Ottawa Carleton Standard Condo Corp #1004
3187 ALBION Road S
OTTAWA, ON K1V 8Y3

Our Privacy Promise and Code of Consumer Rights and Responsibilities

Privacy Promise

Intact Insurance and its affiliates in the Intact Financial Corporation group of companies are committed to protecting your privacy. We have created this Privacy Promise as a means to inform you of our privacy practices. This Privacy Promise outlines our responsibilities and your rights when it comes to the collection, use and disclosure of your personal information.

Information we collect and how we collect it

The information we collect depends on the insurance products you apply for and buy, the services you have access to and use, the payment method you use, and the way you communicate with us. We collect information in a number of ways:

(i) Information you give to us

We collect personal information from you when you inquire about our insurance policies, request a quote, apply for insurance, make a payment, or open a claim under your insurance policy. This information includes personal information such as your name, contact information, marital status, driver's license, vehicle or property descriptions, loan or mortgage details, and payment or banking information.

(ii) Information we get from third parties

We also collect information from a number of third parties as permitted by law. These include insurance agents and brokers, government bodies, consumer reporting agencies, insurance adjusters, home contractors, auto shops, and other third parties who can provide information about or services related to you or your insured vehicle or property. When we do so, we do it with your consent, or otherwise confirm the third party lawfully collected the information and can share it with us. This information includes personal information such as (but not limited to):

- Driving record and claims history
- Credit information
- Accident reports
- Witness statements
- Medical records

(iii) Calls, online chats, and other communications

We may record calls, online chats and other communications between us to ensure quality customer service, confirm our discussions and your instructions, resolve complaints, and train our staff. If you do not want your communications recorded, you can do business with us by visiting one of our offices, or by writing or emailing us.

(iv) Cookies, web beacons, and other technologies

We may use cookies, web beacons and other technologies to identify you on our website, to gather information about how you use our website, and to enable our and third party web-based services. For information about the cookies, web beacons and other technologies we use, and how to disable these, visit our website at www.intact.ca/legal under Terms of Use. However, if you disable these, you may not be able to successfully access parts of our website.

(v) Consenting for others

We may ask you for information about other persons covered by your insurance (for example, listed drivers). When you give us information about another person, we expect you to ask for their permission to do this and consent to this Privacy Promise on their behalf.

Why we collect, use and disclose information

We collect, use and disclose personal information for a number of reasons including to:

(a) serve you better and communicate effectively with you;

(b) verify your identity and property;

(c) assess and underwrite insurance risks;

(d) determine prices, fees and premiums;

(e) investigate and adjust insurance claims;

(f) settle or arrange for the settlement of insurance claims, including structured settlements;

(g) promote and market products and services offered by us, our affiliates, or our strategic partners and alliances, which may include insurance companies, insurance brokers, agents, adjusters and other intermediaries;

(h) conduct market research;

(i) recognize and deliver relevant ads to you on our and third party websites and apps;

(j) verify and provide information to and compile statistics for insurance industry databases;

(k) report to regulatory or industry entities consistent with prudent and legally required insurance industry practices, including claims history;

(l) detect, prevent and suppress fraud, unauthorized, or illegal activities;

(m) comply with all applicable laws, including tax requirements;

(n) share your information with third party service providers for external processing such as data or payment processing;

(o) share your information among our affiliates for any of the above purposes.

When we disclose information

When we disclose your personal information to third parties, we require them to protect and handle your personal information in a manner consistent with our privacy practices and all applicable laws. These third parties may at times process and store your information outside of Canada. If your personal information is processed or stored in a foreign country, it will be subject to that country's laws and may be disclosed in accordance with those laws.

(i) Business transactions

If we enter talks about a merger, acquisition or asset sale with a third party, we may share your personal information with them as necessary to assess or complete the business transaction. If your information will be subject to new privacy practices as a result of a business transaction, we will give you notice of this.

How to correct and access your information

You have the right to request correction of your personal information. You also have a right to access your personal information under our control, subject to any legal restrictions or rights of refusal. However, if you exercise this access right, we may charge you a reasonable fee for copying and sending the information from your file. If you want to access your file or have it corrected, please contact our Privacy Office.

How to withdraw your consent

You may withdraw your consent to the collection, use and disclosure of your personal information, subject to certain limitations. However, if you do so, we may not be able to continue to provide you with our insurance products and services, or our best rate on your insurance policy. You may also withdraw your consent to the collection, use and disclosure of your personal information for marketing practices. If you want to withdraw your consent, please contact our Privacy Office.

Questions or concerns? We want to hear about it.

For questions or concerns about this Privacy Promise, or our privacy practices, please contact our Privacy Office at:

Privacy Office
Intact Insurance
700 University Avenue, Suite 1500-A
Toronto, Ontario M5G 0A1
Phone: 1 (866) 941-5094 (toll free)
Fax: 1 (416) 941-5322
Email: privacy@intact.net

If you have a concern we are not able to resolve, you have the right to contact your privacy regulator. Our Privacy Office will give you this contact information upon request.

We may update this Privacy Promise from time to time so please review it often. If we update our Privacy Promise, we will post the most recent version on our website at www.intact.ca/legal.

La version française de cette Promesse de protection de la vie privée est disponible sur demande.

Effective Date: January 1, 2016.

Code of Consumer Rights and Responsibilities

Insurance companies, along with the brokers and agents who sell home, auto and business insurance, are committed to safeguarding your rights when you shop for insurance and when you submit a claim following a loss. Your rights include the right to be informed fully, to be treated fairly, to timely complaint resolution, and to privacy. These rights are grounded in the contract between you and your insurer and the insurance laws of your province. With rights, however, come responsibilities including, for example, the expectation that you will provide complete and accurate information to your insurer. Your policy outlines other important responsibilities. Insurers and their distribution networks, and governments also have important roles to play in ensuring that your rights are protected.

Right to Be Informed

You can expect to access clear information about your policy, your coverage, and the claims settlement process. You have the right to an easy-to-understand explanation of how insurance works and how it will meet your needs. You also have a right to know how insurers calculate price based on relevant facts. Under normal circumstances, insurers will advise an insurance customer or the customer's intermediary of changes to, or the cancellation of a policy, at least thirty days prior to the expiration of the policy, if the customer provides information required for determining renewal terms of the policy at least forty-five days prior to the expiration of the policy.

You have the right to ask who is providing compensation to your broker or agent for the sale of your insurance. Your broker or agent will provide information detailing for you how he or she is paid, by whom, and in what ways. Insurance companies will disclose their compensation arrangements with their distribution networks. Brokers and agents are committed to providing information relating to ownership, financing, and other relevant facts.

Responsibility to Ask Questions and Share Information

To safeguard your right to purchase appropriate coverage at a competitive price, you should ask questions about your policy so that you understand what it covers and what your obligations are under it. You can access information through brochures and websites, as well as through one-on-one meetings with your broker, agent, or company representative. You have the option to shop the marketplace for the combination of coverages and service levels that best suits your insurance needs. To maintain your protection against loss, you must promptly inform your insurance company or broker or agent of any change in your circumstances. Information required to determine renewal terms of your policy must be provided at least forty-five days prior to the expiration of the policy.

Right to Complaint Resolution

Insurance companies, their brokers and agents are committed to high standards of customer service. If you have a complaint about the service you have received, you have a right to access your company's complaint resolution process. Your insurer, agent or broker can provide you with information about how you can ensure that your complaint is heard and promptly handled. Consumers may also contact the independent General Insurance OmbudService (www.giocanada.org).

Responsibility to Resolve Disputes

You should always enter into the dispute resolution process in good faith, provide required information in a timely manner, and remain open to recommendations made by independent observers as part of that process.

Right to Professional Service

You have the right to deal with insurance professionals who exhibit a high ethical standard, which includes acting with honesty, integrity, fairness and skill. Brokers and agents must exhibit extensive knowledge of the product, its coverages and its limitations in order to best serve you.

Right to Privacy

Because it is important for you to disclose any and all information required by an insurer to provide the insurance coverage that best suits you, you have the right to know that your information will be used for the purpose set out in the privacy statement made available to you by your broker, agent or insurance representative. This information will not be disclosed to anyone except as permitted by law. You should know that insurers are subject to Canada's privacy laws.

The Code of Consumer Rights and Responsibilities was introduced by the Insurance Bureau of Canada as an industry initiative in November 2004 and amended in January 2006. This Code has been voluntarily adopted by Intact Insurance.

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Privacy breaches do happen, but with Intact Insurance Company's cyber expense offering, your business can be better prepared and protected.

Company laptop missing, payment records stolen, paper files lost, on-line systems hacked — these risks are now part of conducting business. With Intact Insurance's coverage for expenses related to privacy breaches, we can help you respond so that your customers, business and reputation are better protected.

Enhanced coverage for better protection

With our cyber legal expense coverage, we're offering additional protection against certain legal defence costs that could arise from civil proceedings related to a covered privacy breach.

Stay prepared with the Breach Preparation Services from IDT911®

In addition, our cyber expense coverage gives you access to privacy breach services from IDT911, an independent services provider, to help:

- Reduce the chances of a privacy breach occurring
- Prepare for those that might occur
- Respond appropriately if a breach occurs

Get started, it's easy to access the privacy breach preparedness site

Our privacy breach preparedness site is an educational resource to help you better protect sensitive data and respond appropriately to a breach. On the site, you'll find information on notification laws and regulations, incident response plan templates, procedures for handling a breach and educational resources.

Go to **intactinsurance.breachresponse.ca** and log in using the following credentials:

- Username: **Intactinsurance1**
- Password: **Intactinsurance1**

After your initial login, you will be prompted to create your unique credentials for future use.

React appropriately if a breach occurs by calling Intact Insurance at 1 866 464 2424

In the event of a privacy breach, Intact Insurance's claims personnel provide access to IDT911's experts who will help you quickly develop a breach response strategy and incident management plan. If you think that you have had a privacy breach, call **1 866 464 2424**.

Certain conditions, limitations and exclusions apply. The information that appears on this document is provided to you for information purposes only. Cyber expense offerings are through the Cyber Expense endorsement and Cyber Legal Expense Endorsement. Your insurance contract prevails at all times. Please consult it for a complete description of coverage and exclusions. Non-insurance services under the Cyber Expense endorsement are provided by IDT911, Inc., an independent third party. These services do not constitute legal advice. If you require legal advice, please consult a lawyer. Intact Financial Corporation and its affiliates assume no responsibility for making the services available to you or for your use of the services. ©2015 Intact Insurance Company. All rights reserved.

Commercial Edge Plus
Declaration Pages
Policy 501380445

Intact Insurance Company
700 University Avenue, Suite 1500
Toronto, ON M5G 0A1

Insured name and postal address
Ottawa Carleton Standard Condo Corp #1004
3187 ALBION Road S
OTTAWA, ON K1V 8Y3

Broker 30354
Smith & Bradley's Insurance Limited
1518 Scott Street Ottawa, Ontario
K1Y 2N5
Phone No. 613 836 2473

General Information

Intact Insurance Company hereinafter called the Insurer.

Type of Document	NEW BUSINESS
Policy Period	**From** October 25, 2016 **To** October 25, 2017 12:01 A.M. local time at the postal address of the Insured shown above
Insured's Business Operations	Condominium Corporation
Billing Method	Agency Bill
Total Policy Premium	**$14,041**

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

Senior Vice President, Ontario

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 declarations, coverage agreements, exclusions, definitions, conditions, and limits as well as the riders or endorsements to the policy which may from time to time be added to form part of the policy.

In accepting the present policy, the Insured and the Beneficiary, if any, recognize that from the effective date of this policy, any previous policy stated in the Declarations 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

Intact Insurance Company

Location 1

Address 10 Rosemount Avenue
Ottawa Centre, ON K1Y 4G9

Occupancy Condominium Corporation

Coverage	Form	Coinsurance %	Deductible $	Limit of Insurance $
Commercial Building and Contents Broad Form Building Valuation: Replacement Cost	BF02-1	90	5,000	19,049,625
Equipment Breakdown Rider Option 3	BM12-1		5,000	19,049,625
Earthquake Shock Endorsement Deductible 3% or $100,000. whichever is the greater	E021-1			
Flood Endorsement	E023-1		25,000	
Sewer Back Up Endorsement	E042-1		5,000	
Data Exclusion Endorsement	E057-1			
The Commercial Edge Plus Coverage Endorsement	EP11-2			As per Form
Commercial Property Policy Conditions (Applicable to all provinces except Alberta,British Columbia, Manitoba and Quebec)	G011-2			
EP11 - The Commercial Edge Coverage Endorsement / Business Interruption - Indemnity Period - Twenty-Four (24) Months	GE0001			

Miscellaneous

Coverage	Form	Coinsurance %	Deductible $	Limit of Insurance $
Cyber Expense Endorsement	E127-2			
A: Privacy Breach Expenses			1,000	25,000
B: Business Interruption				25,000
Cyber Legal Expense Endorsement	E128-1			25,000

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Intact Insurance Company

Crime

Coverage	Form	Deductible $	Limit of Insurance $
Edge Plus Crime Coverage Endorsement	EC04-1		

General Liability

Coverage	Form	Deductible $	Limit of Insurance $
Commercial General Liability	LR02-2		
Coverage A - Bodily Injury and Property Damage Liability (Each Occurrence Limit)		1,000	10,000,000
Coverage A - Bodily Injury and Property Damage Liability (General Aggregate Limit)			5,000,000
Coverage A - Products-Completed Operations (Aggregate Limit)			10,000,000
Coverage A - Property Damage Deductible: Per Occurrence		1,000	
Coverage B - Personal Injury and Advertising Injury Liability			10,000,000
Coverage C - Medical Payments (Per Person)			25,000
Coverage D - Tenants' Legal Liability Edge Plus		1,000	1,000,000
The Commercial Edge Plus Coverage Endorsement (Liability)	EL11-1		
Limited Fungi or Spores Coverage Extension	L199-1		
Aggregate Limit			250,000
Per Occurrence			250,000
S.P.F. No. 6 - Supplementary Non-Owned Automobile Coverage	L222-1		10,000,000
O.E.F. 98B - Reduction of Coverage for Lessees or Drivers of Leased Vehicles Endorsement	L257-1		
Liability Conditions	L300-2		

Rating Information(s)

Premises, Property and Operations	Rating Base
Condominium Corporation	Flat premium
Condominium Corporation	Flat premium

Intact Insurance Company

Professional Liability

Coverage	Form	Deductible $	Limit of Insurance $
Condominium Directors and Officers Liability	PR05-1		5,000,000

Professional Services [rlty] Condominium Apartments - 10 storeys or less (with mercantile) \ [rlty] over 50 units

Additional Conditions

	Form
Declaration of Emergency Endorsement	2485-1

Emergency number

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

1 866 464 2424

EP11 - The Commercial Edge Coverage Endorsement / Business Interruption - Indemnity Period - Twenty-Four (24) Months

This Endorsement changes the Policy. Please read it carefully.

Attached to and forming part of The Commercial Edge Plus Coverage Endorsement (Property) Form EP11.

Definitions - Section B, Part (b) is deleted in its entirety and replaced by the following:

(b) "Indemnity Period" means,

the period beginning with the occurrence of a peril insured against and ending no later than twenty-four (24) months thereafter, during which the results of the business shall be affected in consequence of the destruction or damage by a peril insured against except that if media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including data thereon are damaged or destroyed by the perils insured against, the length of time for which the Insurer shall be liable under this Form 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.

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

DECLARATION OF EMERGENCY ENDORSEMENT - EXTENSION OF TERMINATION OR EXPIRY DATE

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.
   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.

BROAD FORM

Commercial Building and Contents Broad Form

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

1. INDEMNITY AGREEMENT

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

(a) the value of the lost or damaged property as determined in Clause 15;

(b) the interest of the Insured in the property;

(c) the amount of insurance specified on the "Declarations Page" for the lost or damaged property.

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

2. INSURED PROPERTY

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

"Building"

"Equipment"

"Stock"

"Contents of Every Description"

"Property of Every Description"

3. DEDUCTIBLE

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

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

4. CO-INSURANCE

This clause applies separately to each item for which a co-insurance percentage is specified on the "Declarations Page" and only where the amount of loss or damage exceeds $15,000.

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

5. INSURED PERILS

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

6. EXCLUSIONS

A. EXCLUDED PROPERTY

This form does not insure loss of or damage to:

(a) sewers, drains or watermains located beyond the outside bearing walls or foundations of the "building". This exclusion does not apply to loss or damage caused directly by "Named Perils";

(b) exterior signs. This exclusion does not apply to loss or damage caused directly by "Named Perils";

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

(d) electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing. This exclusion does not apply to loss or damage caused directly by resultant fire or explosion as described in Clause 18 (l);

(e) growing plants, trees, shrubs or flowers, all while outside the "building", except as provided in Clause 7(e);

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

(g) money, "cash cards", bullion, platinum or other precious metals or alloys, securities, stamps, tickets (except lottery tickets) or tokens, or evidence of debt or title;

(h) automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property. This exclusion does not apply to watercraft or amphibious or air cushion vehicles held for sale, or to unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the "premises";

(i) furs, fur garments, jewels, jewellery. This exclusion does not apply to:

  (i) the first $2,500 of any loss otherwise insured; or

  (ii) loss or damage caused directly by "Named Perils";

(j) property insured under the terms of any Marine Insurance, except while on a regular ferry or railway car transfer in connection with land transportation;

(k) property from the time of leaving the Insured's custody if it is:

  i) loaned or rented or leased to others; or

  ii) sold by the Insured under conditional sale or instalment payment or other deferred payment plan.

  This exclusion (k) 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;

(l) property in the custody of a sales representative outside the "premises";

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

(n)

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

  (ii) any boiler, including its connected piping and equipment, which contains steam or water under steam pressure (except tanks having an internal diameter of 610 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 (n) does not apply to:

  (1) manually portable gas cylinders;

  (2) explosion of natural, coal or manufactured gas;

  (3) explosion of gas or unconsumed fuel within a furnace or within the gas passages from the furnace to the atmosphere;

(o) roadways, walkways, parking lots, other exterior paved surfaces, retaining walls or permanently installed landscape structures outside the "building". This exclusion does not apply to the first $10,000 of any loss otherwise insured;

(p) "equipment" or "stock" while actually being worked upon and directly resulting from such work or caused by any repairing, adjusting or servicing of "equipment" or "stock". This exclusion does not apply to loss or damage caused directly by resultant fire or explosion as described in Clause 18 (i);

(q) exterior glass or vitrolite and its lettering or ornamentation, except as provided in Clause 7 (d). This exclusion does not apply to loss or damage caused directly by "Named Perils".

B. EXCLUDED PERILS

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

(a) in whole or in part by earthquake. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for loss or damage caused directly by resultant fire, explosion, smoke or leakage from "fire protective equipment", all as described in Clause 18 (l). This exclusion does not apply to property in transit;

(b) in whole or in part by flood, including "surface water", waves, tides, tidal waves, tsunamis, or the breaking out or overflow of any natural or artificial body of water. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for loss or damage caused directly by resultant fire, explosion, smoke, leakage from "fire protective equipment", all as described in Clause 18 (l). This exclusion does not apply to property in transit or loss or damage caused directly by leakage from a watermain;

(c)

(i) by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings, foundations, basement floors, sidewalks or sidewalk lights, unless concurrently and directly caused by a peril not otherwise excluded in this form;

(ii) by the backing up or overflow of water from sewers, sumps, septic tanks or drains, wherever located, unless concurrently and directly caused by a peril not otherwise excluded in this form;

(iii) by the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings, unless through an aperture concurrently and directly caused by a peril not otherwise excluded in this form;

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

(e)

(i) by dampness or dryness of atmosphere;

(ii) by changes in or extremes of temperature, heating or freezing;

(iii) by total or partial interruption to the supply of electricity, water, gas or steam;

This exclusion (e) does not apply to:

(1) loss or damage caused directly by rupture of pipes or breakage of apparatus not excluded in paragraph (n) of Clause 6.A.;

(2) damage to pipes caused directly by freezing, unless such pipes are excluded in paragraph (n) of Clause 6.A.;

(3) loss of or damage to "building" or "equipment" caused directly by "Named Perils", theft or attempted theft;

(4) loss or damage caused directly by an accident to a transporting conveyance;

(f)

(i) by shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, or change in colour or texture or finish;

(ii) by contamination;

(iii) by marring, scratching or crushing.

