compliance neither caused nor worsened the loss or damage.

Coverage will not be affected:

- 3.1. if the **Condominium Corporation** fails to comply with a condition in part of the **premises** over which the **Condominium Corporation** has no control; or
- 3.2. if the breach is committed by an owner of a **unit** or occupant without the knowledge or consent of the **Condominium Corporation**.

### 4. WAIVER OF INSURER'S OPTION TO REPAIR

Where, after a loss, a valid determination is made in accordance with provincial or territorial legislation not to repair or rebuild and any relevant statutory requirements in connection with such determination have been complied with, or where, by virtue of such legislation, the court has made an order directing the application of insurance monies, the Insurer waives its option to repair and settlement of the loss shall be on an actual cash value basis.

### 5. TERMINATION

In those jurisdictions where provincial or territorial legislation under which the **Condominium Corporation** is constituted prescribes different policy termination conditions from those contained in the Statutory Conditions or Special Provisions of this Policy, such prescribed provincial or territorial conditions shall apply.

### 6. OTHER INSURANCE

This clause replaces **Additional Conditions 10.** above:

If at the time of the loss there is other insurance in the name of the **Condominium Corporation** insuring the property described in this Form (whether collectible or not), the Insurer shall be liable for no greater proportion of any loss than the amount of insurance under this Form bears to the whole amount of insurance covering such property or as in accordance with provincial or territorial legislation applicable to Other Insurance.

## SECTION V – GENERAL LIABILITY CONDITIONS

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

### 1. NOTICE OF CLAIM OR SUIT

Upon the happening of an accident or **occurrence** that may give rise to a claim under this Policy, the Insured shall give notice of such accident or **occurrence** to the Insurer as soon as practicable after notice has been received by an officer of the Insured.

Such notice shall contain all available information pertaining to such accident or **occurrence** that is obtainable at the time.

If a claim is made or suit is brought against the Insured, the Insured shall immediately forward to the Insurer every demand, notice, summons or other process received by the Insured or the Insured's representatives.

### 2. ASSISTANCE AND COOPERATION

The Insured shall cooperate with the Insurer and, upon the Insurer's request, assist in making settlements in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the Insured because of injury or damage with respect to which insurance is afforded under this Policy; and the Insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

### 3. ASSUMPTION OF LIABILITY

The Insured shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expenses other than for first aid to others at the time of accident.

### 4. ACTION AGAINST INSURER

No action shall lie against the Insurer unless, as a condition precedent, to such action there shall have been full compliance with all of the terms of this Policy. In addition, no action shall lie against the Insurer until the amount of the Insured's obligation to pay shall have been finally determined either by judgement against the Insured after actual trial, or by written agreement of the Insured, the claimant and the Insurer. The Insurer shall 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.

Unless another time limit is specified to the contrary in any Canadian province's Insurance Act governing this Policy, every action or proceeding against the Insurer shall be commenced within one year of the date of such judgement or written agreement and not afterwards. The sole venue for coverage legal action related to this Policy shall be a Superior Court in Canada.

Nothing contained in this Policy shall give any person or organization any right to join the Insurer as a co-defendant in any action against the Insured to determine the Insured's liability.

Bankruptcy or insolvency of the Insured or of the Insured's estate shall not relieve the Insurer of any of its obligations under this Policy.

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.

## 5. PREMIUM AND ADJUSTMENT OF PREMIUMS

- 5.1. Unless indicated as "Flat rate premium", the premium stated in the Declaration Page(s) for this Form is an estimated deposit premium only. Adjustment of premium shall be made at least annually and for this purpose the premium basis and rates shown in the Declaration Page(s) for this Form as "Basis of premium adjustment" shall be used in ascertaining the earned premium.
- 5.2. In the case of any hazards existing and covered under coverage rider(s) attached but not specified in the Declaration Page(s), or in any endorsement, the earned premium shall be computed in accordance with the Insurer's rules, rates, rating plans and minimum premiums applicable to such hazards.
- 5.3. Subject to the retention by the Insurer of the amount stated in the Declaration Page(s) for this Form as "Minimum annual premium", if the earned premium for this Policy thus computed exceeds the estimated deposit premium paid, the Insured shall pay such excess to the Insurer; on the other hand, if the estimated deposit premium exceeds the earned premium, the Insurer shall return to the Named Insured such excess.
- 5.4. The Named Insured shall maintain for each hazard insured against, a record of the information necessary for premium computation on the basis stated and shall submit such record to the Insurer at the end of the Policy Period and at such other times during the Policy Period as the Insurer may direct.

