

Limited Abuse Liability Coverage Endorsement

This Endorsement Changes the Policy. Please Read It Carefully.

Other 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, except as amended by this Endorsement.

Except as provided in this Endorsement, coverage provided under this form does not apply to, nor shall we have any duty to defend, any claims or **actions** made against any Insured directly or indirectly arising out of, or on account of, resulting from or relating to any actual or threatened **abuse**.

1. Limited Coverage for Liability Arising Out Of Abuse

Subject to the exclusions and other terms set out in this Endorsement, we will pay sums which the Insured becomes legally obligated to pay for **compensatory damages** and any SUPPLEMENTARY PAYMENTS that must be paid because of **bodily injury, personal injury or advertising injury** arising out of or on account of, resulting from or relating to any actual or threatened **abuse**.

2. Exclusions Pertaining to Limited Abuse Liability Coverage

The insurance coverage provided by this Endorsement shall not apply to any claims or **actions** made against any Insured:

- 2.1 who is alleged to or has, directly or indirectly, committed, participated in, or sanctioned any **abuse** or threatened **abuse**.
- 2.2 who had knowledge that any other Insured has committed **abuse** or threatened **abuse**.
- 2.3 who has a statutory or regulatory obligation to report **abuse** or suspected **abuse** and has failed to promptly comply with such obligation.

3. Supplementary Payments

Where we have a duty to defend under this endorsement, it is agreed that Paragraph 1. of the provisions applicable to SUPPLEMENTARY PAYMENTS under Section I, COVERAGES, of the Commercial General Liability Max Form is deleted and replaced with the following, but only with respect to the coverage provided under this Endorsement.

1. We will pay, with respect to any claim we investigate or settle, or **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 the Insured against any level of execution arising from a judgement;
 - 1.4 All reasonable expenses incurred by the Insured at our request to assist us in the investigation or defense of the claim or **action**, including actual loss of earnings because of time off from work;
 - 1.5 All costs assessed or awarded against the Insured 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 are included in and will reduce the Limit of Insurance as described in Section 5 of this Endorsement.

4. Limitation on Amount Payable

Subject to the Limit of Insurance provisions in Section 5 of this Endorsement, our obligation to pay **compensatory damages** and

SUPPLEMENTARY PAYMENTS is further limited as follows:

We will pay ninety percent (90%) only of those sums that any Insured becomes legally obligated to pay as **compensatory damages** and SUPPLEMENTARY PAYMENTS incurred because of **bodily injury, personal injury or advertising injury** to which the Limited Abuse Liability Coverage Endorsement applies. You or any Insured which seeks coverage under this Endorsement will be obligated to pay ten percent (10%) of all **compensatory damages** and SUPPLEMENTARY PAYMENTS incurred per occurrence, subject to a maximum of \$50,000, to which the Limited Abuse Liability Coverage Endorsement applies.

We may pay any part or all of the Insured's ten percent (10%) participation to effect settlement of any claim or **action** and, upon notification of the action taken, the Insured shall promptly reimburse us for such part of the Insured's participation as has been paid by us.

5. Limit of Insurance

The Limit of Insurance applicable to this Endorsement is \$1,000,000 and is the most we will pay for **compensatory damages** and SUPPLEMENTARY PAYMENTS combined for all claims or **actions** because of **bodily injury, personal injury or advertising injury** arising out of or on account of, resulting from or relating to any actual or threatened **abuse** in any one **policy period**.

For the purposes of determining whether coverage applies under this Endorsement, continuous or repeated, actual or threatened **abuse** of the same person by the same Insured(s) or person for whom the Insured(s) is legally liable, will be deemed to be a single **occurrence** or offence and to have taken place on the date that **abuse** first occurred.

6. ADDITIONAL CONDITIONS

6.1. Notice

Upon you or an Insured becoming aware of any negligent act, allegation, error or omission which may give rise to any **abuse** covered in this Endorsement, written notice shall be given by you or on your behalf in accordance with General Condition "Notice" or "Notice of Claim or Suit" of the Statutory Conditions or General Conditions form attached to and forming part of this Policy.

All other terms and conditions of the Policy remain unchanged.