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

(1) "Named Perils";

(2) rupture of pipes or breakage of apparatus not excluded in paragraph (n) of Clause 6.A.;

(3) theft or attempted theft;

(4) an accident to a transporting conveyance;

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

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

(i) 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;

(j)

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

(ii) by contamination by radioactive material;

(k)

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

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

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

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

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

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

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

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

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

(iv) moving or rotating machinery or its parts;

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

(vi) gas turbines.

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

(n) by settling, expansion, contraction, moving, shifting or cracking. This exclusion does not apply to loss or damage caused directly and concurrently by a peril not otherwise excluded in this form;

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

C. POLLUTION EXCLUSION

This form does not insure against:

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

(i) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is directly caused by a peril not otherwise excluded in this form, or

(ii) to loss or damage caused directly by a resultant peril not otherwise excluded in this form;

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

D. DATA EXCLUSION

(a) This form does not insure "data".

(b) This form does not insure loss or damage caused directly or indirectly by a "data problem".

(c) Paragraphs (a) and (b) do not apply to specific coverage provided by this form for Accounts Receivable, Electronic Data Processing media or Valuable Papers and Records. Paragraph (b) 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.

E. FUNGI AND SPORES EXCLUSION

(a) This form does not insure loss or damage consisting of or caused directly or indirectly, in whole or in part, by any "fungi" or "spores".

(b) This form does not insure the cost or expense for any testing, monitoring, evaluating or assessing of "fungi", or "spores".

(c) Paragraph (a) does not apply:

(i) if the "fungi" or "spores" are directly caused by a peril not otherwise excluded in this form, or

(ii) to loss or damage caused directly by a resultant peril not otherwise excluded in this form.

F. TERRORISM EXCLUSION

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

G. OTHER EXCLUDED LOSSES:

This form does not insure:

(a)

(i) wear and tear;

(ii) rust or corrosion;

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

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

(b) the cost of making good:

(i) faulty or improper material;

(ii) faulty or improper workmanship;

(iii) faulty or improper design.

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

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

7. EXTENSIONS OF COVERAGE

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

(a) **Removal:** If any of the insured property is necessarily removed from the "premises" to prevent loss of or damage to or further loss of or damage to such property, that part of the insurance under this form that exceeds the amount of the insurer's liability for any loss already incurred shall, for 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.

(b)

(i) **Debris Removal:** The Insurer will indemnify the Insured for expenses incurred in the removal from the "premises" of debris of the insured property, occasioned by loss of or damage to such property, for which loss or damage insurance is afforded under this form
The amount payable under this extension shall not exceed 25% of the sum of:

1) the total amount payable for the direct loss of or damage to insured property; and

2) the amount of the applicable deductible.

(ii) **Removal of Windstorm Debris**: The Insurer will indemnify the Insured for expenses incurred in the removal of debris or other property which is not insured by this form but which has been blown by windstorm upon the "premises"
Extensions of coverage b(i) and b(ii) do not apply to costs or expenses:

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

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

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

(c) **Personal Property of Officers and Employees**: At the option of the Insured, "equipment" also includes personal property of officers and employees of the Insured. The insurance on such property:

(i) shall not attach if it is insured by the owner, unless the Insured is obliged to insure it or is liable for its loss or damage;

(ii) is, in any event, limited to a maximum recovery of $250 in respect of any one officer or employee;

(iii) shall apply only to loss or damage occurring at the "premises".

(d) **"Building" Damage by Theft:** This form is extended to insure damage (except by fire) to that part of a "building" occupied by the Insured directly resulting from theft or attempted theft and from vandalism or malicious acts committed on the same occasion, provided the Insured is not the owner of such "building" and is legally liable for such damage and the "building" is not otherwise insured under this form. This extension of cover shall be limited to a maximum recovery of $2,500 for any one occurrence.

(e) **Growing Plants, Trees, Shrubs or Flowers outside the "Building"**: This form is extended to insure loss of or damage to growing plants, trees, shrubs or flowers outside the "building" caused directly by "Named Perils" (with the exception of windstorm or hail as described in clause 18 (l)) or from theft or attempted theft. This extension of coverage shall be limited to a maximum recovery, including debris removal expense, of:

(i) $500 for each growing plant, tree, shrub or flower; and

(ii) $5,000 for any one occurrence.

(f) **Construction of Additions and Alterations:** This form covers property for use in the construction of an addition, extension or alteration to the "building". Such property shall comprise:

i.

(a) Fences, foundations, frescoes, glass, machinery and equipment for building services, materials and supplies, all to enter into and form part of the addition, extension or alteration.

(b) Landlord's permanent fittings and fixtures to be attached to the "building".

ii. Excavation, falsework, forms, hoardings, landscaping, scaffolding, site preparation, temporary structures and similar work.

This extension of coverage shall be limited to a maximum recovery of $100,000.

8. PERMISSIONS

Permission is granted:

(a) for other insurance concurrent with this form;

(b) to make additions, alterations or repairs;

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

9. BREACH OF CONDITION

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

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

10. REINSTATEMENT

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

11. SUBROGATION

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

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

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

12. PROPERTY PROTECTION SYSTEMS

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

(a) sprinkler or other fire extinguishing system; or

(b) fire detection system; or

(c) intrusion detection system;

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

13. PREMIUM ADJUSTMENT

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

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

14. VERIFICATION OF VALUES

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

15. BASIS OF VALUATION

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

(a) unsold "stock": the actual cash value of the property at the time and place of loss or damage, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;

(b) sold "stock": the selling price after allowance for discounts;

(c) the property of others in the custody or control of the Insured for the purpose of performing work upon it: the amount for which the Insured is liable, but not exceeding the actual cash value at the time and place of loss or damage plus allowance for labour and materials expended to such time;

(d) tenant's improvements:

(i) if repaired or replaced with due diligence and dispatch, the amount actually and necessarily expended, but not exceeding the actual cash value of the tenant's improvements at the time and place of loss or damage;

(ii) if not repaired or replaced with due diligence and dispatch, that portion of the original cost of the lost or damaged tenant's improvements which the unexpired term of the lease at the time of loss or damage bears to the period(s) from the date(s) such tenant's improvements were made to the expiration date of the lease;

(e) business records, including those which exist on electronic or magnetic media (other than pre-packaged software programs):

(i) the cost of blank materials for reproducing the records; and

(ii) the costs of labour to transcribe or copy the records when there is a duplicate.

(f) all other insured property under this form and for which no more specific conditions have been set out: the actual cash value at the time and place of loss or damage, but not exceeding what it would then cost to repair or replace with material of like kind and quality.

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

16. PROPERTY OF OTHERS

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

17. LIBERALISATION

If, during the policy period, the Insurer introduces any broadening of its standard coverage for this rider without an increase in rates, the broadened coverage shall also apply to the Insured's coverage from the introduction date of the broadened coverage.

18. DEFINITIONS

Wherever used in this form:

(a) **"Building"** means:

the building(s) described on the "Declarations Page" and includes:

(i) fixed structures pertaining to the building(s) and located on the "premises";

(ii) additions and extensions communicating and in contact with the building(s);

(iii) permanent fittings and fixtures attached to and forming part of the building(s);

(iv) materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to the "building" or for building services;

(v) growing plants, trees, shrubs or flowers inside the "building" used for decorative purposes when the Insured is the owner of the "building".

(vi) At the option of the Insured, and only for a "building" occupied as rented private residences:

(a) Landlord's permanent fittings and fixtures, excluding furniture and furnishings in furnished suites or apartments.

(b) Cooking, cooling, dishwashing, heating and refrigerating apparatus in suites and apartments.

(c) Electrical and lighting fixtures.

(d) Awnings, blinds, fencing, screen doors, screens and shutters.

(b) **"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.

(c) **"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.

(d) **"Contents of Every Description"** means "equipment" and "stock".

(e) **"Data"** means representations of information or concepts, in any form.

(f) **"Data problem"** means:

(i) erasure, destruction, corruption, misappropriation, misinterpretation of "data";

(ii) error in creating, amending, entering, deleting or using "data"; or

(iii) inability to receive, transmit or use "data".

(g) **"Declarations Page"** means the Declarations Page applicable to this form.

(h) **"Equipment"** means:

(i) generally all contents usual to the Insured's business, including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances, other than "building" or "stock";

(ii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;

(iii) tenant's improvements, which are defined as building improvements, alterations and betterments made at the expense of the Insured to a "building" occupied by the Insured and which are not otherwise insured, provided the Insured is not the owner of such "building". If the Insured purchased the use interest in tenant's improvements made by a predecessor tenant, this form applies as though such tenant's improvements had been made at the expense of the Insured.

(i) **"Fire protective equipment"** includes tanks, watermains, hydrants, valves and any other apparatus whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:

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

(ii) any watermains or appurtenances located outside of the "premises" and forming a part of the public water distribution system;

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

(j) **"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.

(k) **"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".

(l) **"Named Perils"** means:

(A) **FIRE OR LIGHTNING**

(B) **EXPLOSION**: Except with respect to the explosion of natural, coal or manufactured gas, there shall in no event be any liability for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the Insured:

(i)

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

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

(c) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion from them;

(d) smelt dissolving tanks;

(ii) other vessels and apparatus and connected pipes, while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure, except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders;

(iii) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;

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

(v) gas turbines;

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

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

(b) bursting or rupture caused by hydrostatic pressure or freezing;

(c) bursting or rupture of any safety disc, rupture diaphragm or fusible plug.

(C) **IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE**: The terms Aircraft and Spacecraft include articles dropped from them.

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

(i) caused by land vehicles belonging to or under the control of the Insured or any of his employees;

(ii) to aircraft, spacecraft or land vehicles causing the loss;

(iii) caused by any aircraft or spacecraft when being taxied or moved inside or outside of a "building".

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

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

(i) due to cessation of work or by interruption to process or business operations or by change(s) in temperature;

(ii) due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under Clause 18( )(B);

(iii) due to theft or attempted theft.

(E) **SMOKE**: The term Smoke means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability for any cumulative damage.

(F) **LEAKAGE FROM "FIRE PROTECTIVE EQUIPMENT"**: The term Leakage From "Fire Protective Equipment" means:

(i) the leakage or discharge of water or other substances from;

(ii) the collapse of;

(iii) the rupture due to freezing of:

"fire protective equipment" for the "premises" or for adjoining structures.

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

(i) to the interior of the "building" or to "contents of every description" unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;

(ii) directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslip.

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

(n) **"Premises"** means the entire area within the property lines and areas under adjoining sidewalks and driveways, and in the open within 305 metres at each location described on the "Declarations Page"; and in or on vehicles within 100 metres (328 feet) of such locations.

(o) **"Property of Every Description"** means "building", "equipment" and "stock".

(p) **"Stock"** means:

(i) merchandise of every description usual to the Insured's business;

(ii) packing, wrapping and advertising materials;

(iii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable; and

(iv) customers' property.

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

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

EQUIPMENT BREAKDOWN RIDER

Insuring Agreement

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

(a) to pay for loss

(i) to the "Insured Equipment" and

(ii) to other "Insured Property"

directly damaged by the "Breakdown";

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

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

Exclusions

This Rider does not apply:

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

(b) to loss caused by or resulting from:

(i) war, including undeclared or civil war;

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

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

(iv) civil commotion or sabotage;

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

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

(d) to loss from a "Breakdown" caused by or resulting from:

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

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

(iii) fire, smoke or combustion explosion; or

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

(e) to loss caused by or resulting from:

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

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

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

(iv) escape of water resulting from a "Breakdown" unless:

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

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

(v) damage to "Data" used with any electronic computer or electronic data processing equipment except as provided in Condition8;

(f) to loss from:

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

(ii) any other indirect result of a "Breakdown" except as may be provided in Insuring Agreement 1(b) and 1(c);

(g) to loss caused by or resulting from:

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

(i) the erasure, destruction, corruption, misappropriation or misinterpretation of "Data";

(ii) any error in creating, amending, entering, deleting or using "Data";

(iii) the inability to receive, transmit or use "Data"; or

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

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

(h) to loss caused by or resulting from:

"terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism".

Conditions

1. **Limit of Liability**

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

2. **Business Interruption/Extra Expense**

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

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

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

3. Expediting Expenses

If there is a "Breakdown" of "Insured Equipment", the Company shall pay the reasonable extra cost to:

(i) make temporary repairs;

(ii) expedite permanent repairs; or

(iii) expedite permanent replacement;

of the "Insured Equipment" or other "Insured Property" which is directly damaged by the "Breakdown".

4. By-Laws

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

(i) the increase in cost of repair or replacement of both damaged and undamaged property (including any demolition and site clearing costs) which is necessary to meet the minimum requirements of the law, by-law, ordinance, regulation, rule or ruling;

(ii) if Business Interruption / Extra Expense is provided by this Rider, but not otherwise, the increase in Business Interruption / Extra Expense caused solely as a result of the law, by-law, ordinance, regulation, rule or ruling.

5. Professional Fees/Auditors Fees

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

6. Service Interruption

If there is a "Breakdown" of equipment not owned or operated by the Insured, the Company shall be liable:

(i) only if Option 3 is specified as covered in the Declarations, for loss of perishable "Insured Property" which spoils; and

(ii) only if Business Interruption / Extra Expense insurance is provided by this Rider, for Business Interruption / Extra Expense;

but only if the equipment is:

(i) of a type described in the applicable definition of "Insured Equipment";

(ii) located on or within one thousand (1000) metres of the Insured's premises;

(iii) owned by the building owner at the premises of the Insured or by a public utility company; and

(iv) used to supply steam, gas, air, water, refrigeration, electricity, air conditioning, heating or communication services to the Insured's premises.

7. Hazardous Substances

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

(i) the increase in cost to repair, replace, clean up or dispose of, affected "Insured Property"; and

(ii) if Business Interruption / Extra Expense coverage is provided by this Rider, the increase in Business Interruption / Extra Expense loss because of the presence of "Hazardous Substance's".

However, in no event shall the Company be liable for loss in excess of $100,000.

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

8. Data Coverage

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

(i) the cost of gathering or reproducing the "Data"; and

(ii) the Business Interruption/Extra Expense resulting from the loss or damage to the "Data" only if business Interruption/Extra Expense is provided by this form.

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

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

9. Basis of Settlement

(a) **Property Damage**

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

(i) on "media", the cost of blank material;

(ii) on exposed film, records, manuscripts and drawings, the cost of blank material plus the cost of transcription;

(iii) on any heat exchanger that forms part of forced air heating equipment that is five (5) years old or more from the date of purchase new, its Actual Cash Value;

(iv) on any "Building" for which Guaranteed Replacement Cost is specified in the Declarations Page(s), the terms and conditions of Form E025, Guaranteed Replacement Cost Buildings will apply regardless of Condition 1. Limit of Liability described in this Form.

(v) on all other "Insured Property", the lesser of the cost at the time of the "Breakdown":

(a) to repair; or

(b) to replace with similar property of like kind, capacity, size, quality and function.

The Company shall not be liable:

(i) for the cost of repairing or replacing any part or parts of a piece of equipment which is greater than the cost of repairing or replacing the entire piece of equipment;

(ii) for more than the cost to replace the property with other property of like kind, capacity, size, quality and function; nor

(iii) for loss or damage to property which is useless or obsolete to the Insured.

If the damaged property is not repaired or replaced within 12 months after the date of the "Breakdown", the Company's liability will only be for the Actual Cash Value of the damaged property. Actual Cash Value is the cost of replacing the damaged property with property of similar kind, capacity, size, quality and function less depreciation however caused. In determining depreciation consideration will be given to such items as the age, condition, and normal life expectancy of the property.

(b) **Spoilage**

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

10. Deductible

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

11. Inspection

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

12. Suspension

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

13. Errors and Omissions:

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

14. Brands And Labels

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

15. Liberalization Clause:

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

(a) such extension of coverage has not been declined by the present Insurer; and

(b) such extension of coverage has not been refused by the Insured following conditions proposed by the present Insurer; and

(c) the Insurer's liability does not exceed the amount of insurance specified for such extension of coverage in the prior policy; and

(d) this Coverage Extension 15 is limited to a maximum recovery of $50,000.00 in any one Policy Period.

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

16. Interruption by civil authority

This Coverage Extension 16 does not apply if coverage for loss arising out of interruption by civil authority is specifically insured under a separate form of commercial property or business interruption insurance, whether attached to this policy or not. Insurance under this policy is extended to include the contiguous period of time, not exceeding twenty-one consecutive days that access to the insured premises is prohibited or denied by order of civil authority. Coverage under this extension clause 16 applies only when such order or denial is given as a direct result of an "Accident" at premises adjacent to the insured premises and only when such order or denial of access arises out of a peril that would have been insured against under this policy had the loss or damage occurred on the "Named Insured's" premises.

Definitions

17. Insured Equipment - Option 1

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

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

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

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

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

(iv) any buried piping, any drainage piping, any sprinkler piping and its accessory equipment;

B. any mechanical or electrical equipment used for the generation, transmission or utilisation of mechanical or electrical power, but not including:

(i) any machinery or apparatus used for refrigeration or air conditioning;

(ii) any vehicle or mobile equipment;

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

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

18. Insured Equipment - Option 2

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

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

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

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

(iii) any buried piping, any drainage piping, any sprinkler piping and its accessory equipment;

B. any mechanical or electrical equipment used for the generation, transmission or utilisation of mechanical or electrical power, but not including:

(i) any vehicle or mobile equipment;

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

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

19. Insured Equipment - Option 3

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

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

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

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

(iii) any buried piping, any drainage piping, any sprinkler piping and its accessory equipment;

B. any mechanical or electrical equipment used for the generation, transmission or utilisation of mechanical or electrical power, but not including:

(i) any vehicle or mobile equipment; nor

(ii) any lifting or safety cables, anchorages, car buffers or counterweight buffers forming part of an elevator system;

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

20. Insured Property

"Insured Property" is:

(a) property of the Insured; or

(b) property of others in the Insured's care, custody or control and for which the Insured is legally liable.

21. Breakdown

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

"Breakdown" does not mean:

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

(ii) wear and tear;

(iii) vibration or misalignment;

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

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

22. One Breakdown

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

23. Hazardous Substance

A. "Hazardous Substance" is:

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

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

As used herein Fungi includes, but is not limited to, any form or type of mould, yeast, mushroom, mildew, bacteria or wet or dry rot, whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any Fungi or Spores or resultant mycotoxins, allergens, or pathogens.

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

24. Data

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

25. Media

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

26. TERRORISM

"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.

EARTHQUAKE SHOCK ENDORSEMENT

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

This endorsement modifies insurance provided under the following:

Commercial Building and Contents Broad Form (BF02)
Commercial Building and Contents Named Perils Form (NP02)
Residential Condominium Corporation Broad Form (BF12)
Builders' Risk Broad Form (BF03)
Builders' Risk Named Perils (NP03)

1. **Insured Peril**

   This insurance is extended to include "earthquake".

2. **Deductible**

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

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

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

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

3. **Exclusions**

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

   (a) fire, explosion, or smoke;

   (b) leakage from "fire protective equipment";

   (c) theft, or vandalism and malicious acts;

   (d) flood, including "surface water", waves, tides, tidal waves, tsunamis, or the breaking out or overflow of any natural or artificial body of water, waterborne objects or ice.

4. **Extension of Coverage**

   The Insurer shall be liable for loss 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**

   (a) "Earthquake" includes snowslide, landslide, or other earth movements occurring concurrently with and directly resulting from an earthquake shock.

   (b) "Earthquake occurrence" means all earthquake shocks which occur within 168 consecutive hours, commencing during the policy period on or after the effective date of this endorsement. The expiration of this policy will not reduce the 168 hour period.

   (c) "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.

FLOOD ENDORSEMENT

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

This endorsement modifies insurance provided under the following:

Commercial Building and Contents Broad Form (BF02)
Commercial Building and Contents Named Perils Form (NP02)
Residential Condominium Corporation Broad Form (BF12)
Builders' Risk Broad Form (BF03)
Builders' Risk Named Perils (NP03)

1. **Insured Peril**

   This insurance is extended to include "flood".

2. **Deductible**

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

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

3. **Exclusions**

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

   (a) the backing up or overflow, within the area bounded by the bearing walls and foundations of the building described on the "Declarations Page", of water from within sewers, sumps, septic tanks or drains;

   (b) water below the surface of the ground including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows or other openings in such sidewalks, driveways, foundations, walls or floors;

   (c)

   (i) fire, explosion, smoke, leakage from "fire protective equipment", theft, riot, vandalism or malicious acts;

   (ii) leakage from a watermain.

4. **Extension of Coverage**

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

5. **Definitions**

   (a) "Flood" means the breaking out or overflow of any natural or artificial body of water and includes "surface water", waves, tides, tidal waves and tsunamis.