## 6. INSPECTION AND AUDIT

- 6.1. The Insurer shall be permitted, but is not obligated, to inspect the Insured's property and operations. Neither the Insurer's right to inspect nor reporting based on such inspections shall constitute an undertaking on behalf of or for the benefit of the Insured or others to determine or warrant that such property or operations are safe.
- 6.2. The Insurer may examine and audit the Insured's books and records at any time during the Policy Period and extensions of the Policy Period and within three years after the final termination of this Policy, as far as they relate to the subject matter of this insurance.

## 7. OTHER INSURANCE

The Insurer shall not be liable if at the time of an accident or **occurrence** covered by this Policy there is any other insurance that would have attached if this insurance had not been effected, and this insurance shall specifically exclude losses covered by such other valid insurance. This insurance shall apply only as excess insurance and in no event as contributing insurance and then only after all such other insurance has been exhausted.

The Insurer acknowledges the existence of any Policies arranged to apply in excess of the insurance provided by this Policy and it is agreed that notwithstanding anything contained in this Condition the insurance provided by such excess Policies shall be considered as excess and non-contributing insurance insofar as the insurance provided under this Policy is concerned and shall be held to attach and cover only after the insurance under this Policy has been exhausted.

## 8. SUBROGATION

### 8.1. Applicable to **underlying insurance**

In the event of any payment under this Policy, the Insurer shall be subrogated to the extent of such payment to all the Insured's rights of recovery against any third party except where the amount of settlement exceeds the amount provided in aggregate by this Policy and any other valid and collectible insurance in which case the Insured shall be entitled to all recovery until such excess has been made good to the Insured. The Insured shall execute all papers required and shall do everything necessary within his power to secure such rights.

### 8.2. Applicable to umbrella insurance

All salvages, recoveries or payments recovered or received subsequent to a loss settlement under this insurance shall be applied as if recovered or received prior to such settlement. All necessary adjustments shall be made between the Insured and the Insurer, provided always that nothing in this clause shall be construed to mean that losses under this insurance are not recoverable until the Insured's **ultimate net loss** has been finally ascertained. In as much as this Policy is umbrella-type excess coverage, the Insured's right of recovery against any person or other entity cannot always be exclusively subrogated to the Insurer. It is therefore understood and agreed that, in case of any payment under this Policy, the Insurer shall act in concert with all other interests concerned (including the Insured) in the exercise of such rights of recovery. The apportioning of any amounts that may be so recovered shall follow the principle that any other insurer or the Insured that shall have paid an amount over and above any payment under this Policy shall first be reimbursed up to the amount paid by them. The Insurer shall then be reimbursed of out of any balance then remaining up to the amount paid under this Policy. Lastly, the interests of any insurer and the Insured of which this coverage is excess are entitled to claim the residue, if any. Expense necessary to the recovery of any such amounts shall be apportioned between the insurers and the Insured concerned, in the ratio of their respective recoveries as finally settled.