   (b) "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.

SEWER BACK UP ENDORSEMENT

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

This endorsement modifies insurance provided under the following:

Commercial Building and Contents Broad Form (BF02)
Commercial Building and Contents Named Perils Form (NP02)
Residential Condominium Corporation Broad Form (BF12)

1. **Insured Peril**

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

2. **Deductible**

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

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

3. **Definition**

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

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

"DATA" EXCLUSION ENDORSEMENT

Section A

Attached to and forming part of the Property and Miscellaneous Coverages as stated on the "Declaration Page(s)" with the exception of Accounts Receivable and Valuable Papers Coverages found in Forms BF01, BF16, EP01, EP02, EP03, EP04, EP05 and E001.

(i) This policy does not insure "Data"

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

Definitions applicable to Section A of this endorsement:

"Data" means representations of information or concepts in any form.

"Data Problem" means:

(i) erasure, destruction, corruption, misappropriation, misinterpretation of "Data";

(ii) error in creating, amending, entering, deleting or using "Data"; or

(iii) inability to receive, transmit or use "Data"

"Explosion" means: Explosion except with respect to explosion of natural, coal or manufactured gas, there shall in no event be any liability hereunder for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the Insured:

(i)

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

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

(c) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion therefrom;

(d) smelt dissolving tanks;

(ii) other vessels and apparatus, and pipes connected therewith, while under pressure , or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders;

(iii) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;

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

(v) gas turbines.

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

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

(b) bursting or rupture caused by hydrostatic pressure or freezing;

(c) bursting or rupture of any safety disc, rupture diaphragm or fusible plug.

"Smoke" means smoke due to a sudden, unusual or faulty operation of any stationary furnace. There shall in no event be any liability hereunder for any cumulative damage.

"Leakage from fire protective equipment" means the leakage or discharge of water or other substance from within the equipment used for fire protection purposes for the "premises" described on the declaration page(s) or for adjoining "premises" and loss or damage caused by the fall or breakage or freezing of such equipment.

Section B

Attached to and forming part of Accounts Receivable and Valuable Papers Coverages found in Forms BF01, BF16, EP01, EP02, EP03, EP04, EP05 and E001, if these forms are attached to this policy.

This form does not insure loss or damage caused directly or indirectly by "Data Problem". This exclusion does not apply:

(i) to any resulting loss or damage if "Data problem" results in direct physical loss or damage to property at the "premises" caused by fire, "explosion", "smoke", "leakage from fire protective equipment", water damage caused by bursting of frozen pipes and tanks; or

(ii) if "Data problem" is the direct result of fire, lightning, "explosion", "smoke", "leakage from fire protective equipment", "impact by aircraft, spacecraft or land vehicle", "windstorm or hail", earthquake, tsunami, flood, water damage caused by bursting of frozen pipes and tanks, at the "premises", provided that such perils are insured under this policy.

Definitions applicable to Section B of this endorsement:

"Data" means representations of information or concepts in electronic form.

"Data Problem" means:

(i) erasure, destruction, corruption, misappropriation, misinterpretation of "Data";

(ii) error in creating, amending, entering, deleting or using "Data"; or

(iii) inability to receive, transmit or use "Data"

"Explosion" means: Explosion except with respect to explosion of natural, coal or manufactured gas, there shall in no event be any liability hereunder for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the Insured:

(i)

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

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

(c) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion therefrom;

(d) smelt dissolving tanks;

(ii) other vessels and apparatus, and pipes connected therewith, while under pressure , or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders;

(iii) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;

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

(v) gas turbines.

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

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

(b) bursting or rupture caused by hydrostatic pressure or freezing;

(c) bursting or rupture of any safety disc, rupture diaphragm or fusible plug.

"Smoke" means smoke due to a sudden, unusual or faulty operation of any stationary furnace. There shall in no event be any liability hereunder for any cumulative damage.

"Leakage from fire protective equipment" means the leakage or discharge of water or other substance from within the equipment used for fire protection purposes for the "premises" described on the declaration page(s) or for adjoining "premises" and loss or damage caused by the fall or breakage or freezing of such equipment.

"Impact by aircraft, spacecraft or land vehicle": the terms "Aircraft" and "Spacecraft" include articles dropped therefrom.
There shall in no event be any liability hereunder due to cumulative damage or for loss or damage:

(i) caused by land vehicles belonging to or under the control of the Insured or any of his employees;

(ii) to aircraft, spacecraft or land vehicles causing the loss;

(iii) caused by any aircraft or spacecraft when being taxied or moved inside or outside of "buildings".

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

(i) to the interior of the "buildings" insured or their contents unless damage occurs concurrently with and results from an aperture caused by windstorm or hail.

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

CYBER EXPENSE ENDORSEMENT
INSURING AGREEMENT A: PRIVACY BREACH EXPENSES and INSURING AGREEMENT B: BUSINESS INTERRUPTION

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CERTAIN WORDS AND PHRASES IN BOLD FONT HAVE SPECIAL MEANING AS DEFINED IN THIS ENDORSEMENT.

THIS ENDORSEMENT APPLIES TO ALL LOCATIONS INSURED UNDER THE PROPERTY SECTION OF THE POLICY AND IS SUBJECT TO THE TERMS, CONDITIONS, LIMITATIONS AND EXCLUSIONS THAT ARE APPLICABLE TO THE COMMERCIAL PROPERTY INSURANCE FORM TO WHICH THIS ENDORSEMENT IS ATTACHED.

Coverage as extended by each Insuring Agreement of this Endorsement may also be provided elsewhere in the Policy or by another Policy issued by the Insurer. In the event of any such coverage duplication or overlap, only the coverage as extended by this Endorsement will apply.

Coverage as extended by each Insuring Agreement of this Endorsement applies only in Canada.

This Endorsement applies regardless of anything contained to the contrary in a policy Data Exclusion. Except to the extent of coverage under this Endorsement, the terms of such Data Exclusion remain in full force and effect.

LIMITS OF INSURANCE

The Insurer's maximum and aggregate limits of liability for coverage as extended by this Endorsement under Insuring Agreements A and B are specified in the Declarations Page(s).

The aggregate limit is the Insurer's maximum limit of liability in any one policy period, regardless of the number of occurrences or claims, the number of breaches or the number of **Named Insureds.**

Multiple claims that rise from the same **privacy breach** will be regarded as one claim provided that occurrences giving rise to such multiple claims are discovered at the same time. An occurrence(s) giving rise to a claim and discovered at a later time within the policy period of the Endorsement, whether arising from the same cause or not, will be considered a separate claim.

Deductible – Insuring Agreement A:

Each claim shall be adjusted separately and the deductible amount shown in the Declaration Page(s) shall be deducted from the amount of each such adjusted claim.

Waiting Period Deductible – Insuring Agreement B: The forty-eight (48) hour waiting period specified for **business interruption loss** (if any such insured loss occurs) shall apply with respect to each **privacy breach**. Each such claim for **business interruption loss** shall be adjusted separately.

INSURING AGREEMENT A:

PRIVACY BREACH EXPENSES COVERAGE

The Insurer will reimburse the **Named Insured** for **remediation expenses** that are incurred by the **Named Insured** in relation to the **Named Insured's** business activities in Canada. The amount of coverage for such expenses is included within (and is not in addition to) the Limit of Insurance that is specified in the Declaration Page(s).

A **privacy breach** must first take place (or must first be activated) during the time that this Endorsement's coverage is in effect and must first be discovered by the **Named Insured** during the time that this Endorsement's coverage is in effect.

INSURING AGREEMENT B:

BUSINESS INTERRUPTION COVERAGE

Coverage under this Endorsement applies (subject to Additional Condition B) to **Business interruption loss** that is:

A. related directly to and caused by a **privacy breach** to which coverage under Insuring Agreement A applies; and

B. incurred no sooner than forty-eight (48) consecutive hours after such a **privacy breach** is first discovered.

Business interruption loss means actual loss sustained of net income (before taxes, excluding interest and after depreciation) from the **Named Insured's** declared business operations in Canada provided that such loss would not have been incurred had no **privacy breach** taken place.

Business interruption loss also means, without increasing the limit of liability for Insuring Agreement B, necessary extra expenses (excluding **remediation expenses** other than computer forensic services) for which the Insurer shall reimburse the **Named Insured** and that are required for the reduction of actual loss of net income when such extra expenses:

(i) are in excess of the **Named Insured's** normal operating expenses; and

(ii) would not have been required had no **privacy breach** occurred; and

(iii) are not otherwise excluded under this Endorsement.

The Insurer's liability for such necessary extra expenses shall not exceed the amount of said reduction. Such necessary extra expenses are not subject to the waiting period deductible that is specified above for Insuring Agreement B provided that such actual loss sustained of net income exceeds the specified forty-eight (48) hour waiting period.

The duration of coverage for **business interruption loss** ends at the earliest of the following times:

a) After thirty (30) consecutive days beginning on the day that a **privacy breach** to which coverage under Insuring Agreement A applies is first discovered; or,

b) At the time that the **Named Insured's** declared business operations in Canada are returned to the same state or the same level of operation that existed immediately before the **privacy breach**.

The **Named Insured** shall with due diligence to (and shall agree to do and give permission to do) all things that are reasonably practicable to minimize or check any interruption of or interference with the business or to avoid or diminish the loss.

EXCLUSIONS (applicable to Insuring Agreements A and B unless otherwise specified)

Insurance granted by this Endorsement shall not apply to:

1. expenses or other loss arising from any fact or circumstance known to the **Named Insured** or to any Insured (or about which the **Named Insured** or any Insured should reasonably have known) prior to the effective date of this Endorsement;
2. expenses or other loss arising from unauthorized use of, unauthorized access to, loss of or damage to data or information on a personal mobile device or any other computer equipment owned by an employee, volunteer or authorized representative of the **Named Insured**.
3. unexplained deletion, disappearance or diminution of **data** or of non-computer data;
4. fines, penalties or assessments of any nature including (but not limited to) fines, fees or damages for breach of contract or for late or non-completion of orders or payments, or levies or assessments of any nature including but not limited to levies or assessments that are related to payment cards or to Payment Card Industry Standards;
5. wear and tear, gradual deterioration, hidden or latent defect or any quality in **data**, in computer media or in non-computer data that causes it to damage or destroy itself.
6. a **privacy breach** (except for theft of non-computer data) arising from failure of the **Named Insured** (or of an employee, volunteer or authorized representative of the **Named Insured**) to diligently deploy updated functional security software including but not limited to anti-malware software, security patches and including but not limited to a functional hardware firewall and, for each computer, a functional software firewall, all in accordance with a standard of care that at least meets (at the time of such breach) current standards and best practices for computer security and data security.

   For the purposes of Exclusion 6 above, available security patches (available as patches in response to computer security threats as recognized and specified by any CERT entity, or available otherwise) that are not applied automatically or semi-automatically must be applied by the **Named Insured** as soon as practicable following the **Named Insured's** discovery of a **privacy breach** related to a computer security vulnerability that is addressed by such a patch; and in any event no later than thirty (30) days following a security patch being made available by a software developer, a software supplier or by a computer security specialist;
7. expenses or other loss arising from errors in the programming or configuration of computer equipment or from errors in the configuration of **data** or of computer media;
8. criminal, fraudulent or dishonest acts of any **Named Insured** or criminal or penal proceedings against any **Named Insured** (in any event, including but not limited to any employee, volunteer or authorized representative of the **Named Insured**, whether acting alone or in collusion with others);
9. loss, damage, expense or costs (including judgements against the **Named Insured**) arising out of liability to a third party;
10. legal fees or other defence expenses;
11. any gain, profit, remuneration or advantage to which the **Named Insured** is not legally entitled;
12. liability assumed by the **Named Insured** under any contract or agreement, except to the extent that the **Named Insured** would have been liable in the absence of such a contract or such an agreement;
13. loss, damage, expenses or increased costs due to delay, loss of use, loss of market, loss of occupancy or (except to the extent of coverage under Insuring Agreement B) other interruption of business;
14. loss, damage, expenses or increased costs due to mechanical failure, breakdown, short circuit or other electrical disturbance, or interruption of internet service or of electrical power supply;
15. any cost or expenses incurred to update, upgrade or otherwise improve **data**, non-computer data, computer media or computer equipment;
16. payments made by the **Named Insured** in response to **cyber extortion** or otherwise complying with or responding to **cyber extortion**. This Exclusion 16 does not apply to **remediation expenses** due directly to the carrying out of a **cyber extortion** threat;
17. With respect to Insuring Agreement B (in addition to the exclusions above), insurance granted by this Endorsement shall not apply to:
    a. **Business interruption loss** arising out of unauthorized use of, unauthorized access to, loss of, or damage to unlicensed software or to copyrighted software that has been copied or that is being used without authorization;
    b. Payment of **Remediation expenses** (other than computer forensic expenses that are necessary extra expenses);
    c. Payments in response to **Cyber extortion** or loss arising from the carrying out of a **cyber extortion** threat.

EXTENSIONS OF COVERAGE (subject to all other terms, conditions, limitations and exclusions of this Endorsement):

The following Extensions of Coverage apply only with respect to a **privacy breach** that arises in regard to business activities of the **Named Insured** or of an employee, volunteer or authorized representative of the **Named Insured**, and that are activities related directly to the Named Insured's Canadian business operations.

Coverage is extended:

1. In regard to computer equipment owned by the **Named Insured**, to:
   a) the homes of an employee, volunteer or authorized representative of the **Named Insured**; or
   b) another temporary premises in Canada other than premises stated in the Declaration Page(s), for a period not exceeding thirty (30) consecutive days; and
   c) transit to or from such homes or premises and the **Named Insured's** business premises; or
   d) locations in the United States of America, in the European Union or in the European Economic Area, if the **privacy breach** arises from the business activities of an employee, volunteer or authorized representative of the **Named Insured** who is away from Canada on the business of the **Named Insured** for a period not exceeding thirty (30) consecutive days.
2. In regard to laptop computers, tablets or desktop computers that are personally owned by an employee, volunteer or authorized representative of the **Named Insured** and provided that any such device, at the time of a privacy breach, is being used with permission of the **Named Insured** on the **Named Insured's** business premises in Canada (including offices in the homes of employees and while in transit to or from such offices and the **Named Insured's** business premises).

ADDITIONAL CONDITIONS:

A. **Notice to Insurer** (applicable to Insuring Agreements A and B): As a condition of insurance under this Endorsement, the **Named Insured** shall give written notice to the Insurer as soon as practicable of a **privacy breach**. Such written notice to the Insurer must be given no later than thirty (30) consecutive days from the **Named Insured's** discovery of a **privacy breach**.

B. **Data Backup Requirement - Reasonable Precautions** (applicable to Insuring Agreement B): As a condition of insurance under this Endorsement's Insuring Agreement B, with respect to insured **business interruption loss**, the **Named Insured** will have diligently instituted and deployed a backup strategy and procedures for the **Named Insured's** business-critical or sensitive **data**. Such strategy and procedures must include (as the minimum requirements) regular backups (daily, weekly or monthly), backup archiving and backup testing. Failure of the **Named Insured** to fulfill this requirement will void coverage under Insuring Agreement B with respect to **business interruption loss** due to a **privacy breach**.

This condition B does not apply to **remediation expenses**.

This condition B does not apply to the theft of non-computer data.

DEFINITIONS:

For the purpose of this Endorsement:

1. **Cyber extortion** means a demand (that originates from outside the **Named Insured** entity) made to the **Named Insured** for money or something else of value in exchange for not carrying out a threat to commit harm to computers or to **data**. **Cyber extortion** also means a threat to disseminate **data** without authorization, or to deny, to impede, to make unavailable or to otherwise disrupt access to **data** or network or computer services or resources.
2. **Data** means representations of information or concepts in any form and residing in or on the **Named Insured's** computer equipment except for and excluding programmable manufacturing machines or programmable controllers for industrial use.

   Data does not include money, currency, funds, bonds or instruments of debt, credit or equity.

   Data does not include deeds, accounts, bills, records, abstracts, manuscripts or other documents except as they have been converted to computer data and then only in that converted form.

   Data does not mean such property already sold or that is held for sale or for distribution.

   Data does not include data or information stored using the centralized facilities (whether public or private) of a data or information storage provider or other service provider.
3. **Named Insured** means the entity named in the Declaration Page(s).
4. **Privacy breach** means failure to prevent unauthorized use of or unauthorized access to **data** (excluding such unauthorized use, unauthorized collection or unauthorized access by the **Named Insured** or from within the **Named Insured** entity by a person or persons affiliated with the **Named Insured** entity) that are possessed, managed, entrusted to, or held by the **Named Insured** and that are non-public and personal information as established by law. **Privacy breach** also means theft of non-computer data (excluding theft by the **Named Insured** or from within the **Named Insured** entity by a person or persons affiliated with the **Named Insured** entity) that are possessed, managed, entrusted to, or held by the **Named Insured** and that are non-public and personal information as established by law. **Privacy breach** does not include theft of, or failure to prevent unauthorized use of or unauthorized access to, intellectual property or trade secrets of any kind.
5. **Remediation expenses** means reasonable and necessary expenses that are required by law or that have received the Insurer's consent and approval beforehand, incurred by the **Named Insured** for:
   a) notification to existing, prospective or former customers, or existing or former employees or members of the **Named Insured**, provided that the need for such notification arises directly from a **privacy breach**;
   b) computer forensic services, provided that such services are retained with the Insurer's consent beforehand and provided that the need for such services arises directly from a **privacy breach**;
   c) public relations services, provided that such services are retained with the Insurer's consent beforehand and provided that the need for such services arises directly from a **privacy breach**.

Remediation expenses also means, with respect to a **privacy breach**, the **Named Insured's** expenditures that may be incurred for services for credit monitoring or for fraud monitoring and pertaining directly to existing, prospective or former customers, or existing or former employees or members of the **Named Insured**, such individuals notified in accordance with item 5a) above, for a period not exceeding fifty-two (52) consecutive weeks from the date that the actual **privacy breach** is first discovered.

All terms of the policy shall remain unchanged except as otherwise provided in this Endorsement.

CYBER LEGAL EXPENSE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CERTAIN WORDS AND PHRASES IN BOLD FONT HAVE SPECIAL MEANING AS DEFINED IN THIS ENDORSEMENT OR IN THE CYBER EXPENSE ENDORSEMENT.

This coverage extension supplements insurance provided under the Cyber Expense Endorsement attached to this policy. Notwithstanding Exclusion 10 contained within that form or any other contrary provision, this coverage extension is subject to all terms, conditions, exclusions and limitations provided under the Cyber Expense Endorsement form.

INSURING AGREEMENT – Cyber Security Legal Expense Coverage.

1. Insurance granted by this coverage extension shall apply to **legal fees or defence expense** that is necessarily incurred by the **Named Insured** with the Insurer's prior written consent and that arise directly or indirectly from, and are made necessary by a **civil proceeding** in regard to a **privacy breach** to which coverage as extended by Cyber Expense Endorsement applies. No other fees, costs or expenses are within the scope of this coverage extension.
2. The **privacy breach**, which gives rise to the reimbursement of **legal fees or defence expense**, must take place and must be discovered for the first time while this coverage extension's insurance is in effect.

ADDITIONAL CONDITIONS

1. If a Condition is found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect.
2. The **Named Insured** or its legal representative must take all reasonable steps to recover all costs and expenses on the Insurer's behalf and to preserve and to not prejudice the Insurer's rights to recover costs or expenses.
3. This coverage extension shall be interpreted and construed in accordance with the laws of the Canadian Province in which the policy was issued.
4. This coverage is excess over any other insurance, whether primary, excess, contingent or on any other basis.
5. This coverage extension shall apply exclusively to **civil proceedings** or claims arising in Canada.
6. The Insurer, at its sole discretion, may reimburse the **legal fees or defence expense** either directly to the **Named Insured** or pay the **legal fees or defence expense** invoice to another entity on the **Named Insured's** behalf.

LIMITS OF INSURANCE AND DEDUCTIBLE

1. The Limit of Insurance for this coverage extension:
   a) is specified in the Declaration page(s); and
   b) is an aggregate limit and is the most the Insurer will pay in a policy period regardless of the number of occurrences or claims, the number of **privacy breaches**, the number or types of fees or expenses or the number of **Named Insureds**.
2. The Insurer is liable for the amount by which the claim exceeds the sum (if any) stated in the Declaration page(s).