## 9. CANCELLATION - TERMINATION

- 9.1. This Policy may be cancelled at any time at the request of the Named Insured, and the Insurer shall, upon surrender of the Policy, refund the excess of paid premium above the earned premium computed in accordance with the customary short rate table and procedure for the time the Policy has been in force.
- 9.2. This Policy may be cancelled or terminated:
  - 9.2.1. In the event of cancellation for non-payment of premium, this Policy may be cancelled by the Insurer giving to the Insured fifteen (15) days notice in writing of cancellation by registered post, or five (5) days notice in writing of cancellation personally delivered;
  - 9.2.2. In the event of cancellation for any reason other than non-payment of premium, at any time by the Insurer giving to the Named Insured thirty (30) days notice in writing of cancellation by registered post, and refunding the excess of paid premium beyond the earned premium computed pro rata for the expired time. Repayment of excess premiums may be made by money, post office order, postal note or cheque. Such payment shall accompany the notice;
- 9.3. This Policy may be cancelled or terminated by the Named Insured at any time on written request.
- 9.4. Where the Policy is terminated by the Insurer:
  - 9.4.1. and where the premium is developed on other than an estimated basis, the Insurer will refund the excess of the paid premium for the time the Policy has been in force, calculated pro rata; or
  - 9.4.2. where the premium is developed on an estimated basis, the Insurer will refund the excess of the premium above the premium earned, when determined.
- 9.5. Where the Policy is terminated by the Named Insured:
  - 9.5.1. and where the premium is developed on other than an estimated basis, the Insurer will refund the excess of the paid premium above the short rate premium for the time the Policy has been in force calculated in accordance with the short rate premium table in use by the Insurer, subject to the retention of any minimum retained premium, provided by the Policy; or
  - 9.5.2. where the premium is developed on an estimated basis, the Insurer will refund the excess of the paid premium above the premium earned, when determined, subject to the retention of any minimum retained premium, provided by the Policy.
- 9.6. Refund of premium may be made by money, postal or express company money order or by cheque payable at par.
- 9.7. The thirty (30) days and fifteen (15) days notice of cancellation by registered post referred to in sub-paragraphs 9.2.1. and 9.2.2. commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.
- 9.8. Premium adjustment may be made at the time cancellation is effected and if not then made shall be made as soon as practicable after cancellation becomes effective but payment or tender of unearned premium is not a condition of cancellation.
- 9.9. In this condition the expression "paid premium" means premium actually paid by the Insured to the Insurer and does not include any premium or part thereof paid to the Insurer by an Agent unless actually paid to the Agent by the Insured.

## 10. WAIVER

No notice to any Agent or knowledge possessed by any Agent or by any other person shall be held to effect a waiver or change in any part of this Policy. The terms of this Policy shall not be waived or changed except by endorsement issued to form a part of this Policy.

## 11. ASSIGNMENT

Assignment of interest under this Policy shall not bind the Insurer until their consent is endorsed on this Policy, except through change of title by succession, death or proceedings under any bankruptcy act.

## 12. SPECIAL STATUTES

If any condition of this Policy, relating to limitation of time for notice of accident or for instituting legal proceedings, is at variance with any specific statutory provision in the province in which the accident occurs such statutory provision shall be substituted for such condition.

## 13. CROSS LIABILITY AND SEPARATION OF INSURED

The insurance as is afforded by this Policy shall apply in respect to any claim or **action** brought against any one Insured by any other Insured. The coverage shall apply in the same manner and to the same extent as though a separate Policy had been issued to each Insured.

The inclusion under this Policy of more than one Insured shall not operate to increase the Limit of Liability under this Policy.

Any breach of a condition of this Policy by any Insured shall not affect the protection given by this Policy to any other Insured who is not, or was not, a party to such breach of condition.

## 14. DEDUCTIBLE CLAUSE

### COVERAGE A

The Insured shall pay the amount stated in the Declaration Page(s) for this Form as Deductible or Deductible - U.S. Claims for each and every claim related to **property damage** under paragraph 1. **INSURING AGREEMENT** of **COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY** of the Commercial General Liability Max Form. If more than one claim arises or results from a single **occurrence**, the deductible amount shall only apply once.

## 15. REIMBURSEMENT CLAUSE

Applicable to COVERAGE A and to **personal injury** under COVERAGE B

In the event a claim payment is made by the Insurer, the Insured shall reimburse the Insurer with respect to all claims, legal fees and adjusting expenses combined in any one accident or **occurrence**, up to the Deductible amount stated in the Declaration Page(s) for this Form as **Reimbursement or Reimbursement - US Claims**, and the Insurer shall only be liable for loss, damage or expense in excess of that amount.

The terms of the Policy, including those with respect to notice of accident or **occurrence** and the Insurer's right to investigate, negotiate and settle any claim or suit, apply irrespective of the application of the reimbursement.