ADDITIONAL EXCLUSIONS

1. Insurance as provided by this coverage extension does not apply to the payment of indemnification or compensation of any kind.
2. Insurance as provided by this coverage extension does not apply to **legal fees or defence expense**:
   a) related to a dispute or an action of any kind between the **Named Insured** and the Insurer;
   b) related to any criminal or penal proceeding or to an intentional or criminal act of the **Named Insured** or any employee, volunteer or authorized representative of the **Named Insured**;
   c) in regard to the **Named Insured** as a plaintiff;
   d) in regard to the review or appeal of any decision;
   e) in regard to any regulatory or disciplinary action related to the **Named Insured's** profession.

ADDITIONAL DEFINITIONS

1. **Civil proceeding** means a non-statutory civil action or a claim in which a third party is seeking damages arising from a **privacy breach** and includes:
   a) An arbitration proceeding; or
   b) Any other alternative dispute resolution proceeding;

   in which such damages are claimed and to which the **Named Insured** must submit or does submit with the Insurer's consent.
2. **Legal fees or defence expense** means the reasonable expenses (other than **remediation expenses**) that the Insurer shall pay with respect only to the **Named Insured** for:
   a) fees of the **Named Insured's** attorney;
   b) experts' fees;
   c) judicial costs including but not limited to judicial stamps and fees for bailiffs, stenography and translation;
   d) loss of salary for an employee of the **Named Insured**, up to a maximum of $500 per day, directly due to attendance at a **civil proceeding**;
   e) other necessary costs that are incurred by the **Named Insured** at the Insurer's request or with the Insurer's prior consent, including court costs of a plaintiff that are ordered payable by the **Named Insured** following an action or proceeding to which this coverage extension applies.

All terms and conditions of this policy shall remain unchanged, except as otherwise provided in this Endorsement.

EDGE PLUS CRIME COVERAGE ENDORSEMENT

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Unless specifically endorsed on the "Declaration Page(s)", the limits stated below apply to the coverage, subject to the conditions, exclusions, limitations and definitions of this Form.

Words and phrases in quotation marks have special meaning as defined in Section 3. C. Definitions.

SUMMARY OF COVERAGES

Coverage	Limit of Insurance
Employee Fidelity – Insuring Agreement I.A	$50,000 (aggregate)
Broad Form Money and Securities	
Inside Premises – Insuring Agreement II.A	$10,000
Outside Premises – Insuring Agreement III.A	$10,000
Messenger or Custodian Home – Insuring Agreement III.A	$10,000
Money Order & Counterfeit Paper – Insuring Agreement IV	$10,000 (aggregate)
Depositors Forgery – Insuring Agreement V	$10,000 (aggregate)
Credit Card Forgery Coverage – Insuring Agreement VI	$10,000 (aggregate)
Computer Fraud – Insuring Agreement VII	
(i) Insured's Interest	$10,000 (aggregate)
(ii) Customers' Interest	$1,000 per customer / $10,000 aggregate
Service Extension	$10,000 (aggregate)

1. INSURING AGREEMENTS

The Insurer, in consideration of the payment of the premium, and subject to the "Declaration Page(s)" made a part hereof, the General Agreements, Conditions and Limitations and other terms of this Form, agrees with the Insured, in accordance with such Insuring Agreements hereof as are specifically designated by the insertion of a limit of insurance in the Summary of Coverages section of this Form, to pay the Insured for:

Insuring Agreement I.A

Employee Dishonesty Coverage – Form A

Loss of "money", "securities" and other property which the Insured shall sustain, to an amount not exceeding in the aggregate the limit stated in the Summary of Coverages applicable to this Insuring Agreement I.A, resulting directly from one or more "fraudulent or dishonest act" committed by an "employee", acting alone or in collusion with others.

Insuring Agreement II.A

Loss Inside The Premises Coverage – Broad Form

(a) Loss of "money" and "securities" by the actual destruction, disappearance or wrongful abstraction thereof within the "premises" or within any "banking premises" or similar recognized places of safe deposit;

(b) Loss of (a) other property by "safe burglary" or "robbery" within the "premises" or attempt thereat, and (b) a locked cash drawer, cash box or cash register by felonious entry into such container within the "premises" or attempt thereat or by felonious abstraction of such container from within the "premises" or attempt thereat;

(c) Loss includes damage to insured property.

Insuring Agreement III.A

Loss Outside The Premises Coverage – Broad Form

(a) Loss of "money" and "securities" by the actual destruction, disappearance or wrongful abstraction thereof outside the "premises" while being conveyed by a "messenger" or any armoured motor vehicle company or while within the living quarters in the home of any "messenger" or "custodian"; or

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

(c) Loss includes damage to insured property.

Insuring Agreement IV

Money Orders and Counterfeit Paper Currency Coverage

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

Insuring Agreement V

Depositors Forgery Coverage

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

(a) any cheque or draft made or drawn in the name of the Insured, payable to a fictitious payee and endorsed in the name of such fictitious payee;

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

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

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

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

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

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

Insuring Agreement VI

Credit Card Forgery Coverage

(a) Loss which the Insured shall sustain through forgery or alteration of, on or in any written instrument required in conjunction with any credit card issued to the Insured or to any partner, officer or employee of the Insured or to the Insured's spouse or any child residing permanently in the residence of the Insured; provided, however, that the Insured shall fully comply with the provisions, conditions and other terms under which such credit card shall have been issued;

(b) Reasonable attorney's fees, court costs or similar legal expenses incurred and paid by the Insured in the defence of any suit brought against the Insured to enforce payment on any written instrument specified in the preceding paragraph, alleging that such instrument is forged or altered; provided, however, that such suit shall have resulted from the refusal of the Insured to pay such instrument, that the Insurer shall have given its written consent to the defence of such suit and that the Insured shall have fully complied with the provisions, conditions and other terms under which any credit card, as aforesaid, shall have been issued. The liability of the Insurer under this Insuring Agreement for such attorney's fees, court costs or similar legal expenses shall be in addition to any other liability under this Insuring Agreement.

Insuring Agreement VII

Computer Fraud Coverage

(i) **Insured's Interest**

Loss of "money", "securities" and other property to an amount not exceeding in the aggregate the limit stated in the Summary of Coverages applicable to this Item which the Insured shall sustain resulting from theft following and directly related to the use of any computer to fraudulently cause a transfer of "money", "securities" or other property from inside the "premises" or "banking premises" to a person (other than an "employee", "messenger" or "custodian") outside those "premises" or to a place outside those "premises".

(ii) **Customers' Interest**

Loss of "money" and "securities" to an amount not exceeding in the aggregate the limit stated in the Summary of Coverages applicable to this Item belonging to a customer or customers of the Insured, resulting from theft following and directly related to the use of any computer to fraudulently cause a transfer of "money" or "securities" from inside the "premises" or "banking premises" to a person (other than an "employee", "messenger" or "custodian") outside those "premises" or to a place outside those "premises".

Service Extension

This extension modifies the insurance provided under Insuring Agreement I.A.

Loss or losses which any person or organization, having engaged the services of the Insured, shall sustain with respect to money or other property:

1) belonging to such person or organization; or

2) in which such person or organization has a pecuniary interest; or

3) held in any capacity by such person or organization, whether legally liable or not;

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

2. GENERAL AGREEMENTS

A. CONSOLIDATION – MERGER

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

B. JOINT INSURED

If more than one Insured is covered under this Form, the Insured first named shall act for itself and for every other Insured for all purposes of this Form. Knowledge possessed or discovery made by any Insured or by any partner or officer thereof shall, for the purposes of Items G., H. and O. of Clause 3, constitute knowledge possessed or discovery made by every Insured. Cancellation of the insurance hereunder as respects any "employee" as provided in Item O. of Clause 3 shall apply to every Insured. If, prior to the cancellation or termination of this Form, this Form or any Insuring Agreement hereof is cancelled or terminated as to any Insured, there shall be no liability for any loss sustained by such Insured unless discovered within one year from the date of such cancellation or termination. Payment by the Insurer to the Insured first named of any loss under this Form shall fully release the Insurer on account of such loss. If the Insured first named ceases for any reason to be covered under this Form, then the Insured next named shall thereafter be considered as the Insured first named for all purposes of this Form.

C. LOSS UNDER PRIOR BOND OR POLICY

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

(a) the insurance under this General Agreement C shall be a part of and not in addition to the amount of insurance afforded by the applicable Insuring Agreement of this Form;

(b) such loss would have been covered under such Insuring Agreement had such Insuring Agreement with its agreements, conditions and limitations as of the time of such substitution been in force when the acts or events causing such loss were committed or occurred; and

(c) recovery under such Insuring Agreement on account of such loss shall in no event exceed the amount which would have been recoverable under such Insuring Agreement in the amount for which it is written as of the time of such substitution, had such Insuring Agreement been in force when such acts or events were committed or occurred, or the amount which would have been recoverable under such prior bond or policy had such prior bond or policy continued in force until the discovery of such loss, if the latter amount be smaller.

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

(a) the coverage of Insuring Agreement V is substituted on or after the date hereof for such prior forgery coverage and the Insured or such predecessor, as the case may be, carried such prior forgery coverage on the office at which such loss was sustained continuously from the time such loss was sustained to the date the coverage of Insuring Agreement V was substituted therefore;

(b) at the time of discovery of such loss, the period for discovery of loss under all such prior forgery insurance has expired; and

(c) if the amount of insurance carried under Insuring Agreement V applicable to the office at which such loss is sustained is larger than the amount applicable to such office under such prior forgery insurance and in force at the time such loss is sustained, then liability hereunder for such loss shall not exceed the smaller amount.

3. CONDITIONS, EXCLUSIONS, DEFINITIONS AND LIMITATIONS

A. POLICY PERIOD, TERRITORY, DISCOVERY

Loss is covered under this Form only if discovered not later than one year from the end of the policy period.

Subject to General Agreement C:

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

(b) Insuring Agreement I.A applies only to loss sustained by the Insured through "fraudulent or dishonest act" committed during the policy period by any of the "employees" engaged in the regular service of the Insured within the territory designated in (a) above or while such "employees" are elsewhere for a limited period;

(c) Insuring Agreements V, VI and VII apply only to loss sustained during the policy period.

B. EXCLUSIONS

This policy does not apply:

(a) to loss due to any fraudulent, dishonest or criminal act by any Insured or a partner therein, whether acting alone or in collusion with others;

(b) under Insuring Agreement I.A and VII, to loss, or that part of any loss, as the case may be, the proof of which, either as to its factual existence or as to its amount, is dependent upon an inventory computation or a profit and loss computation;

(c) under Insuring Agreements II.A, III.A, V, VI and VII, to loss due to any fraudulent, dishonest or criminal act by an "employee", director, trustee or authorized representative of any Insured, while working or otherwise and whether acting alone or in collusion with others, provided this Exclusion (e) does not apply to "safe burglary" or "robbery" or attempt thereat;

(d) under Insuring Agreements II.A and III.A, to loss due to war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;

(e) under Insuring Agreements II.A and III.A, to loss due to the giving or surrendering of "money" or "securities" in any exchange or purchase;

(f) under Insuring Agreements II.A and III.A, to loss due to accounting or arithmetical errors or omissions;

(g) under Insuring Agreements II.A and III.A, to loss of manuscripts, books of account or records, except for blank value;

(h) under Insuring Agreement II.A, to loss of "money" contained in coin operated amusement devices or vending machines, unless the amount of "money" deposited within the device or machine is recorded by a continuous recording instrument therein;

(i) under Insuring Agreement III.A, to loss of insured property while in the custody of any armoured motor vehicle company, unless such loss is in excess of the amount recovered or received by the Insured under (1) the Insured's contract with said armoured motor vehicle company, (2) the insurance carried by said armoured motor vehicle company for the benefit of users of its service, and (3) all other insurance and indemnity in force in whatsoever form carried by or for the benefit of users of said armoured motor vehicle company's service, and then this Form shall cover only such excess;

(j) under Insuring Agreements II.A and III.A, to loss due to any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;

(k) under Insuring Agreement II.A, to loss, other than to "money", "securities" and safe or vault, by fire whether or not such fire is caused by, contributed to by or arises out of the occurrence of a hazard insured against;

(l) to potential income, including but not limited to interest and dividends, not realized by the Insured because of a loss covered under this Form;

(m) to all damages of any type for which the Insured is legally liable, except direct compensatory damages arising from a loss covered under this Form;

(n) to all costs, fees and other expenses incurred by the Insured in establishing the existence of or amount of loss covered under this Form;

(o) except as may be specifically stated to the contrary in this Form or any applicable endorsement, to the defence of any legal proceeding brought against the Insured, or to fees, costs or expenses incurred or paid by the Insured in prosecuting or defending any legal proceeding whether or not such proceeding results or would result in a loss to the Insured covered by this Form;

(p) under Insuring Agreement III.A, to loss due to the surrender of "money", "securities" or other property away from the "premises" as a result of a threat to do (1) bodily harm to the Insured or any other person, or (2) damage to the "premises" or property owned by the Insured or held by the Insured in any capacity; provided that this exclusions shall not apply to loss of "money", "securities" or other property while being conveyed by a "messenger" when there was no knowledge by the Insured of any such threat at the time the conveyance was initiated;

(q) under Insuring Agreement II.A, to loss of insured property which has been transferred to a person or to a place outside the "premises" on the basis of unauthorized instructions;

(r) to 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;

(s)

(i) to loss or damage of "data";

(ii) to loss or damage caused directly or indirectly by a "data problem";

Paragraphs (i) and (ii) do not apply to specific coverage provided by this form for Accounts Receivable; Electronic Data Processing media or Valuable Papers and Records. Paragraph (ii) does not apply to loss or damage caused directly by resultant fire, explosion of natural, coal or manufactured gas, smoke or leakage from "fire protective equipment".

C. DEFINITIONS

As used in this Form:

"Banking Premises" *means,*

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

"Custodian" *means,*

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

"Data" *means* representations of information or concepts, in any form.

"Data problem" *means:*

(i) erasure, destruction, corruption, misappropriation, misinterpretation of "data";

(ii) error in creating, amending, entering, deleting or using "data"; or

(iii) inability to receive, transmit or use "data".

"Employee" *means,*

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

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

"Fire protective equipment" includes tanks, watermains, hydrants, valves and any other apparatus whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:

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

(ii) any watermains or appurtenances located outside of the "premises" and forming a part of the public water distribution system;

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

"Fraudulent or Dishonest Act" *means,*

"Fraudulent or Dishonest Act" committed by such "employee" with manifest intent:

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

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

"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 insured property outside the "premises".

"Money" *means,*

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

"Premises" *means,*

the interior portion of that portion of any building which is occupied by the Insured in conducting its business.

"Robbery" *means,* the taking of insured property,

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

"Safe Burglary" *means,*

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

"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".

"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.

D. LOSS CAUSE BY UNIDENTIFIABLE EMPLOYEES

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

E. OWNERSHIP OF PROPERTY; INTERESTS COVERED

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

F. BOOKS AND RECORDS

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

G. PRIOR FRAUD, DISHONESTY OR CANCELLATION

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

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

H. LOSS – NOTICE – PROOF – ACTION AGAINST INSURER

Upon knowledge or discovery of loss or of an occurrence which may give rise to a claim for loss, the Insured shall: (1) give notice thereof as soon as practicable to the Insurer or any of its authorized agents and, except under Insuring Agreements I.A, V and VI, also to the police, if the loss is due to a violation of the law; (2) file detailed proof of loss, duly sworn to, with the Insurer within four months after the discovery of loss.

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

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

No action shall lie against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Form, nor until ninety days after the required proofs of loss have been filed with the Insurer, nor at all unless commenced within two years from the date when the Insured discovers the loss. If any limitation of time for notice of loss or any legal proceeding herein contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this Form, the shortest permissible statutory limitation of time shall govern and shall supersede the time limitation herein stated.

I. VALUATION– PAYMENT – REPLACEMENT

In no event shall the Insurer be liable as respects "securities" for more than the actual cash value thereof at the close of business on the business day next preceding the day on which the loss was discovered, nor as respects other property, for more than the actual cash value thereof at the time of loss; provided, however, the actual cash value of such other property held by the Insured as a pledge or as collateral for an advance or a loan, shall be deemed not to exceed the value of the property as determined and recorded by the Insured when making the advance or loan, nor, in the absence of such record, the unpaid portion of the advance or loan plus accrued interest thereon at legal rates.

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

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

J. RECOVERIES

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

K. LIMITS OF LIABILITY

Payment of loss under Insuring Agreements I.A, V, VI and VII shall not reduce the Insurer's liability for other losses under the applicable Insuring Agreement whenever sustained.

The Insurer's total liability (1) under Insuring Agreement I.A, for all loss caused by any "employee" or in which such "employee" is concerned or implicated, or (2) under Insuring Agreements V, VI and VII, for all loss by forgery or alteration committed by any person or in which such person is concerned or implicated, whether such forgery or alteration involves one or more instruments, is limited to the applicable amount of insurance specified on the "Declaration Page(s)" or endorsements amendatory thereto.

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

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

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

L. LIMIT OF LIABILITY UNDER THIS FORM AND PRIOR INSURANCE

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

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

M. OTHER INSURANCE

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

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

N. SUBROGATION

In the event of any payment under this Form, the Insurer shall be subrogated to all 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 to prejudice such rights.

O. CANCELLATIONAS TO ANY EMPLOYEE

Insuring Agreement I.A shall be deemed cancelled as to any "employee": (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 (2) at 12:01 A.M. Standard Time as aforesaid, upon the effective date specified in a written notice mailed to the Insured. Such date shall be not less than fifteen days after the date of mailing. The mailing by the Insurer of notice as aforesaid to the Insured at the postal address shown on the "Declaration Page(s)" shall be sufficient proof of notice. Delivery of such written notice by the Insurer shall be equivalent to mailing.

P. NO BENEFIT TO BAILEE

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

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

Q. ASSIGNMENT

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

R. CHANGES

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

S. INCREASE OR DECREASE IN AMOUNT OF INSURANCE

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

T. DEDUCTIBLE

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

Insuring Agreement I.A

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

Insuring Agreement II.A

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

Insuring Agreement III.A

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

Insuring Agreements V or VI

The Insurer shall not be liable under Insuring Agreement V or VI on account of loss through forgery or alteration committed by any person or in which such person is concerned or implicated, whether such forgery or alteration involves one or more instruments, except to the extent such loss is in excess of the dollar amount of deductible as stated on the "Declaration Page(s)", with the insurance then applying to such excess only, subject otherwise to the applicable limit of the Insurer's liability.

Insuring Agreements VII

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

THE COMMERCIAL EDGE PLUS COVERAGE ENDORSEMENT (LIABILITY)

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Attached to and forming part of the Commercial General Liability form shown on the Declarations and the Non-Owned Automobile Policy S.P.F. No. 6 Form L222.

Unless specifically endorsed on the Declarations, the Limit of Insurance stated in the Summary of Coverages below applies to the coverages listed. If the Commercial General Liability Form LR02 is shown in the Declarations, the Limit of Insurance stated in the Summary of Coverages for this Endorsement is in addition to, and not part of the applicable Each Occurrence Limit or the General Aggregate Limit. If the Commercial General Liability Form LR20 is shown in the Declarations, the Limit of Insurance stated in the Summary of Coverages for this Endorsement is in addition to, and not part of the applicable Each Occurrence Limit.

The Limits of Insurance applicable to this Endorsement apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, 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.

SUMMARY OF COVERAGES

Item	Coverage	Limit of Insurance
A. For attachment to Commercial General Liability		
Item 1.	Employers' Liability	Included
Item 2.	Voluntary Compensation (Employers' Liability)	Limits as shown on page 3 of this Endorsement
Item 3.	Employee Benefits	$2,000,000 Aggregate
Item 4.	Employment Practices Liability	$10,000
Item 5.	Limited Environmental Liability	$25,000 Aggregate Limit including Clean Up Costs
B. For attachment to a Non-Owned Policy (S.P.F. No. 6)		
Item 6.	S.E.F. No. 94 – Legal Liability for Damage to Hired Automobiles	$75,000 any one accident
Item 7.	S.E.F. No. 96 – Contractual Liability Endorsement	Included
Item 8.	S.E.F. No. 99 – Excluding Long Term Leased Vehicle Endorsement	Included

A. FOR ATTACHMENT TO COMMERCIAL GENERAL LIABILITY

Except as otherwise provided in this Endorsement, the following coverage is subject to all limits, terms, conditions, exclusions, deductibles, stipulations, definitions and provisions applicable to the Commercial General Liability form shown in the Declarations.

COVERAGE ITEM 1 – EMPLOYERS' BODILY INJURY LIABILITY

This Coverage applies only if Commercial General Liability Form LR02 is shown in the Declarations.