## SECTION VI – DEFINITIONS

1. **Condominium Corporation** means a Corporation constituted under provincial or territorial legislation relating to condominiums or co-ownership by declaration. It refers to a strata corporation in British Columbia.
2. **Premises** means:
  - 2.1. the entire area within the property lines at the location(s) described in the Declaration Page(s) or at any newly acquired location, including:
    - 2.1.1. areas under adjoining sidewalks and driveways;
    - 2.1.2. in or on vehicles within 100 metres (328 feet) of such property lines described in 2.1.;
  - 2.2. in the open within 305 metres (1000 feet) of such property lines described in 2.1.
3. **Spouse** means a person:
  - 3.1. who is married to or has entered a civil union with another person and is living with that person;
  - 3.2. who has been living with another person of the opposite or of the same sex and has been publicly represented as that person's spouse for at least three years: or in the following cases, for at least one year if:
    - 3.2.1. a child has been born or is to be born of their union;
    - 3.2.2. they have adopted a child together.
4. **Unit** means the unit as defined in the declaration, description or bylaws of the **Condominium Corporation** or provincial or territorial legislation relating to condominiums or divided co-ownership. It refers to a strata lot in British Columbia.

## SECTION VII – ADDITIONAL CONDITIONS (APPLICABLE ONLY TO BRITISH COLUMBIA, ALBERTA, MANITOBA, NORTHWEST TERRITORIES, NUNAVUT, SASKATCHEWAN AND YUKON)

### Property Insured on a Blanket Basis

The following additional condition applies to the Building and/or Contents - Broad Form (BF02):

Item 1. of the BF02 Indemnity Agreement is deleted and is replaced by the following:

1. In the event that any of the insured property is lost or damaged during the Policy Period by an insured peril, the Insurer will indemnify the Insured for the actual amount of direct loss or damage so caused, to an amount not exceeding whichever is the least of:
  - 1.1. the value of the lost or damaged property as determined in **SPECIAL PROVISIONS- Item 5. - Basis of Valuation**, or if the Declaration Page(s) specifies that this Policy is endorsed with a Form that contains a Replacement Cost clause applicable to this Form, by the valuation determined in the replacement cost clause;
  - 1.2. the interest of the Insured in the property;
  - 1.3. the amount of insurance specified on the Declaration Page(s) for the lost or damaged property;
  - 1.4. in the case of property insured on a blanket basis, 115% of the total value(s) for each insured location subject to the schedule of property declared in a current Statement of Values that is filed with the Insurer within 90 days of the most recent renewal preceding insured loss or damage; less applicable deductibles.

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

# SECTION VIII – ADDITIONAL CONDITION APPLICABLE TO BOTH LIABILITY AND PROPERTY (APPLICABLE TO BRITISH COLUMBIA, ALBERTA, MANITOBA, NORTHWEST TERRITORIES, NUNAVUT, SASKATCHEWAN AND YUKON)

## 1. TRADE AND ECONOMIC SANCTIONS

The Insurer shall not provide any coverage or be liable to provide any indemnity or payment or other benefit under this Policy if and to the extent that doing so would breach any **Prohibition**.

For the purposes of this Clause:

1. **Prohibition** means any prohibition or restriction imposed by law or regulation including but not limited to:

- 1.1. trade and/or economic sanctions laws and/or regulations of Canada, the United Kingdom, or any other jurisdiction or authority relevant to the parties; and
- 1.2. any activities that would be subject to a license requirement under those laws and/or regulations in respect of transit and/or export control, unless such license has been obtained prior to the activity commencing and the Insurer has approved the provision of insurance for the activity.

# SECTION IX – SHORT RATE CANCELLATION TABLE

As per Statutory Condition 5, if this Policy is cancelled by the Insured, it will be subject to a short-rate cancellation formula as outlined in the following table. The minimum retained premium is the amount that is stated in the Declaration Page(s) for all parts of the Policy.