1. INSURING AGREEMENT

The Insurer will pay those sums that the Insured becomes legally obligated to pay as "compensatory damages" because of "bodily injury" caused by accident sustained by any person and arising out of and in the course of his or her employment by the Insured, in the operations described in the Declarations.

2. LIMIT OF INSURANCE

Regardless of:

a. Insureds under this policy;

b. persons or organizations who sustain "bodily injury"; or

c. claims made or "actions" brought on account of "bodily injury";

the Insurers' liability is limited as follows:

The Limit of Insurance shown on the Summary of Coverages is the most the Insurer will pay for all "compensatory damages", including "compensatory damages" for care and loss of services, arising out of "bodily injury" sustained by one person, or more than one person, in any one accident or event.

3. EXCLUSIONS

This insurance does not apply to:

a. liability assumed by the Insured under any contract or agreement;

b. "bodily injury" or "property damage" arising out of the ownership, maintenance, use or operation by or on behalf of the Insured of any aircraft;

c. any obligation for which the Insured or the Insurer may be held liable under any worker's compensation law;

d. "bodily injury" resulting from the acts or omissions of, or "bodily injury" sustained by, any person employed by the Insured in violation of the law as to age;

e. "bodily injury" arising out of structural alterations which involve changing the size or moving buildings or other structures, new construction or demolition operations.

f. Asbestos – See COMMON EXCLUSIONS.

g. Fungi or Spores – See COMMON EXCLUSIONS.

h. Nuclear – See COMMON EXCLUSIONS.

i. Pollution – See COMMON EXCLUSIONS.

j. Terrorism – See COMMON EXCLUSIONS.

COVERAGE ITEM 2 – VOLUNTARY COMPENSATION (EMPLOYERS' LIABILITY) EXTENSION

This Coverage applies only if Commercial General Liability Form LR02 is shown in the Declarations.

1. INSURING AGREEMENT

Subject to the exclusions of the Employers' Bodily Injury Liability Coverage afforded in Coverage Item I above, the Insurer will pay voluntarily the benefits set out below, either to or on behalf of an "employee" of the Insured on account of "bodily injury" including death resulting therefrom, accidentally suffered by such "employee" and arising out of and in the course of his or her employment by the Insured, whether or not such "bodily injury" could give rise to liability imposed by law upon the Insured;

Provided however:

a. That if the injured "employee" or any person acting on their behalf, refuses to accept the voluntary compensation benefits offered under the provisions of the preceding paragraph, then the Insurer will be permitted, at any time in its discretion and without notice, to withdraw such offer to pay the said benefits, under which circumstances the Insurer will no longer be bound by the undertakings expressed in the preceding paragraph. If any claim or demand is made, or any "action" instituted against the Insured for damages for such injuries, such claim, demand or "action" will be considered a refusal to accept such voluntary compensation benefits and such refusal will abrogate in its entirety the Insurer's agreement to pay such voluntary compensation benefits. In such event the obligation of the Insurer as expressed in other parts of the policy having reference thereto will be available to the Insured and will be and remain the obligation of the Insurer as fully and completely as if this Endorsement had not been written;

b. That the benefits herein contained shall not be payable unless at the time of the accident the "employee" was engaged in duties coming within the scope of the description of operations stated in the Declarations;

c. That a full release of all claims of such "employee" or any person acting on their behalf, against the Insured is executed and delivered and that the Insurer shall be subrogated in any rights of such "employee" or person (excluding all services available under any Hospital Insurance Act) against anyone other than the Insured and/or that such rights be transferred to the Insurer;

d. That the Insurer shall in no event be liable hereunder for any claims arising from hernia, however caused;

2. SCHEDULE OF BENEFITS

Section I – Loss of Life

In the event of death resulting from "bodily injury" within a period of twenty-six (26) weeks after the date of the accident the Insurer will pay:

a. to dependants of the "employee" who were wholly dependent upon him, an amount equal to one hundred (100) times the "weekly indemnity" in addition to the benefits provided under Section II up to the date of death;

b. the actual funeral expenses not exceeding, however, the sum of five hundred ($500) dollars.

Section II – Temporary Total Disability

If such "bodily injury" shall within fourteen (14) days from the date of the accident totally and continuously disable the "employee" and prevent the "employee" from performing any and every duty pertaining to any occupation or employment, the Insurer will pay "weekly indemnity" for the period of such disability or for twenty-six (26) weeks whichever is the lesser period; provided however, that if the period of such disability is less than six (6) weeks, no benefit under this Section II shall be payable for the first seven (7) days of such disability.

Section III – Permanent Total Disability

If within twenty-six (26) weeks from the date of the accident and as a direct result of such "bodily injury", the "employee" shall be deemed permanently and totally disabled, by medical evidence satisfactory to the Insurer, the Insurer will pay, in addition to the benefits provided under Section II, "weekly indemnity" for a further period of one hundred (100) weeks.

Section IV – Dismemberment Benefits

If such "bodily injury" shall within twenty-six (26) weeks from the date of the accident result in any one or more of the incapacities listed below in the SCHEDULE OF INCAPACITIES, the Insurer will pay "weekly indemnity" for the number of weeks shown opposite the incapacity in the said schedule in addition to the benefits payable under Section II, but in no event shall it be payable in addition to the benefits provided by Sections I and III.

The total amount payable under this Section IV for one or more incapacities shall not exceed one hundred (100) times the "weekly indemnity".

SCHEDULE OF INCAPACITIES:

Incapacity	No. of weeks	Incapacity	No. of weeks
Loss or total irrecoverable loss of use of:		*Loss or total irrecoverable loss of use of:*	
Arm:		Leg:	
(a) at or above elbow; or	100	(a) at or above knee; or	100
(b) below elbow	80	(b) below knee	75
Hand at wrist	80	Foot at ankle	75
* Thumb:		+ Great toe:	
(a) at or above the second phalangeal joint; or	25	(a) at or above the second phalangeal joint; or	15
(b) below the second phalangeal joint involving a portion of the second phalange	18	(b) below the second phalangeal joint involving a portion of the second phalange	8
* Index Finger:		+ Any other toe:	
(a) at or above the second phalangeal joint; or	25	(a) at or above the second phalangeal joint; or	10
(b) at or above the third phalangeal joint; or	18	(b) at or above the third phalangeal joint; or	5
(c) below the third phalangeal joint, involving a portion of the third phalange	12	(c) below the third phalangeal joint, involving a portion of the third phalange	3
* Any other finger:			
(a) at or above the second phalangeal joint; or	15	Sight of one eye	50
(b) at or above the third phalangeal joint; or	8	Sight of two eyes	100
(c) below the third phalangeal joint, involving a portion of the third phalange	5	Hearing of one ear	25
		Hearing of both ears	100

* For a combination of two or more of the incapacities marked with an *, the total amount payable shall not exceed eighty (80) times the "weekly indemnity".

\+ For a combination of two or more of the incapacities marked with a +, the total amount payable shall not exceed thirty-five (35) times the "weekly indemnity".

Section V – Medical, Surgical, Dental, Pharmaceutical and Hospital Expenses

If such "bodily injury" necessitates medical or surgical treatment or confinement to hospital, the Insurer will pay in addition to all other benefits provided by this Endorsement:

a. the cost of necessary medical, surgical, dental, pharmaceutical and hospital services (except those portions of such expenses payable or recoverable under any medical, surgical or hospitalization plan or law or under any other Insurance Policy or Certificate issued to or for the benefit of any person for whom indemnity is provided), in

accordance with the scale of charges provided by the Workmen's Compensation Act of the Province in which the accident occurred during a period not exceeding twenty-six (26) weeks from the date of the accident; and in addition,

b. the cost of supplying or the reasonable renewing of prosthetic or orthopedic appliances as may be necessary for a period not exceeding fifty-two (52) weeks from the date of the accident.

3. SPECIAL CONDITION

The Insurer will have the right to examine the person of the injured "employee" when and as often as may be required while the claim is pending and also, in the case of death of the injured "employee", to make an autopsy subject to any law of the Province relating to autopsies. Nothing herein contained shall be held to vary, waive or extend any of the Declarations, Conditions and Agreements or Limitations of the policy to which this Endorsement is attached, other than as above stated.

4. DEFINITION

Whenever used in the Coverage:

"Weekly indemnity" means two-thirds of the "employee's" weekly wage at the date of the accident, but not exceeding in any event the sum of $250 per week.

COVERAGE ITEM 3 – EMPLOYEE BENEFITS LIABILITY

1. INSURING AGREEMENT

a. The Insurer will pay those sums that the Insured becomes legally obligated to pay as "compensatory damages" because of any negligent act, error or omission in the "administration" of the "Named Insured's employee benefit programme". No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS. The Insurer will have the right and duty to defend any "action" seeking those "compensatory damages" but:

(1) The amount the Insurer will pay for "compensatory damages" is limited as described in COVERAGE ITEM 3 – LIMITS OF INSURANCE;

(2) The Insurer may investigate and settle any claim or "action" at its discretion; and

(3) The Insurer's right and duty to defend end when it has used up the applicable Limit of Insurance shown in the Summary of Coverages for this Endorsement.

b. This Coverage applies to negligent acts, errors or omissions in "administration" only if:

(1) Committed in the "coverage territory";

(2) Committed by an Insured or by a person or organization authorized to perform the "administration" of the "Named Insured's Employee benefit programme"; and

(3) Claim is made or "action" is brought against the Insured for the first time during the policy period shown in the Declarations.

2. LIMITS OF INSURANCE

Regardless of the number of:

a. Insureds;

b. Negligent acts, errors or omissions in the "administration" of the "Named Insured's employee benefit programme" for which coverage is afforded under this Endorsement;

c. Persons or organizations making claims or bringing "actions"; or

d. Claims made or "actions" brought;

the Aggregate Limit of Insurance stated in the Summary of Coverages for this Endorsment is the most the Insurer will pay during any one policy period.

3. EXCLUSIONS

This Endorsement does not apply to claims or "actions" for:

a. Dishonest, fraudulent, criminal or malicious acts;

b. "Bodily injury" or "personal injury";

c. Failure by any insurer to perform a contract or agreement;

d. Non-compliance with any law or regulation concerning workers' compensation, unemployment insurance, social insurance, federal or provincial pension plans, disability benefits and similar government-administered or government-mandated benefits;

e. Any negligent act, error or omission arising out of the loss of, loss of use of, damage to, corruption of, inability to access or inability to manipulate "electronic data".

f. Asbestos – See COMMON EXCLUSIONS

g. Terrorism – See COMMON EXCLUSIONS

4. ADDITIONAL DEFINITIONS

Wherever used in this Endorsement:

a. **"Administration"** means, with respect to an employee benefit programme:

(1) giving advice to employees;

(2) interpreting the eligibility requirements, conditions, limitations and exclusions;

(3) record keeping; and

(4) enrolling, suspending or cancelling participation.

b. **"Named Insured's employee benefit programme"** means:

(1) group life insurance and group health insurance;

(2) pension plans;

(3) profit sharing plans and employee stock subscription plans;

(4) workers' compensation; and

(5) unemployment insurance, social security insurance and disability benefits insurance;

arranged for the benefit of its employees by or on behalf of the "Named Insured".

COVERAGE ITEM 4 – EMPLOYMENT PRACTICES LIABILITY

1. INSURING AGREEMENT

a. The Insurer will pay on behalf of the "Insured" the "ultimate net loss" which the "Insured" shall become obligated to pay by reason of liability. The liability must be imposed upon the Insured by law. Such liability must arise out of "wrongful employment practices" in Canada during the policy period of this policy. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Paragraph 4. DEFENCE PROVISIONS for this coverage. The Insurer will have the right and duty to defend any "action" alleging "wrongful employment practices" but:

(1) The amount the Insurer will pay for damages is limited as described in Paragraph 3. LIMIT OF INSURANCE of this coverage;

(2) The Insurer may investigate and settle any claim or "action" at its discretion;

(3) The Insurer's right and duty to defend end when it has used up the Limit of Insurance; and

(4) This obligation applies even if any of the allegations of the "action" are groundless, false or fraudulent.

b. All "wrongful employment practices" involving the same "employee", regardless of the number or type of incidents alleged, shall be deemed to have occurred on the date of the first alleged incident.

2. DEDUCTIBLE

a. The Insurer shall be liable only for the "ultimate net loss" in excess of $1,000 or any other deductible shown in the Declarations as applicable to this Endorsement. The deductible is to be borne by the "Insured" for each policy period. When the deductible has been exhausted, this Form shall apply without such deductible for the remainder of the policy period.

b. In the province of Quebec, the deductible does not apply to the Insurer's investigation and defence costs.

3. LIMIT OF INSURANCE

Regardless of the number of:

a. "Insured";

b. Claims made or "actions" brought, or

c. Persons making claims or bringing "actions";

the total limit of the Insurer's liability for all "ultimate net losses" during each policy period shall not exceed the Aggregate Limit as shown in the Summary of Coverages for this Endorsement.

4. DEFENCE PROVISIONS

The Insurer shall defend any "action" against the "Insured". The Insurer may investigate and settle the "action" as it deems expedient. The Insurer shall not be obligated to defend any "action" after the Limit of Insurance is exhausted by payment of judgments, settlements, investigation costs and defence costs.

5. EXCLUSIONS

This coverage does not apply to:

a. Any obligation for which an "Insured" or the insurer of an "Insured" may be held liable under a workers' compensation law, a disability benefits law, an unemployment benefits law or other similar laws or regulations;

b. Liability arising from any act committed by or at the direction of an "Insured" with the intent of contravening any law or any governmental or administrative order or regulation;

c. Liability arising from any federal or provincial occupational health and safety law or regulation;

d. "Wrongful employment practices" for which the "Insured" is obligated to pay damages because of the assumption of liability in a contract or agreement, but this exclusion does not apply to liability that the "Insured" would have in the absence of the contract or agreement;

e. Liability arising from a lock-out, a strike, picketing, a walk-out, a boycott or similar actions resulting from labour disputes or labour negotiations;

f. Liability arising from:

(1) The bankruptcy of the "Insured" or the "Insured" being placed into receivership; or

(2) The closure of a business operation or location by the "Insured"; or

(3) Any re-organization of employees which results, within any 60-day period, in the termination of the employment of 25% or more of the total workforce of the "Insured";

g. Claims made or "actions" brought by persons who are non-residents of Canada;

h. Losses claimed by relatives of an "employee" or former "employee" or by members of the household of an "employee" or former "employee";

i. Fines or penalties imposed by law or regulation;

j. Non-monetary relief;

k. Any aggravated, exemplary or punitive damages, other than such damages for which the "Insured" is liable vicariously and not because of the fault of any "Insured";

l.

(1) erasure, destruction, corruption, misappropriation, misinterpretation of "data" or erroneously creating, amending, entering, deleting or using "data, including any loss of use arising therefrom;

(2) The distribution or display of "data" by means of an internet website, the internet, or intranet, extranet, or similar device or system designed or intended for electronic communication of "data".

m. Liability or expenses arising directly or indirectly, in whole or in part, out of "terrorism" or out of any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism". This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence;

n.

(1) "Bodily injury", "property damage", "personal injury", medical payments or any other cost, loss or expense incurred by others, arising directly or indirectly from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread or discharge of asbestos or material containing asbestos in whatever form or quantity, however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, clean up, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of asbestos or material containing asbestos in whatever form or quantity;

(2) Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the above;

(3) Any obligation to pay damages, share damages with or repay someone else who must pay damages because such injury or damage referred to in (1) or (2) above.

This exclusion applies regardless of the cause of the loss or damage, other causes of the injury, damage, expense or costs, or whether other causes acted concurrently or in any sequence to produce the injury, damage, expense or costs.

6. ADDITIONAL CONDITIONS – ALL PROVINCES

If this policy is subject to the Civil Code of Quebec, reference to Quebec Civil Code (CcQ) articles is for easier reading only and should not be construed as exact quotations.

Conditions stated below are in addition to or replace Conditions stated in the Liability Conditions Form L300 attached to and forming part of this policy.

a. **Duties Following a Complaint (CcQ 2504, 2470 and CcQ 2471)**

The "Insured" named first in the Declarations shall promptly notify the Insurer of any administrative charge, allegation, complaint or demand concerning "wrongful employment practices" of an "Insured" received by its management or supervisory staff. Notice shall include:

(1) The name of the person or organization alleging "wrongful employment practices";

(2) The name of the "Insured" accused of "wrongful employment practices";

(3) The name of any witness to the alleged "wrongful employment practices";

(4) The date and place of the alleged "wrongful employment practices"; and

(5) he date and place of receipt of the administrative charge, allegation, complaint or demand, and the name of the recipient.

The Named Insured and any other involved "Insured" must:

(a) Immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with any claim or "action";

(b) Authorize the Insurer to obtain records and other information;

(c) Cooperate with the Insurer in the investigation or settlement of the claim or defence against the "action"; and

(d) 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.

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.

b. **Exhaustion of Aggregate Limit**

If this coverage's Limit of Insurance is exhausted by the payment of judgment and settlements and, except in the province of Quebec, by the Insurer's investigation and defence costs before the end of the policy period:

(1) The premium charged for this Endorsement shall be deemed fully earned;

(2) The Insurer will notify the "Insured" named first in the Declarations of all outstanding claims under this Endorsement and co-operate in transferring the control of those claims to the first named "Insured";

(3) The Insurer will take measures to continue the defence of outstanding claims and avoid a default judgment until the transfer of control as been completed to the "Insured" named first in the Declarations;

(4) The "Insured" named first in the Declarations will promptly reimburse the Insurer for any expenses incurred by the Insurer during the transfer of control that exceed the limit of the Insurer's liability under this Endorsement.

c. **Other Insurance (CcQ 2496)**

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:

(1) **Primary Insurance**

This insurance is primary except when (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 (3) below.

(2) **Excess Insurance**

This insurance is excess over:

a) Any of the other insurance, whether primary, excess, contingent or on any other basis;

b) 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 Declarations of this insurance and applies to 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:

i. The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

ii. The total of all deductible and self-insured amounts under all that other insurance.

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 Limit of Insurance shown in the Summary of Coverages for this Endorsement.

(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.

7. DEFINITIONS

Whenever used in Coverage Item 7 – Employment Practices Liability of this Endorsement:

a. **"Action"** means a civil proceeding in which damages because of "wrongful employment practices" to which this insurance applies are alleged.

"Action" includes an arbitration proceeding alleging such damages to which the "Insured" must submit or submits with the consent of the Insurer.

b. **"Data"** means representations of information or concepts, in any form.

c. **"Employee"** means an individual whose labour or service is engaged and directed by the "Insured", other than independent contractors.

d. **"Insured"** means each of the following:

(1) The persons, partnerships, joint ventures or organizations named in the Declarations, but only for the conduct of the business to which this Policy applies;

(2) The spouse of a person named in the Declarations, but only for the conduct of the business to which this Policy applies;

(3) The members and partners of a partnership or joint venture named in the Declarations and their spouses, but only for the conduct of the business of the partnership or joint venture to which this Policy applies;

(4) The corporate officers and members of the board of directors of an organization named in the Declarations and their spouses, but only for the conduct of the business of the organization to which this Policy applies;

(5) The stockholders of an organization named in the Declarations but only for their liability as stockholders;

(6) The "employees", other than corporate officers, of the entities shown in paragraph (1) of this definition, but only for acts within the scope of such employment;

(7) Any organization formed or acquired by any of the entities shown in paragraph (1) of this definition during the policy period, provided:

(a) Such organization is not a partnership or joint venture,

(b) Coverage for such organization is afforded only until the 90th day after its formation or acquisition or the end of the policy period, whichever is earlier, and

(c) No coverage is afforded for such organization for "wrongful employment practices" that happened before its acquisition.

e. **"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.

f. **"Ultimate net loss"** means the sum of:

(1) The amount paid or payable by the "Insured" in settlement or satisfaction of a claim or judgment, after making proper deduction for all recoveries and contribution from other sources; and

(2) Except in the province of Quebec:

(a) Reasonable and necessary expenses that result from the investigation, settlement or defence of a claim by the Insurer, other than the salaries of its own staff and its regular overhead costs;

(b) Security for costs and the premiums for appeal bonds and bonds to release attachments to the extent that the costs and bond amounts are within the Limit of Insurance for this coverage;

(c) Costs assessed against the "Insured" by a court or tribunal.

g. **"Wrongful employment practices"** means

(1) The contravention or violation in employment practices of any federal or provincial human rights law or regulation, other than a law or regulation concerning pay equity or employment equity, or

(2) The termination of employment in a manner which is illegal or in breach of an agreement.