Days Policy in Force	Returned Premium Factor	Days Policy in Force	Returned Premium Factor	Days Policy in Force	Returned Premium Factor	Days Policy in Force	Returned Premium Factor	Days Policy in Force	Returned Premium Factor	Days Policy in Force	Returned Premium Factor	Days Policy in Force	Returned Premium Factor
0	0.925	53	0.787	106	0.649	159	0.511	212	0.373	265	0.235	318	0.097
1	0.922	54	0.784	107	0.647	160	0.509	213	0.371	266	0.233	319	0.095
2	0.920	55	0.782	108	0.644	161	0.506	214	0.368	267	0.230	320	0.092
3	0.917	56	0.779	109	0.641	162	0.503	215	0.365	268	0.227	321	0.090
4	0.915	57	0.777	110	0.639	163	0.501	216	0.363	269	0.225	322	0.087
5	0.912	58	0.774	111	0.636	164	0.498	217	0.360	270	0.222	323	0.084
6	0.909	59	0.771	112	0.633	165	0.496	218	0.358	271	0.220	324	0.082
7	0.907	60	0.769	113	0.631	166	0.493	219	0.355	272	0.217	325	0.079
8	0.904	61	0.766	114	0.628	167	0.490	220	0.352	273	0.214	326	0.077
9	0.902	62	0.764	115	0.626	168	0.488	221	0.350	274	0.212	327	0.074
10	0.899	63	0.761	116	0.623	169	0.485	222	0.347	275	0.209	328	0.071
11	0.896	64	0.758	117	0.620	170	0.483	223	0.345	276	0.207	329	0.069
12	0.894	65	0.756	118	0.618	171	0.480	224	0.342	277	0.204	330	0.066
13	0.891	66	0.753	119	0.615	172	0.477	225	0.339	278	0.201	331	0.063
14	0.889	67	0.751	120	0.613	173	0.475	226	0.337	279	0.199	332	0.061
15	0.886	68	0.748	121	0.610	174	0.472	227	0.334	280	0.196	333	0.058
16	0.883	69	0.745	122	0.607	175	0.470	228	0.332	281	0.194	334	0.056
17	0.881	70	0.743	123	0.605	176	0.467	229	0.329	282	0.191	335	0.053
18	0.878	71	0.740	124	0.602	177	0.464	230	0.326	283	0.188	336	0.050
19	0.876	72	0.738	125	0.600	178	0.462	231	0.324	284	0.186	337	0.048
20	0.873	73	0.735	126	0.597	179	0.459	232	0.321	285	0.183	338	0.045
21	0.870	74	0.732	127	0.594	180	0.457	233	0.319	286	0.181	339	0.043
22	0.868	75	0.730	128	0.592	181	0.454	234	0.316	287	0.178	340	0.040
23	0.865	76	0.727	129	0.589	182	0.451	235	0.313	288	0.175	341	0.037
24	0.863	77	0.725	130	0.587	183	0.449	236	0.311	289	0.173	342	0.035
25	0.860	78	0.722	131	0.584	184	0.446	237	0.308	290	0.170	343	0.032
26	0.857	79	0.719	132	0.581	185	0.443	238	0.306	291	0.168	344	0.030
27	0.855	80	0.717	133	0.579	186	0.441	239	0.303	292	0.165	345	0.027
28	0.852	81	0.714	134	0.576	187	0.438	240	0.300	293	0.162	346	0.024
29	0.850	82	0.712	135	0.574	188	0.436	241	0.298	294	0.160	347	0.022
30	0.847	83	0.709	136	0.571	189	0.433	242	0.295	295	0.157	348	0.019
31	0.844	84	0.706	137	0.568	190	0.430	243	0.293	296	0.155	349	0.017
32	0.842	85	0.704	138	0.566	191	0.428	244	0.290	297	0.152	350	0.014
33	0.839	86	0.701	139	0.563	192	0.425	245	0.287	298	0.149	351	0.011
34	0.837	87	0.699	140	0.561	193	0.423	246	0.285	299	0.147	352	0.009
35	0.834	88	0.696	141	0.558	194	0.420	247	0.282	300	0.144	353	0.006
36	0.831	89	0.693	142	0.555	195	0.417	248	0.280	301	0.142	354	-
37	0.829	90	0.691	143	0.553	196	0.415	249	0.277	302	0.139	355	-
38	0.826	91	0.688	144	0.550	197	0.412	250	0.274	303	0.136	356	-
39	0.823	92	0.686	145	0.548	198	0.410	251	0.272	304	0.134	357	-
40	0.821	93	0.683	146	0.545	199	0.407	252	0.269	305	0.131	358	-
41	0.818	94	0.680	147	0.542	200	0.404	253	0.267	306	0.129	359	-
42	0.816	95	0.678	148	0.540	201	0.402	254	0.264	307	0.126	360	-
43	0.813	96	0.675	149	0.537	202	0.399	255	0.261	308	0.123	361	-
44	0.810	97	0.673	150	0.535	203	0.397	256	0.259	309	0.121	362	-
45	0.808	98	0.670	151	0.532	204	0.394	257	0.256	310	0.118	363	-
46	0.805	99	0.667	152	0.529	205	0.391	258	0.253	311	0.116	364	-
47	0.803	100	0.665	153	0.527	206	0.389	259	0.251	312	0.113	365	-
48	0.800	101	0.662	154	0.524	207	0.386	260	0.248	313	0.110	366	-
49	0.797	102	0.660	155	0.522	208	0.384	261	0.246	314	0.108		
50	0.795	103	0.657	156	0.519	209	0.381	262	0.243	315	0.105		
51	0.792	104	0.654	157	0.516	210	0.378	263	0.240	316	0.103		
52	0.790	105	0.652	158	0.514	211	0.376	264	0.238	317	0.100		

## PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES (PFAS) EXCLUSION

This Endorsement Changes the Policy. Please Read It Carefully.

Words and phrases in bold have special meaning as defined below or in the Form to which this Endorsement is attached.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Endorsement. These titles have only been inserted for ease of reading.

This Endorsement is attached to and modifies each of the following liability coverage forms and endorsements specified in the Declaration Page(s) as forming part of this Policy:

COMMERCIAL GENERAL LIABILITY MAX;  
COMMERCIAL GENERAL LIABILITY POLICY CLAIMS MADE FORM;  
COMMERCIAL GENERAL LIABILITY FORM – CLAIMS MADE;  
OWNERS', LANDLORDS' & TENANTS' LIABILITY;  
FARM AND HOME LIABILITY;  
FARM LIABILITY;  
AGRICULTURAL BUSINESSES LIABILITY POLICY;  
COMMERCIAL UMBRELLA COVERAGE;  
COMMERCIAL EXCESS LIABILITY;  
FARM UMBRELLA LIABILITY;  
FARM UMBRELLA LIABILITY COVERAGE FORM;  
AGRICULTURAL BUSINESSES UMBRELLA LIABILITY POLICY;  
ANY EXTENSIONS, CLAUSES, OR ADDITIONS OF COVERAGE to the above base forms.

The following paragraphs are added to the Forms and apply to all coverage thereunder, including exceptions to exclusions:

- 1.1. This insurance does not apply to:
  - 1.1.1. **Bodily injury, property damage, personal injury, advertising injury, compensatory damages**, punitive damages, exemplary damages or any other liability, loss, injury, damage, damages, cost, expense or other sum arising directly or indirectly, in whole or in part, out of the actual, alleged, threatened or suspected inhalation, ingestion, absorption, consumption, spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of, contact with, exposure to, existence of, or presence of, any **PFAS** at any time; or
  - 1.1.2. Any loss, cost or expense arising directly or indirectly, in whole or in part, out of abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, decontaminating, stabilizing, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, any **PFAS**, by any Insured or by any other person or organization.
- 1.2. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the **bodily injury, property damage, personal injury, advertising injury, compensatory damages**, punitive damages, exemplary damages or other liability, loss, injury, damage, damages, cost, expense or other sum.
- 2.1. For the purposes of the exclusion in paragraph 1.1. above, **PFAS** refers to per- or polyfluoroalkyl substance and means any:
  - 2.1.1. Fluorinated substance containing at least one fully fluorinated methyl or methylene carbon atom without any hydrogen, chlorine, bromine or iodine atom attached to it, including but not limited to:
    - 2.1.1.1. Perfluoroalkyl acids (PFAAs), such as perfluorooctanoic acid (PFOA) or perfluorooctane sulfonic acid (PFOS);
    - 2.1.1.2. Perfluoroalkane sulfonyl fluorides (PASFs);
    - 2.1.1.3. Perfluoroalkyl iodides (PFAIs);
    - 2.1.1.4. Fluorotelomer-based substances;
    - 2.1.1.5. Fluoropolymers;
    - 2.1.1.6. Side-chain fluorinated polymers;
    - 2.1.1.7. Per- and polyfluoroalkyl ethers (PFPEs); or
    - 2.1.1.8. Perfluropolyethers (PFPEs);
  - 2.1.2. Associated homologues, isomers, salts, esters, alcohols, acids, precursor chemicals, derivatives, and related degradation products or by-products of any substance described in paragraph 2.1.1. above; or
  - 2.1.3. Good or product that consists of or contains any chemical or substance described in paragraphs 2.1.1. or 2.1.2. above, or any containers, materials, parts or equipment furnished in connection with such good or product.