As used in this definition, employment practices means:

(a) The recruitment, hiring, orientation, training, evaluating, promoting, demoting, compensating and disciplining of an "employee";

(b) The interviewing and evaluating of an applicant for employment;

(c) Career counselling for an "employee"; or

(d) The allocation of work and the application of personnel policies and procedures to an "employee"

COVERAGE ITEM 5 – LIMITED ENVIRONMENTAL LIABILITY

Section I – COMMON EXCLUSIONS, Pollution Liability of the Commercial General Liability Form is deleted and replaced by the following:

1. This insurance does not apply to:

POLLUTION LIABILITY

a. "Bodily Injury", "property damage" or "personal injury" arising out of the actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":

(1) Which occurred prior to the policy period shown in the Declarations;

(2) At or from any premises, site or location which is or was at any time owned or occupied by or rented or loaned to any Insured. However, this subparagraph does not apply to:

(a) "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;

(b) "Bodily Injury" or "property damage" for which the Named Insured may be held liable, if the Named Insured is a contractor and the owner or lessee of such premises, site or location has been added to the Named Insured's policy as an additional insured with respect to the Named Insured's ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured;

(c) "Bodily Injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or

(d) "Bodily injury" or "property damage" occurring at any premises, site or location situated in Canada and arising out of an unexpected or unintentional spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" provided such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":

i. results in the injurious presence of "pollutants" in or upon land, the atmosphere, drainage or sewage system, watercourse or body of water; and

ii. is detected within 120 hours after the commencement of such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape; and

iii. is reported to the Insurer within 120 hours of the detection of such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape; and

iv. occurs in a quantity or with a quality that is in excess of that which is routine or usual to the business of the Insured.

(3) 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) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(a) any Insured; or

(b) any person or organization for whom the Named Insured may be legally responsible; or

(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 "pollutants" are brought on or to the premises, site, or location in connection with such operations by such Insured, contractor, or subcontractor. However, this subparagraph does not apply to:

(a) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

(b) "Bodily Injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapours from materials brought into that building in connection with operations being performed by the Named Insured or on the Named Insured's behalf by a contractor or subcontractor;

(c) "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;

(d) "Bodily injury" or "property damage" occurring at any premises, site or location situated in Canada and arising out of an unexpected or unintentional spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" provided such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":

i. results in the injurious presence of "pollutants" in or upon land, the atmosphere, drainage or sewage system, watercourse or body of water; and

ii. is detected within 120 hours after the commencement of such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape; and

iii. is reported to the Insurer within 120 hours of the detection of such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape; and

iv. occurs in a quantity or with a quality that is in excess of that which is routine or usual to the business of the Insured.

(6) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

b. Any fines or penalties assessed against or imposed upon any Insured arising out of the actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

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

(1) Request, demand or order or statutory or regulatory requirement that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

(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 or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this Paragraph c. 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.

2. LIMIT OF INSURANCE

The Limit of Insurance as shown in the Summary of Coverages for this Endorsement, as applicable to this Coverage Item, applying to sub-paragraphs (2) (d) and (5) (d) of paragraph a. above for this coverage, is the total limit of the Insurer's liability for all "compensatory damages" and Supplementary Payments to which this insurance applies, sustained by any one person or organization and in the aggregate.

3. DEDUCTIBLE

a. The Insurer's obligation to pay "compensatory damages" for "bodily injury" or "property damage" and loss, cost or expense for "clean up" under this Endorsement applies only to the amount in excess of $1,000 or any other deductible amount, and the Limit of Insurance shall be reduced by the deductible amount.

b. Regardless of the number of Insureds, claims or "Actions", the deductible amount applies to all "compensatory damages" because of "bodily injury" or "property damage" and loss, cost or expense for "clean up" arising out of a "pollution condition";

4. ADDITIONAL DEFINITIONS

Wherever used in this Endorsement:

a. **"Clean up"** means testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, decontaminating, stabilizing, remediating, neutralizing or in any way responding to or assessing the effect of "pollutants".

b. **"Pollution condition"** means the actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration,release or escape of "pollutants" into or upon real or personal property, land, the atmosphere or water of any description no matter where located or how contained, or into any watercourse, drainage or sewage system.

B. FOR ATTACHMENT TO NON-OWNED AUTOMOBILE POLICY (S.P.F. No. 6) FORM L222

Except as otherwise provided in this Endorsement, the following coverage is subject to all limits, terms, conditions, exclusions, deductibles, stipulations , definitions and provisions applicable to the Non-Owned Automobile Policy S.P.F. No. 6 Form L222 shown in the Declarations.

COVERAGE ITEM 6 – LEGAL LIABILITY FOR DAMAGE TO HIRED AUTOMOBILES (S.E.F. 94)

1. INSURING AGREEMENT

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:

1. **All Perils** – from All Perils

2. DEDUCTIBLE CLAUSE

Each occurrence causing loss or damage, except loss or damage caused by fire or lightning or theft of the entire automobile, 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 $500.00.

3. 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:

a. for loss or damage to any automobile while personally driven by the Insured if the Insured is an individual; or

b. under any subsection hereof for loss or damage:

(1) 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

(2) to any automobile while being used without the consent of the owner thereof; or

(3) caused directly or indirectly by contamination by radioactive material; or

(4) to contents of trailers or to rugs or robes; or

(5) to tapes and equipment for use with a tape recorder when detached therefrom; or

(6) 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

(7) 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

c. under subsections 3 (Comprehensive), 4 (Specified Perils) for a collision loss or damage occurring after theft by an 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.

4. 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.

COVERAGE ITEM 7 – CONTRACTUAL LIABILITY ENDORSEMENT (S.E.F. No. 96)

In consideration of the premium herein stated, it is understood and agreed that exclusion (c) of the Insuring Agreement of the policy to which this endorsement is attached is amended to read as follows:

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

Date(s) of Contract(s)	Name(s) of other contracting party or parties
As reported to the Insurer	As reported to the Insurer

COVERAGE ITEM 8 – S.E.F. No. 99 EXCLUDING LONG TERM LEASED VEHICLE ENDORSEMENT

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 under this Endorsement all terms and conditions of this policy shall remain unchanged.

THE COMMERCIAL EDGE PLUS COVERAGE ENDORSEMENT (PROPERTY)

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Unless specifically endorsed on the "Declaration Page(s)", the limits stated below apply to the coverage, subject to the deductible shown for the Commercial Building and Contents Broad Form (BF02) on the "Declaration Page(s)".

SUMMARY OF COVERAGES

Item	Coverage	Limit of Insurance
	A. Building and/or Contents	
Item 1	Building By-Laws	Included
Item 2	Blanket Glass	Included
Item 3	Inflation Protection	Included
Item 4	Newly Acquired Buildings	$2,000,000
Item 5	Stated Amount – Waiver of Co-Insurance	If Selected *
Item 6	Fire Department Service Charges	$50,000
Item 7	Master Key Coverage	$50,000
Item 8	Outdoor Signs	$50,000
Item 9	Professional Fees	$50,000
Item 10	Replacement Cost	Included
Item 11	Accounts Receivable	$100,000
Item 12	Contents at Newly Acquired Locations	$500,000
Item 13	Contents at Unnamed Locations	$100,000
Item 14	Stock Spoilage – Interruption of Services to the Premises	$50,000
Item 15	Courier and Parcel Post	$25,000
Item 16	Computer Equipment	$100,000
	Computer Media	$50,000
	Computer Equipment Breakdown	$50,000
Item 17	Exhibition Floater	$50,000
Item 18	Installation Floater	$50,000
Item 19	25% Peak Season Increase	Included
Item 20	Personal Property of Officers and Employees	Included
Item 21	Sales Samples	$50,000
Item 22	Property in Transit	$50,000
Item 23	Valuable Papers and Records	$100,000
Item 24	Fine Arts	$100,000
Item 25	Land and Water Pollution Clean Up	$50,000
Item 26	Roadways, Walkways, Parking Lots	Included
Item 27	Growing Plants, Trees, Shrubs or Flowers	Included
Item 28	Arson and Burglary Reward	$10,000
Item 29	Automatic Fire Suppression Recharge Expense	$50,000
Item 30	Newly Acquired Contents of Every Description	$25,000
Item 31	Building Damage by Theft	$5,000
Item 32	Commercial Condominium Unit Owner's Supplemental Coverage	
	a. Contingent Condominium Unit	$10,000
	b. Special Loss Assessment	$10,000
	c. Improvements and Betterments	$25,000

Item 33	Bailee's Customers	$10,000
Item 34	Brands and Labels	$100,000
Item 35	Catch All Clause	$50,000
Item 36	Common Elements Contents or Common Area Contents	$50,000
Item 37	Common Expense	Included
Item 38	Confiscation or Seizure of Property	$10,000
Item 39	Debris Removal	Included
Item 40	Deferred Payment Plan Stock	$50,000
Item 41	Expediting Expenses	$50,000
Item 42	Furs, Fur Garments, Jewels and Jewellery	$5,000
Item 43	Inventory Preparation Expense	$10,000
Item 44	Office Business Contents	$50,000
Item 45	Precious Metals	$25,000
Item 46	Proof of Loss Preparation Costs	$25,000
Item 47	Tool Floater	$5,000
Item 48	Trustees Fees	$50,000
Item 49	Unit Owners' Property in Custody	$2,500 per owner; $50,000 per occurrence
	B. Business Interruption Extensions	
Item 50	• Profits and/or Gross Rentals (Broad Form)	Actual Loss Sustained
	• Interruption by Civil Authority	Actual Loss Sustained – 30 Days
	• Off Premises Services Interruption	$50,000
	• Limited Contingent Loss of Income	
	(i) Neighbouring Premises	$50,000
	(ii) Contributing/Recipient Property	$50,000
	• Accountants Fees	$25,000
	• Damage to Newly Acquired Property	$250,000
Item 51	Extra Expense	$50,000
Item 52	Mortgage Rate Guarantee	$100,000
Item 53	Fines, Damages or Penalties for Breach of Contract	$25,000
	C. Additional Extensions	
Item 54	Insured Property	Included
Item 55	Insured Perils	Included
	D. Applicable to the Policy	
Item 56	60 Days' Notice of Cancellation/Termination	Included

* Stated Amount - Waiver of Co-Insurance is only included if a Statement of Values signed by the Insured is on file with the Insurer.

A. BUILDINGS AND/OR CONTENTS

The following extensions are subject to all terms, conditions, exclusions, stipulations and provisions applicable to the Commercial Building and Contents Broad Form (BF02) and the Limit of Insurance specified in the Summary of Coverages in this Form.

ITEM 1 – BUILDING BY-LAWS

1. INDEMNITY AGREEMENT

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

(a) loss occasioned by the demolition of any undamaged portion of the "building";

(b) the cost of demolishing and clearing the site of any undamaged portion of the "building";

(c) any increase in the cost of repairing, replacing, constructing or reconstructing the "building" on the same site or on an adjacent site, of like height, floor area and style, and for like occupancy;

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

(i) regulates zoning or the demolition, repair or construction of damaged "buildings" and

(ii) is in force at the time of loss or damage.

2. **EXCLUSIONS**

This extension does not insure against:

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

(b) direct or indirect loss, damage, cost or expense, arising out of "clean-up" resulting from any actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants";

(c) direct or indirect loss, damage, cost or expense, for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants"; or

(d) the enforcement of any by-law, regulation, ordinance or law which would apply in the absence of a loss.

ITEM 2 – BLANKET GLASS

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

Inclusion of this coverage shall not increase the limit of liability specified on the "Declaration Page(s)".

ITEM 3 – INFLATION PROTECTION

1. It is agreed that the amount of insurance applicable to:

(a) "Building(s)" shall be increased during the policy period with reference to an amount attributable to non-residential building construction price inflation since the last "premium due date";

(b) "Stock", "Equipment" and "Contents of Every Description", shall be increased during the policy period with reference to an amount attributable to inflation since the last "premium due date";

(c) "Property of Every Description", if this insures solely "Building(s)", shall be increased during the policy period with reference to an amount attributable to non-residential building construction price inflation since the last "premium due date";

(d) "Property of Every Description", if this insures solely "Stock" or "Equipment", shall be increased during the policy period with reference to an amount attributable to inflation since the last "premium due date";

(e) "Property of Every Description", if this insures "Building(s), and/or "Stock", and/or "Equipment", shall be increased during the policy period with reference to an amount attributable to inflation and non-residential building construction price inflation since the last "premium due date".

2. At the "premium due date" the amount of insurance to:

(a) "Building(s)", "Stock", "Equipment", "Contents of Every Description" and "Property of Every Description" shall be increased automatically with reference to an amount attributable to inflation and the appropriate premium charged.

3. If the amount of insurance applicable to "Building(s)", "Stock", "Equipment", "Contents of Every Description", and "Property of Every Description" is changed at the request of the Insured during the policy period, the effective date of this extension is deemed to coincide with the effective date of such change.

ITEM 4 – NEWLY ACQUIRED BUILDINGS

Applicable only if building(s) and structures are shown on the "Declaration Page(s)".

Newly acquired buildings are insured from an insured peril under this extension for the Limit of Insurance shown in the Summary of Coverages in this Form. Coverage is automatic on condition that notification of such acquisition shall be filed with the Insurer within 90 days of such acquisition and any additional premium required by the Insurer shall be effected from the date of acquisition. This limit is in addition to the Limit of Insurance applicable to Buildings.

ITEM 5 – STATED AMOUNT - WAIVER OF CO-INSURANCE

1. The Co-insurance Clause referred to in the Commercial Building and Contents Broad Form (BF02) is deleted, provided that:

(a) a Statement of Values attested by the Insured is filed with the Insurer; and

(b) the amount of insurance is not less than the amount for that item shown on the signed Statement of Values.

2. The signed Statement of Values must be completed by the Insured, and filed with the Insurer each year. If the Insured fails to file a new Statement of Values within 90 days of the effective date of each policy period, the terms and conditions of the Co-insurance Clause referred to in the applicable Form shall then apply.

ITEM 6 – FIRE DEPARTMENT SERVICE CHARGES

Fire Department service charges are insured up to the Limit of Insurance specified in the Summary of Coverages in this Form in any one occurrence when:

(a) The Fire Department is called to save or protect the insured property from a peril insured against; and

(b) The insured property is on the premises described on the "Declaration Page(s)".

ITEM 7 – MASTER KEY COVERAGE EXTENSION

Subject to the amount shown on the Summary of Coverages in this Form applicable to this coverage, the Insurer will insure 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 location(s) listed on the "Declaration Page(s)".

ITEM 8 – OUTDOOR SIGNS

This Form insures outdoor signs, located on the premises specified on the "Declaration Page(s)", 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 9 – 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 10 – REPLACEMENT COST

Applicable only to "Building(s)" and/or "Equipment" at the locations listed on the "Declaration Page(s)".

1. The Insurer agrees to amend the Basis of Valuation from actual cash value to "replacement cost" subject to the following provisions:

(a) "replacement" shall be effected by the Insured with due diligence and dispatch;

(b) 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";

(c) any other insurance effected by or on behalf of the Insured in respect of the insured perils under this Policy on the property to which this extension is applicable shall be on the basis of "replacement cost";

(d) failing compliance by the Insured with any of the above provisions, settlement shall be made as if this extension had not been in effect.

2. In the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that lost or damaged and which is capable of performing the same function shall be deemed to be new property of like kind and quality for the purposes of this extension.

3. **EXCLUSIONS**

This extension does not apply to:

(a) "stock";

(b) 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;

(c) business records, including those which exist on electronic or magnetic media (other than pre-packaged software programs);

(d) any increase in the cost of "replacement" occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.

ITEM 11 – ACCOUNTS RECEIVABLE

SUBJECT OF INSURANCE

This Form insures:

(a) 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;

(b) Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage;

(c) Collection expense in excess of normal collection cost and made necessary because of such loss or damage;

(d) 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 described on the "Declaration Page(s)", 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 Commercial Building and Contents Broad Form (BF02), the Insurer shall not be liable for loss or damage:

(i) 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;

(ii) due to bookkeeping, accounting or billing errors or omissions;

(iii) 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;

(iv) 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 insured 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:

(a) Determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;

(b) calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve months immediately preceding the month in which the loss occurs, or such part thereof for which the Insured has furnished monthly statements to the Insurer, as compared with such average for the same months of the preceding year;

(c) 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;

(d) 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:

(a) For more than the portion of any loss or damage insured by this Form which the applicable limit of this Form bears to the total amount of insurance insuring against the peril of fire irrespective of whether or not such other insurance gives insurance in respect of perils insured by this Form whether by extension thereto or otherwise;

(b) 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 12 – CONTENTS AT NEWLY ACQUIRED LOCATIONS

Business Contents are insured for the amount shown in the Summary of Coverages in this Form, for a peril insured against, while at the premises owned, leased or operated by the Insured other than those described on the "Declaration Page(s)". Coverage is automatic on condition that notification of such Business Contents shall be filed with the Insurer within 90 days of such acquisition and any additional premium required by the Insurer shall be effected from the date of acquisition. This limit is in addition to the Limit of Insurance applicable to Business Contents.

ITEM 13 – CONTENTS AT UNNAMED LOCATIONS

Contents are insured 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:

(i) Tools and contractors equipment while in transit;

(ii) Computer equipment, media or accessories while in transit;

(iii) Property temporarily on exhibition at locations not owned or occupied by the Insured;

(iv) Property on loan or on rental or sold by the Insured under conditional sale, instalment payment or other deferred payment plan, from the time of leaving the Insured's custody.

ITEM 14 – STOCK SPOILAGE - INTERRUPTION OF SERVICES TO THE PREMISES

Insurance is extended to insure physical loss of or damage to "stock" on the "premises" caused by dampness or dryness of atmosphere or change of temperature.

The dampness or dryness of atmosphere or change of temperature must be the direct result of interruption to the supply of "services" to the "premises". The interruption must be caused by physical loss of or damage to apparatus that generates or supplies such "services" to the "premises". The physical loss or damage must directly result from an insured peril. The apparatus that sustains loss or damage must be located on or within 25 kilometres of the "premises".

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

(i) loss or damage to any electrical transmission lines or distribution lines or their supporting structures, except for those located on the "premises";

(ii) lack of sufficient capacity; or

(iii) intentional reduction in supply.

The maximum amount payable for any one occurrence is the Limit of Insurance specified for this coverage in the Summary of Coverages in this Form.

As used in this coverage "services" means electricity, water, gas or steam.

ITEM 15 – COURIER AND PARCEL POST

Property in any one package is insured 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 16 – 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:

(i) mechanical failure, faulty construction or error in design;

(ii) short circuit, blow-out or other electrical disturbance, other than lightning within electrical apparatus; or

(iii) "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.

ITEM 17 – EXHIBITION FLOATER

PROPERTY INSURED

This extension insures 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 described on the "Declaration Page(s)", 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 described on the "Declaration Page(s)".

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 thereat, 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 18 – INSTALLATION FLOATER - BROAD FORM

PROPERTY INSURED

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 insured 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:

(a) the commencement of use or occupancy of any part or section of the project unless such use or occupancy is for:

  (i) construction purposes;

  (ii) office or habitational purposes;

  (iii) installing, testing or storing equipment or machinery;

(b) when left unattended for more than thirty (30) consecutive days or when construction activity has ceased for more than thirty (30) consecutive days;

(c) the expiration of this insurance;

whichever first occurs.

PROPERTY EXCLUDED

This Form does not insure:

(i) buildings; but building materials and supplies are insured;

(ii) plans, blueprints, designs, specifications or any similar property;

(iii) conveyances designed for highway use; watercraft or aircraft;

(iv) tools, contractors equipment and any property not part of or destined to become a part of the installation;

(v) property while located on any premises owned, leased or occupied by the insured.

ADDITIONAL EXCLUSION

This Form does not insure:

(i) any loss, damage or expense caused by or resulting from testing.

ITEM 19 – PEAK SEASON INCREASE

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

ITEM 20 – PERSONAL PROPERTY OF OFFICERS AND EMPLOYEES

Personal property of officers and employees of the Insured is insured while at the locations specified on the "Declaration Page(s)".

This extension does not apply if such property is insured by the owner unless the Insured is obliged to insure it or is liable for its loss or damage. This extension replaces extension of coverage 7(c) of the Commercial Building and Contents Broad Form (BF02).

ITEM 21 – SALES SAMPLES

This extension insures property insured, whether in transit or otherwise, in the custody of sales representatives, for up to the Limit of Insurance specified in the Summary of Coverages in this Form for this item.

ITEM 22 – PROPERTY IN TRANSIT

PROPERTY INSURED AND LIMIT OF LIABILITY

This Form insures 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 insured hereunder.

TERRITORIAL LIMITS

Anywhere in Canada or the Continental United States of America.

ADDITIONAL EXCLUSIONS

This extension does not insure:

(i) valuable papers and records, as defined elsewhere in this Form;

(ii) fine arts;

(iii) money and securities;

(iv) samples or containers while in the care, custody or control of the Insured's sales representative;

(v) property insured under Item 16 – Computer Equipment, Media and Breakdown;

(vi) property insured under Item 17 – Exhibition Floater;

(vii) property insured under Item 18 – Installation Floater - Broad Form.

ITEM 23 – VALUABLE PAPERS AND RECORDS

PROPERTY INSURED 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 described on the "Declaration Page(s)", 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:

(i) while the insured valuable papers and records are contained in the Insured's premises specified on the "Declaration Page(s)". 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 (ii) and (iii) below;

(ii) 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;

(iii) 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:

(i) 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;

(ii) to loss of property held as samples or for sale or for delivery after sale;

(iii) to property which cannot be replaced with other of like kind and quality;

(iv) 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 24 – FINE ARTS

This extension insures 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 described in the "Declaration Page(s)".

ITEM 25 – LAND AND WATER POLLUTION CLEAN UP

1. **INDEMNITY AGREEMENT**

   The Insurer will indemnify the Insured for expenses incurred to "clean up" "pollutants" from land or water at the "premises" provided the spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "pollutants":

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

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

   (c) first occurs during the policy period.

2. **LIMIT OF INSURANCE**

   The maximum amount of insurance under this extension during any one policy period shall not exceed in the aggregate, the amount of insurance specified in the Summary of Coverages in this Form.

3. **NO AUTOMATIC REINSTATEMENT**

   Notwithstanding the Reinstatement Clause in the Form to which this extension is attached, following a loss under this extension the amount of insurance specified in the Summary of Coverages for this extension will be reduced by the amount payable.

4. **ADDITIONAL EXCLUSIONS**

   The Insurer shall not be liable for:

   (a) expenses for "clean up" away from or beyond the premises" resulting from any spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", even if the "pollutants" emanated from the "premises";

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

   (c) fines, penalties, punitive or exemplary damages;

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

5. **ADDITIONAL POLICY CONDITIONS**

   A) **REPORTING PERIOD**

   It is a condition precedent to recovery under this extension that all expenses insured by this extension must be incurred and reported to the Insurer within 180 days of the spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "pollutants" for which "clean up" expenses are being claimed.

   B) **OTHER INSURANCE**

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

6. **DEFINITIONS**

   Wherever used in this extension;

   (a) "Declarations Page" means the Declarations Page applicable to the Form to which this extension is attached.

   (b) "Clean Up" means the removal, containment, treatment, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to the aforementioned processes.

   (c) "Premises" means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described on the "Declarations Page".

   (d) "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.

ITEM 26 – ROADWAYS, WALKWAYS, PARKING LOTS

This extension insures loss or damage to roadways, walkways, parking lots, other exterior paved surfaces, retaining walls or permanently installed landscape structures outside the "building" located on the "premises" specified in the "Declaration Page(s)".

This extension replaces coverage for the same property that is insured elsewhere under this policy.

Inclusion of this coverage shall not increase the limit of liability specified on the "Declaration Page(s)".

ITEM 27 – GROWING PLANTS, TREES, SHRUBS OR FLOWERS

This extension insures loss or damage, including debris removal expense, to growing plants, trees, shrubs or flowers outside the "building" resulting from "Named Perils" (with the exception of windstorm or hail as described in clause 18 of the Commercial Building and Contents Broad Form (BF02) or from theft or attempted theft.

This extension replaces Extensions of Coverage 7(e) of the Commercial Building and Contents Broad Form (BF02)

ITEM 28 – ARSON AND BURGLARY REWARD

In the event of loss or damage to the insured property resulting from an act of arson or burglary for which coverage is afforded under this policy, the Insurer will reimburse the Insured for rewards paid for information directly leading to convictions for the act of arson or burglary for up to the Limit of Insurance specified in the Summary of Coverages in this Form.

ITEM 29 – AUTOMATIC FIRE SUPPRESSION RECHARGE EXPENSE

This extension insures, subject to the Limit of Insurance shown in the Summary of Coverages in this Form, in any one occurrence, the automatic fire suppression recharge expense incurred by the Insured due to leakage or discharge of the fire suppressant within any automatic fire suppression system at the premises of the insured where such discharge, or leakage is caused by or results from an insured peril under this policy.

ITEM 30 – NEWLY ACQUIRED CONTENTS OF EVERY DESCRIPTION

Applicable only if "Contents of Every Description" are shown on the "Declaration Page(s)".

Newly acquired "Contents of Every Description" are insured, for a peril insured against, for the amount shown in the Summary of Coverages in this Form. Coverage is automatic on condition that notification of such acquisition shall be filed with the Insurer within 30 days of such acquisition and any additional premium required by the Insurer shall be effected from the date of acquisition. This limit is in addition to the Limit of Insurance applicable to Contents of Every Description.

ITEM 31 – BUILDING DAMAGE BY THEFT

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 is insured for up to the Limit of Insurance specified in the Summary of Coverages in this Form for this item.

This extension replaces Extensions of Coverage 7(d) of the Commercial Building and Contents Broad Form (BF02).

ITEM 32 – COMMERCIAL CONDOMINIUM UNIT OWNERS - SUPPLEMENTAL COVERAGE

This extension insures,

(a) for loss or damage by a peril insured against to the Insured's "Condominium Unit(s)", subject to the Limit of Insurance stated on the Summary of Coverages in this Form, but only to the extent that the "Condominium Unit(s)" is not so insured by the "Condominium Corporation" or to the extent that Building insurance purchased by the "Condominium Corporation" on behalf of its "unit" owners is not effective or is inadequate;

(b) for payment of the Insured's share of Special Loss Assessments levied against the unit owners of the "Condominium Corporation" by the directors of said "Condominium Corporation" in accordance with the governing rules of the corporation, when such assessments are made necessary by direct loss or damage by a peril insured against, to the condominium property collectively owned by the "unit" owners, subject to the Limit of Insurance stated on the Summary of Coverages in this Form;

(c) when a Limit of Insurance is shown in the Summary of Coverages in this Form for "Improvements and Betterments", for loss or damage by a peril insured against to "Improvements and Betterments" that become a permanent part of the building and which the Insured owns as a condominium unit owner.

ITEM 33 – BAILEE'S CUSTOMERS

Coverage under this Form is extended to include all lawful goods and articles belonging to the Insured's customers and clients while:

(i) on the "premises" for the purpose of the Insured performing the business service or professional service described in the "Declarations Page";

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

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

The maximum recovery under this extension is subject to Limit of Insurance shown in the Summary of Coverages in this Form in the aggregate during any one Policy Period.

ITEM 34 – BRANDS AND LABELS

In case of loss or damage to property bearing a brand or trademark, or the sale of which in any way carries or implies the guarantee of the responsibility of the manufacturer or Insured, the salvage value of such damaged property shall be determined after removal and re-identifying such brands or trademarks or other identifying characteristics. The cost of such removal shall be borne by the Insurer up to the Limit of Insurance specified in the Summary of Coverages in this Form.

ITEM 35 – CATCH ALL CLAUSE

This extension applies if the limit for any other extension described under Summary of Coverages, Section A. Building and/or Contents of this Form is insufficient to fully indemnify the Insured following loss or damage insured from a peril insured against by the Commercial Building and Contents Broad Form (BF02). The insufficiency must be determined after all policy definitions, conditions and limitations have been taken into account in the adjustment of the claim for such loss or damage. In that event, the Insurer will pay to the Insured, in addition to the adjusted amount of the claim, the lesser of:

(i) The difference between the amount payable under the adjusted claim and the amount required to fully indemnify the Insured.

(ii) The Limit of Insurance specified for this extension in the Summary of Coverages, Section A. Building and/or Contents.

If the limit for more than one extension under Summary of Coverages, Section A. Building and/or Contents is insufficient, this Catch All Clause may be applied to one or more extensions in any one loss occurrence. In the event that claim is made under this Catch All Clause, the Insured shall elect which extensions under Summary of Coverages, Section A. Building and/or Contents shall receive the benefit of this Catch All Clause.

The Insurer shall not be liable for more than the limit for this extension shown in the Summary of Coverages, Section A. Building and/or Contents in any one occurrence, no matter how many extension limits are insufficient.

ITEM 36 – COMMON ELEMENTS CONTENTS OR COMMON AREA CONTENTS

The Insurer will indemnify the Insured for loss or damage to "common elements contents" or "common area contents" not otherwise insured at the locations described in the "Declarations Page", or as provided in Item 4 of this Form.

Coverage under this extension does not apply to:

(a) valuable papers and records;

(b) fine arts;

The maximum recovery under this extension is the Limit of Insurance shown in the Summary of Coverages for any one occurrence.

ITEM 37 – COMMON EXPENSE

The Insurer agrees to indemnify the "Condominium Corporation" for the loss of such obligatory contributions toward common expense as may be assessed from time to time by the "Condominium Corporation" against all "unit" owners, provided that the Insurer shall not be liable under this extension for more than the pro-rata share of such expense during the time the "unit" or "units" remain unoccupied and untenantable due to loss or damage insured by this Form.

Inclusion of this coverage shall not increase the limit of liability specified on the "Declaration Page(s)".

ITEM 38 – CONFISCATION OR SEIZURE OF PROPERTY

Notwithstanding Clause 6.A.(m) of the Commercial Building and Contents Broad Form (BF02), if "equipment" or "stock" is confiscated or seized from the Insured by public authority, and the Insured purchased such property from a person who had acquired such property illegally, the Insurer will indemnify the Insured for such loss up to $10,000 in the aggregate during any one Policy Period.

This extension shall not apply:

(i) if the Insured was aware it was purchasing illegally acquired property;

(ii) to portable computers.

ITEM 39 – 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.

This extension replaces Extensions of Coverage 7(b)(i) of the Commercial Building and Contents Broad Form (BF02).

ITEM 40 – DEFERRED PAYMENT PLAN STOCK

This extension insures, subject to the Limit of Insurance shown in the Summary of Coverages in this Form, "stock" the Insured has sold conditionally or whose price is payable at a future date or by instalments. If direct physical loss of or damage to such "stock" by an insured peril occurs anywhere within Canada or the United States of America after it has left the Insured's custody but before the Insured has received full payment, the Insurer will indemnify the Insured for the unpaid balance.

This extension does not insure against default by the purchaser.

ITEM 41 – EXPEDITING EXPENSES

Following physical loss or damage insured against by this policy, the Insurer will indemnify the Insured, up to the Limit of Insurance specified in the Summary of Coverages in this form, for such costs incurred to:

(i) Make reasonable temporary repairs.

(ii) Expedite reasonable permanent repairs.

(iii) Expedite permanent "replacement" of the insured property that has been lost or damaged by an insured peril.

ITEM 42 – FURS, FUR GARMENTS, JEWELS AND JEWELLERY

Coverage is provided for loss of or damage to furs, fur garments, jewels, jewellery for up to the Limit of Insurance specified in the Summary of Coverages in this Form. This sub limit does not apply to loss or damage caused directly by "Named Perils".

ITEM 43 – INVENTORY PREPARATION EXPENSE

If, as the result of loss or damage by an insured peril, the Insurer requests the preparation of inventories to help determine the amount of the loss, the Insurer will indemnify the Insured for the necessary expenses incurred to prepare such inventories up to the Limit of Insurance specified on the Summary of Coverages in this Form in any one occurrence. The Insurer shall not be liable under this extension for expenses to prove this Form insures against a loss, nor for expenses incurred under the condition of this Policy relating to Appraisal.

ITEM 44 – OFFICE BUSINESS CONTENTS

The Insurer will indemnify the Insured for loss or damage to "office business contents" not otherwise insured at the location described in the "Declarations Page" or as provided in Item 4 of this Form.

This coverage extension does not apply to:

(a) valuable papers and records;

(b) fine arts.

The maximum recovery under this extension is the Limit of Insurance specified on the Summary of Coverages in this Form in any one occurrence.

ITEM 45 – PRECIOUS METALS

This extension insures loss from an insured peril to bullion, platinum or other precious metals or alloys used for industrial purposes in the business of the Insured, but only up to the Limit of Insurance specified on the Summary of Coverages in this Form.

ITEM 46 – PROOF OF LOSS PREPARATION COSTS

The Insurer will reimburse the Insured's reasonable costs, up to the Limit of Insurance specified in the Summary of Coverages in this Form, incurred in the preparation of a Proof of Loss Form required by the Insurer in connection with any claim made under this policy. This extension does not apply to professional fees.

ITEM 47 – TOOL FLOATER

This extension insures loss of or damage by an insured peril to unscheduled tools, while away from the "premises" and while at the "premises", up to the Limit of Insurance specified in the Summary of Coverages in this Form subject to a maximum value and amount of insurance per tool not to exceed $2,500.

TERRITORIAL LIMITS

Anywhere in Canada or the Continental United States of America.

ITEM 48 – TRUSTEES FEES

Where, pursuant to the Declaration and the Insurance Trust Agreement, the Insurance Trustee shall be entitled to levy and shall levy a fee or fees against the "Condominium Corporation" or any of the "unit" owners, and such fee or fees shall arise pursuant to loss otherwise insured by this Form, the Insurer will indemnify the Insured for the amount of such fee or fees, subject to the Limit of Insurance specified on the Summary of Coverages in this Form in any one occurrence, provided the amount of the fee or fees levied does not exceed the lesser of one and one quarter percent (1.25%) of the amount of insurance nor one and one quarter percent (1.25%) of the loss sustained and otherwise payable under this Form without regard to the benefit under this extension.

ITEM 49 – UNIT OWNERS' PROPERTY

If the Insured accepts the property of "unit" owners for custody or safekeeping, the Insurer will indemnify the owner for loss or damage to such property by a peril not otherwise excluded. The Insurer's liability under this Extension shall not exceed $2,500 for the property of any one owner nor Limit of Insurance specified in the Summary of Coverages in any one occurrence.

DEFINITIONS – SECTION A – BUILDINGS AND/OR CONTENTS

(a) "Common elements contents" or "Common area contents" means furniture, furnishings, fittings, fixtures, machinery, and appliances other than "building" and "office business contents" as herein defined. The property must be located in a common area of the "building" which is openly accessible to all occupants of the "building".

(b) "Computer media" means materials on which "data" is recorded.

(c) "Computer equipment" means electronic equipment used for data storage and word processing.

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

(e) "Condominium Unit" means the condominium unit specified in the "Declaration Page(s)" to which this supplemental coverage applies and includes garages and private approaches reserved for the Insured's private use.

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

(g) "Office business contents" means generally all contents usual to the Insured's business including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances other than "building", "stock" and "common elements contents" or "common area contents" as defined herein.

(h) "Premium due date" means the inception, renewal or anniversary date of the Policy.

(i) "Replacement" includes repair, construction or re-construction with new property of like kind and quality; and

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

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

B. BUSINESS INTERRUPTION

ITEM 50 – PROFITS AND/OR GROSS RENTALS (BROAD FORM)

PROFITS

1. INDEMNITY AGREEMENT

This Item 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. 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.

GROSS RENTALS

1. INDEMNITY AGREEMENT

This Form insures against loss directly resulting from loss of "Gross Rentals" caused by direct physical loss or direct physical damage by the perils insured against to building(s) at the "premises" specified in the Declaration Page(s), occurring during the term of this Policy.

2. MEASURE OF RECOVERY

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

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

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

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

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

3. PROVISIONS

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

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

(c) If, on the happening of any loss, there is in force more than one policy insuring the same interest, irrespective of whether by any term in such contract the insurance granted thereby shall not insure, come into force, attach or become insurance until after full or partial payment of any loss under any other policy, it is a condition of this Form that the claim hereunder shall be adjusted with the Insured on the basis that such policy or policies will contribute a rateable proportion of the loss unless it is otherwise expressly agreed in writing.

4. SPECIAL EXCLUSIONS

The Insurer shall not be liable for:

(a) any increase of loss caused by delays or loss of time due to the presence of strikers or other persons or to labour disturbances on or about the "premises" interfering with the rebuilding, repairing, or replacing the property damaged or destroyed or the resumption or continuation of business or free access to or control of the "premises" or due to the action of sympathetic strikers elsewhere;

(b) loss due to fines or damages for breach of contract for late or non-completion of orders or for any penalties of whatever nature;

(c) loss due to the suspension, lapse or cancellation of any lease or license, contract or order, which may affect the Insured's "Gross Rentals" after the period following any loss during which indemnity is payable.

5. 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.

6. 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.

EXTENSIONS OF COVERAGE

INTERRUPTION BY CIVIL AUTHORITY

This extension insures the actual loss as insured hereunder during the period of time, not exceeding thirty (30) days, while access to the "premises" described in the Declaration Page(s) is prohibited by order of civil authority, but only when such order is given as a direct result of direct physical loss or direct physical damage to neighbouring premises by a peril insured against under this policy.

OFF PREMISES SERVICES INTERRUPTION

Profits and/or Gross Rentals (Broad Form) is extended to include loss arising from the interruption of business resulting from the direct physical loss of or damage to property that is located within 25 kilometres of the "Premises", from an insured peril under this policy. Such property must be used to generate or supply "services" to the premises.

This coverage only applies to loss, as insured by the Profits and/or Gross Rentals (Broad Form) coverage provided by this policy, due to "service interruption".

This coverage does not insure loss, as insured by the Profits and/or Gross Rentals (Broad Form) coverage provided by this policy, during the first 24 consecutive hours of loss of "services" or directly or indirectly arising from:

(i) loss or damage to electrical transmission lines or distribution lines or their supporting structures;

(ii) loss or reduction of "services" due to lack of sufficient capacity; or

(iii) an intentional reduction in the supply of "services".

The maximum amount payable under this coverage for any one occurrence, regardless of the number of persons and interests insured under the Business Interruption coverage provided by this policy, is the Limit of Insurance specified for this coverage in the Summary of Coverages in this Form.

As used in this coverage

"services" means electricity, water, gas or steam.

"service interruption" means loss of "services" for a period exceeding 24 consecutive hours.

LIMITED CONTINGENT LOSS OF INCOME

(a) **Neighbouring Premises**

This Extension insures up to the limit of insurance shown in the Summary of Coverages for Neighbouring Premises for loss resulting from interruption of or interference with the business in consequence of direct physical loss or direct physical damage by the perils insured against to property in neighbouring premises to the Insured that shall prevent or hinder the use thereof or access thereto, whether the "premises" or property of the Insured therein shall be damaged or not, shall be deemed to be loss resulting from damage to property used by the Insured at the "premises".

(b) **Contributing/Recipient Property**

This Extension insures up to the Limit of Insurance shown in the Summary of Coverages for Contributing/Recipient Property for loss resulting from the necessary interruption of or interference with the business carried on by the insured caused by direct physical loss or direct physical damage by the perils insured against occurring during the term of the policy to "Building(s)", "Equipment" or "Stock":

(1) at a recipient property(ies), being property to which the insured's products are being shipped, which wholly or partially prevents the acceptance of products produced or sold by the Insured; or

(2) at a contributing property(ies), being a supplier(s) of materials to the Insured, which wholly or partially prevents the delivery of materials to the Insured.

ACCOUNTANT'S FEES

The Insurer will also pay, up to the limit of insured specified in the Summary of Coverages in this Form, fees paid to professional accountants for determining on behalf of the Insured the amount of the reduction in "gross profit" and/or "Gross Rentals" when a claim is made under this Form.

DAMAGE TO NEWLY ACQUIRED PROPERTY

The Insurer will pay, up to the Limit of Insurance specified in the Summary of Coverages in this Form, for the actual loss sustained of Insured's business income due to destruction or damage by an insured peril to newly acquired property that is owned, rented or controlled by the Insured and located within Canada or the United States of America.

This coverage attaches at the time of the acquisition of such property and extends for a period of sixty (60) consecutive days or to the date of the endorsement adding such property, whichever comes first.

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.

ITEM 51 – EXTRA EXPENSE

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

The Insurer shall not be liable for more than the Limit of Insurance specified in the Summary of Coverages for Extra Expense.

ADDITIONAL EXCLUSIONS

This Item does not insure:

(a) any increase in the amount of loss due to interference at the described "premises" by strikers or other persons, with rebuilding, repairing or replacing the property, or with the resumption or continuation of business; or

(b) loss due to the suspension, lapse or cancellation of any lease or license, contract or order.