All other terms and conditions of the Policy remain unchanged.

## CYBER LOSS AND ELECTRONIC DATA LIABILITY EXCLUSION

**This Endorsement Changes the Policy. Please Read It Carefully.**

**Words and phrases in bold have special meaning as defined below or in the Form to which this Endorsement is attached.**

**The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Endorsement. These titles have only been inserted for ease of reading.**

This Endorsement is attached to and modifies each of the following liability coverage forms and endorsements specified in the Declaration Page(s) as forming part of this Policy:

COMMERCIAL GENERAL LIABILITY MAX;

COMMERCIAL GENERAL LIABILITY POLICY CLAIMS MADE FORM;

COMMERCIAL GENERAL LIABILITY FORM – CLAIMS MADE;

OWNERS', LANDLORDS' & TENANTS' LIABILITY;

FARM AND HOME LIABILITY;

FARM LIABILITY;

AGRICULTURAL BUSINESSES LIABILITY POLICY;

COMMERCIAL UMBRELLA COVERAGE;

COMMERCIAL EXCESS LIABILITY;

FARM UMBRELLA LIABILITY;

FARM UMBRELLA LIABILITY COVERAGE FORM;

AGRICULTURAL BUSINESSES UMBRELLA LIABILITY POLICY;

ANY EXTENSIONS, CLAUSES, OR ADDITIONS OF COVERAGE to the above base forms, including exceptions to exclusions.

This Endorsement does not apply to the Privacy Breach Liability when such Form is attached to this Policy.

It is agreed that any Electronic Data exclusion (or any other exclusion of the same nature) that may be contained under one of the abovementioned Forms to which this Endorsement is attached, is deleted and replaced by the following exclusion. Otherwise, if the Form to which this Endorsement is attached does not contain an Electronic Data exclusion (or any other exclusion of the same nature), the following exclusion is added to such Form:

1. This insurance does not apply to **bodily injury, property damage, personal injury, advertising injury, compensatory damages**, punitive damages, exemplary damages or any other liability, loss, injury, damage, damages, cost, expense or other sum, incurred by you or others, arising out of the actual, alleged or threatened:
  - 1.1. **Cyber loss**;
  - 1.2. Loss of, loss of use of, damage to, misinterpretation of, misuse of, corruption of **electronic data**;
  - 1.3. The inability to access, process, store, transmit, intercept or manipulate **electronic data**.
2. For the purposes of this Endorsement, the following definitions are added to the **DEFINITIONS** section to which this Endorsement is attached:
  - 2.1. **Computer system** means any computer, hardware, software, electronic device, communication or control system (whether or not mobile or portable), including but not limited to any:
    - 2.1.1. Microcontroller or microprocessor;
    - 2.1.2. Server, cloud or networking equipment;
    - 2.1.3. Peripheral computer equipment, input, output or data storage device; or
    - 2.1.4. Application, program, process or code;  
owned, leased, rented, operated, or controlled by you or any other party.
  - 2.2. **Cyber act** means an unauthorized, malicious or criminal act or series of related unauthorized, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any **computer system**.
  - 2.3. **Cyber incident** means:
    - 2.3.1. Any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any **computer system**; or
    - 2.3.2. Any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any **computer system**.
  - 2.4. **Cyber loss** means any **cyber act** or **cyber incident** including, but not limited to, any action taken or failure to be taken, in controlling, preventing, suppressing, mitigating or remediating any **cyber act** or **cyber incident**.
3. For the purposes of this Endorsement only, it is agreed that if a definition of "Electronic data" is contained under the Form to which this Endorsement is attached, such definition is deleted and replaced by definition 2.5. below. Otherwise, if the Form to which this Endorsement is attached does not contain an Electronic Data definition, the following definition is added to the Definitions section of such Form:
  - 2.5. **Electronic data** means information, facts, concepts, programs, software or code stored as or on, created or used on, or transmitted in a form to be used, accessed, processed, transmitted or stored by a **computer system**.

**All other terms and conditions of the Policy remain unchanged.**