ITEM 52 – MORTGAGE RATE GUARANTEE

This extension insures, subject to the Limit of Insurance shown in the Summary of Coverages in this Form, the increase in mortgage cost required as a result of direct physical loss of or damage to "Building(s)" from an insured peril where loss or damage to such "Building(s)" 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. Terms of the new mortgage must be the same in time frame, amortization, and interest rate option of the mortgage at time of loss.

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 of coverage will continue for:

(i) the duration of the existing mortgage period in effect at the time of the loss, until its expiry;

(ii) the Insured relinquishes title or interest in the "building(s)"; or,

(iii) for sixty (60) months

whichever occurs first.

This coverage shall have full force and effect only if loss of or damage to "Building(s)" is deemed to be total, and settlement of partial losses shall be made as if this extension had not been in effect.

ITEM 53 – FINES, DAMAGES OR PENALTIES FOR BREACH OF CONTRACT

This extension insures, subject to the Limit of Insurance specified in the Summary of Coverages in this Form, fines, damages or penalties for breach of contract for late or non-completion of orders.

This extension is limited to fines or damages for breach of contract for such sums the Insured shall be legally liable to pay in discharge of fines or damages incurred solely for non-completion of orders in consequence of loss or damage from an insured peril to the insured property.

DEFINITIONS – SECTION B – BUSINESS INTERRUPTION

Wherever used in this Section:

(a) **"Annual Gross Rentals"** means,

the "Gross Rentals" during the twelve months immediately before the date of the destruction or damage by a peril insured against;

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

(b) **"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.

(c) **"Gross Rentals"** means,

the actual total annual gross rent or rental value of the occupied portion of the building, plus the estimated annual rental value of any unoccupied portion of the building, plus the fair rental value of any portion of the building occupied by the Insured.

(d) **"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 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 Form 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.

(e) **"Insured Standing Charges"** means,

All standing charges, including Ordinary Payroll, 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;

(f) **"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.

(g) **"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.

(h) **"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.

(i) **"Standard Gross Rentals"** means,

the "Gross Rentals" during that period in the twelve (12) consecutive calendar months immediately before the date of the destruction or damage by a peril insured against which corresponds with the Indemnity Period;

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

(j) **"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.

(k) **"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).

The following paragraph applies to the Definitions of annual "turnover", "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. ADDITIONAL EXTENSIONS

The extensions included in this section of the Form shall not increase the Limit of Insurance specified for Building and/or Contents on the "Declaration Page(s)".

ITEM 54 – INSURED PROPERTY

ELECTRICAL DEVICES, APPLIANCES OR WIRING

Coverage is provided for loss or damage to electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing. This extension deletes Exclusion 6.A.(d) of the Commercial Building and Contents Broad Form (BF02).

SEWERS, DRAINS, WATERMAINS

Coverage is provided for sewers, drains or watermains located beyond the outside bearing walls or foundations of the building. This extension deletes Exclusion 6.A.(a) of the Commercial Building and Contents Broad Form (BF02).

PROPERTY LOANED, LEASED OR CONDITIONALLY SOLD

Coverage is provided for property from the time of leaving the Insured's custody if it is:

(i) loaned or rented or leased to others; or

(ii) sold by the Insured under conditional sale or instalment payment or other deferred payment plan.

This extension deletes Exclusion 6.A.(k) of the Commercial Building and Contents Broad Form (BF02).

ITEM 55 – INSURED PERILS

CONTAMINATION, MARRING OR SCRATCHING, SHRINKAGE

This extension provides coverage for loss or damage caused

(i) by shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, or change in colour or texture or finish;

(ii) by contamination (except radioactive contamination);

(iii) by marring, scratching or crushing.

This extension deletes Exclusion 6.B.(f) of the Commercial Building and Contents Broad Form (BF02).

DAMPNESS OR DRYNESS; TEMPERATURE CHANGE

This extension provides coverage for loss or damage caused

(i) by dampness or dryness of atmosphere;

(ii) by changes in or extremes of temperature, heating or freezing;

This extension deletes Exclusion 6.B.(e)(i)&(ii) of the Commercial Building and Contents Broad Form (BF02).

ENTRANCE OF RAIN, SLEET OR SNOW

This extension provides coverage for loss or damage caused by the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings.

This extension deletes Exclusion 6.B.(c)(iii) of the Commercial Building and Contents Broad Form (BF02).

SEEPAGE, LEAKAGE OR INFLUX OF WATER

This extension provides coverage for loss or damage caused 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.

This extension deletes Exclusion 6.B.(c)(i) of the Commercial Building and Contents Broad Form (BF02).

SETTLING, EXPANSION, SHIFTING OR CRACKING

This extension provides coverage for loss or damage caused by settling, expansion, contraction, moving, shifting or cracking.

This extension deletes Exclusion 6.B.(n) of the Commercial Building and Contents Broad Form (BF02).

SNOWSLIDE, LANDSLIDE, SUBSIDENCE

This extension provides coverage for loss or damage caused by snowslide, landslide, subsidence or other earth movement.

This extension deletes Exclusion 6.B.(l) of the Commercial Building and Contents Broad Form (BF02).

D. OTHER: APPLICABLE TO THE POLICY

ITEM 56 – 60 DAYS' NOTICE OF CANCELLATION/TERMINATION

Except for

(a) cancellations for non-payment of premium; or

(b) 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.

Except as otherwise provided under this Form all terms and conditions of this policy shall remain unchanged.

COMMERCIAL PROPERTY POLICY CONDITIONS
(Applicable to all provinces except Alberta, British Columbia, Manitoba and Quebec)

The following Commercial Property Policy Conditions and Additional Conditions, as modified or supplemented by the attached forms or endorsements, apply to all perils insured by this Policy (including fire). If any portion of these conditions are found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect.

1. **MISREPRESENTATION**

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

2. **PROPERTY OF OTHERS**

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

3. **CHANGE OF INTEREST**

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

4. **MATERIAL CHANGE**

   Any change material to the risk and within the control and knowledge of the Insured 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 days of the receipt of the notice, pay to the Insurer an additional premium. In default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

5. **TERMINATION**

   (1) This contract may be terminated.

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

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

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

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

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

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

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

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

   (3) When this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.

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

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

6. **REQUIREMENTS AFTER LOSS**

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

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

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

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

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

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

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

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

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

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

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

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

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

7. FRAUD

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

8. WHO MAY GIVE NOTICE AND PROOF

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

9. SALVAGE

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

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

10. ENTRY, CONTROL, ABANDONMENT

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

11. APPRAISAL

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

12. WHEN LOSS PAYABLE

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

13. REPLACEMENT

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

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

14. ACTION

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

15. NOTICE

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

16. CANADIAN CURRENCY CLAUSE

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

17. 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.

ADDITIONAL CONDITIONS

I. **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.

II. **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.

III. **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.

IV. **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.

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.

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

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 surprime 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 hypothécares, 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 contrant 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: _____

LIMITED FUNGI OR SPORES – COVERAGE EXTENSION

This Endorsement Changes the Policy. Please Read It Carefully.

Attached to and forming part of The Commercial General Liability Form to which this Endorsement is attached.

Section I. COMMON EXCLUSIONS – **Fungi or Spores,** does not apply to "bodily injury", "property damage"or "personal injury" included in the "products-completed operations hazard" and which is not otherwise excluded by this Form;

Subject to the Each Occurrence and the Products - Completed Operations Aggregate Limit, the Fungi or Spores Liability Aggregate Limit is $250,000 and is the most the Insurer will pay under this extension unless a higher Fungi or Spores Liability Aggregate Limit is shown in the Declarations.

Except as otherwise provided in this endorsement all terms and conditions of the Form to which this endorsement is attached shall remain unchanged.

S.P.F. 6 (UNIFORM PROVINCES) SUPPLEMENTARY NON-OWNED AUTOMOBILE LIABILITY POLICY

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This insurance applies only when a Limit of Insurance is indicated on the Declarations.

The limits, terms, provisions and conditions of the above policy are superseded by those of the sub-joined policy so far as they are appropriate to the indemnity herein provided.

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

1. Full Name and Postal Address of the Applicant (including County or District) As per Declarations	Insured is As per Declarations (state whether individual, partnership, corporation, municipality or estate)
2. Policy Period: As per Declarations	12:01 A.M. Local Time at the Applicant's Postal Address.

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 per Declarations

4. The applicant's partners, officers, employees and agents as of the date of the application are as follows:

Location	Partners, Officers and Employees who regularly use automobiles not owned by the Applicant in his business						All other Partners, Officers and Employees			All Applicant's Agents		
	Class "A1" Private Passenger			Class "A2" Commercial			Class "B"			Class "C"		
	Number	Rate	Premium	Number	Rate	Premium	Number	Rate	Premium		Rate	Premium
As known to the Insured	COVERED		INCLUDED	To be reported if any		To be determined	To be reported if any		To be determined	To be reported if any		To be determined

5. "Hired Automobiles" – The Automobiles hired by the applicant are as follows:

Type of Automobile	Estimated Cost of Hire	Rates per $100 of Cost to Hire	Advance Premium
COVERED – TO BE REPORTED IF ANY			INCLUDED

The advance premium is subject to adjustment at the end of the policy period as provided in the policy.

6. "Automobiles operated under contract" on behalf of the applicant are as follows:

Type of Automobile	Estimated Contract Cost	Rates per $100 of Contract Cost	Advance Premium
COVERED – TO BE REPORTED IF ANY			INCLUDED

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	$ As per Declarations	(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.	$ Included
Endorsements	As per Declarations		$ Included
Minimum Retained Premium	$ As per Declarations	**Total Premium**	$ Included

8. Has any Insurer cancelled, declined or refused to renew or issue, automobile insurance to the applicant within three years preceding this application? If so, state name of Insurer. NO

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	Damage to Property of Others
NONE	NONE

10. All the statements in this application are true and the applicant hereby applies for a contract of automobile insurance to be based on the truth of the said statements.

11. **Where, (a) an applicant for a contract gives false particulars of the described automobile to be insured to the prejudice of the insurer, or knowingly misrepresents or fails to disclose in the application any fact required to be stated therein; or (b) the insured contravenes a term of the contract or commits a fraud; or (c) the insured wilfully makes a false statement in respect of a claim under the contract, a claim by the insured is invalid and the right of the insured to recover indemnity is forfeited.**

INSURING AGREEMENT

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

SECTION A – THIRD PARTY LIABILITY

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

BODILY INJURY TO OR THE DEATH OF ANY PERSON OR DAMAGE TO PROPERTY OF OTHERS NOT IN THE CARE, CUSTODY OR CONTROL OF THE INSURED:

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

(a) for any liability which arises from the use or operation of any automobile while personally driven by the Insured if the Insured is an individual; or

(b) * for any liability imposed upon any person insured by this policy:

(1) by any workmen's compensation law; or

(2) by any law for bodily injury to or the death of the Insured or any partner, officer or employee of the Insured while engaged in the business of the Insured; 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.

* Not applicable in the Province of Ontario.

ADDITIONAL AGREEMENTS OF INSURER

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

(1) upon receipt of notice of loss or damage caused to persons or property to serve any person insured by this policy by such investigation thereof, or by such negotiations with the claimant, or by such settlement or any resulting claims, as may be deemed expedient by the Insurer; and

(2) to defend in the name and on behalf of any person insured by this policy and at the cost of the Insurer any civil action which may at any time be brought against such person on account of such loss or damage to persons or property; and

(3) to pay all costs taxed against any person insured by this policy in any civil action defended by the Insurer and any interest accruing after entry of judgment upon that part of the judgment which is within the limits of the Insurer's liability; and

(4) in case the injury be to a person, reimburse any person insured by this policy for outlay, for such medical aid as may be immediately necessary at the time of such liability; and

(5) be liable up to the minimum limit(s) prescribed for that province or territory of Canada in which the accident occurred, if that limit(s) is higher than the limit stated in section A of Item 7 of the application; and

(6) not set up any defence to a claim that might not be set up if the policy were a motor vehicle liability policy issued in the province or territory of Canada in which the accident occurred.

AGREEMENTS OF INSURED

Where indemnity is provided by this section, every person insured by this policy

(a) by the acceptance of this policy, constitutes and appoints the Insurer his irrevocable attorney to appear and defend in any province or territory of Canada in which action is brought against the Insured arising out of the use or operation of an automobile with respect to which insurance is provided hereunder;

(b) shall reimburse the Insurer, upon demand, in the amount which the Insurer has paid by reason of the provisions of any statute relating to automobile insurance and which the Insurer would not otherwise be liable to pay under this policy.

GENERAL PROVISIONS AND DEFINITIONS

1. **ADDITIONAL INSUREDS**

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

2. **TERRITORY**

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

3. **HIRED AUTOMOBILES DEFINED**

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

4. **AUTOMOBILES OPERATED UNDER CONTRACT DEFINED**

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

5. **TWO OR MORE AUTOMOBILES**

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

6. **PREMIUM ADJUSTMENT**

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

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

   The Advance Premiums are subject to adjustment at the end of the Policy Period when the Insured shall deliver to the Insurer a written statement of the total amounts expended for cost of hire during the Policy Period. If such amounts exceed the estimates stated in the application, the Insured shall immediately pay additional premium at the rates stated

therein; if less, the Insurer shall return to the Insured the unearned premium when determined but the Insurer shall, in any event, receive or retain not less than the Minimum Retained Premium stated therein.

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

STATUTORY CONDITIONS FOR NON-OWNED AUTOMOBILE

(YUKON TERRITORY, NORTHWEST TERRITORIES, ALBERTA, ONTARIO, NEW BRUNSWICK, NOVA SCOTIA, PRINCE EDWARD ISLAND AND NEWFOUNDLAND)

In these statutory conditions, unless the context otherwise requires, the word "Insured" means a person insured by this contract whether named or not.

NOTE: All of the Statutory Conditions contain the above wording, however,

- *in all of the Provinces and Territories using these standard, approved forms, only Statutory Conditions 1, 8 and 9 are made applicable to accident benefits insurance and uninsured motorist insurance where it is provided by the contract.*
- *in the Northwest Territories the definition of "insured person" must be read as containing in addition the words "and includes any person to whom benefits may be payable under the accident benefits set out in the Schedule to the Insurance Ordinance."*

1. MATERIAL CHANGE IN RISK:

(1) The Insured named in this contract shall promptly notify the Insurer or its local agent or broker in writing of any change in the risk material to the contract and within his or her knowledge.

(2) Without restricting the generality of the foregoing, the words "change in the risk material to the contract" include:

(a) any change in the insurable interest of the Insured named in this contract in the automobile by sale, assignment or otherwise, except through change of title by succession, death or proceedings under the *Bankruptcy Act* (Canada);

and in respect of insurance against loss of or damage to the automobile;

(b) any mortgage, lien or encumbrance affecting the automobile after the application for this contract;

(c) any other insurance of the same interest, whether valid or not, covering loss or damage insured by this contract or any portion thereof.

Note: In Prince Edward Island Statutory Condition 1, sub-conditions 2 and 3 are identical with the above quoted Statutory Condition relating to material change in risk.

2. PROHIBITED USE BY INSURED:

(1) the Insured shall not drive or operate the automobile,

(a) unless he or she is for the time being either authorized by law or qualified to drive or operate the automobile; or

(b) while his or her licence to drive or operate an automobile is suspended or while his or her right to obtain a licence is suspended or while he or she is prohibited under order of any court from driving or operating an automobile; or

(c) while he or she is under the age of sixteen years or under such other age as is prescribed by the law of the province in which he or she resides at the time this con-tract is made as being the minimum age at which a licence or permit to drive an automobile may be issued to him or her; or

(d) for any illicit or prohibited trade or transportation; or

(e) in any race or speed test.

PROHIBITED USE BY OTHERS

(2) The Insured shall not permit, suffer, allow or connive at the use of the automobile,

(a) by any person,

(i) unless that person is for the time being either authorized by law or qualified to drive or operate the automobile; or

(ii) while that person is under the age of sixteen years or under such other age as is prescribed by the law of the province in which he or she resides at the time this contract is made as being the minimum age at which a licence or permit to drive an automobile may be issued to him or her; or

(b) by any person who is a member of the household of the Insured while his licence to drive or operate an automobile is suspended or while his or her right to obtain a licence is suspended or while he or she is prohibited under order of any court from driving or operating an automobile; or

(c) for any illicit or prohibited trade or transportation; or

(d) in any race or speed test.

3. REQUIREMENTS WHERE LOSS OR DAMAGE TO PERSONS OR PROPERTY:

(1) The Insured shall,

(a) promptly give to the Insurer written notice, with all available particulars, of any accident involving loss or damage to persons or property and of any claim made on account of the accident;

(b) verify by statutory declaration, if required by the Insurer, that the claim arose out of the use or operation of the automobile and that the person operating or responsible for the operation of the automobile at the time of the accident is a person insured under this contract; and

(c) forward immediately to the Insurer every letter, document, advice or writ received by him or her from or on behalf of the claimant.

(2) The Insured shall not,

(a) voluntarily assume any liability or settle any claim except at his or her own cost; or

(b) interfere in any negotiations for settlement or in any legal proceeding.

(3) The Insured shall, whenever requested by the Insurer, aid in securing information and evidence and the attendance of any witness and shall co-operate with the Insurer, except in a pecuniary way, in the defence of any action or proceeding or in the prosecution of any appeal.

4. REQUIREMENTS WHERE LOSS OR DAMAGE TO AUTOMOBILE:

(1) Where loss of or damage to the automobile occurs, the Insured shall, if the loss or damage is covered by this contract,

(a) promptly give notice thereof in writing to the Insurer with the fullest information obtainable at the time;

(b) at the expense of the Insurer, and as far as reasonably possible, protect the automobile from further loss or damage; and

(c) deliver to the Insurer within ninety days after the date of the loss or damage a statutory declaration stating, to the best of his or her knowledge and belief, the place, time, cause and amount of the loss or damage, the interest of the Insured and of all others therein, the encumbrances thereon, all other insurance, whether valid or not, covering the automobile and that the loss or damage did not occur through any wilful act or neglect, procurement, means or connivance of the Insured.

(2) Any further loss or damage accruing to the automobile directly or indirectly from a failure to protect it as required under subcondition (1) of this condition is not recoverable under this contract.

(3) No repairs, other than those that are immediately necessary for the protection of the automobile from further loss or damage, shall be undertaken and no physical evidence of the loss or damage shall be removed,

(a) without the written consent of the Insurer; or

(b) until the Insurer has had a reasonable time to make the examination for which provision is made in statutory condition 5.

(4) **EXAMINATION OF INSURED**

The Insured shall submit to examination under oath, and shall produce for examination at such reasonable place and time as is designated by the Insurer or its representative all documents in his or her possession or control that relate to the matters in question, and he or she shall permit extracts and copies thereof to be made.

(5) **INSURER LIABLE FOR CASH VALUE OF AUTOMOBILE**

The Insurer shall not be liable for more than the actual cash value of the automobile at the time any loss or damage occurs, and the loss or damage shall be ascertained or estimated according to that actual cash value with proper deduction for depreciation, however caused, and shall not exceed the amount that it would cost to repair or replace the automobile, or any part thereof, with material of like kind and quality, but, if any part of the automobile is obsolete and out of stock, the liability of the Insurer in respect thereof shall be limited to the value of that part at the time of loss or damage, not exceeding the maker's latest list price.

(6) **REPAIR OR REPLACEMENT**

Except where an appraisal has been made, the Insurer, instead of making payment, may, within a reasonable time, repair, rebuild or replace the property damaged or lost, with other of like kind and quality if, within seven days after the receipt of the proof of loss, it gives written notice of its intention to do so.

(7) **NO ABANDONMENT; SALVAGE**

There shall be no abandonment of the automobile to the Insurer without the Insurer's consent. If the Insurer exercises the option to replace the automobile or pays the actual cash value of the automobile, the salvage, if any, shall vest in the Insurer.

(8) **IN CASE OF DISAGREEMENT**

In the event of disagreement as to the nature and extent of the repairs and replacements required, or as to their adequacy, if effected, or as to the amount payable in respect of any loss or damage, those questions shall be determined by the appraisal as provided under *The Insurance Act* (in Newfoundland, *The Insurance Contracts Act*) before there can be 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.

5. **INSPECTION OF AUTOMOBILE:**

The Insured shall permit the Insurer at all reasonable times to inspect the automobile and its equipment.

6. **TIME AND MANNER OF PAYMENT OF INSURANCE MONEY:**

(1) The Insurer shall pay the insurance money for which it is liable under this contract within sixty days after the proof of loss has been received by it or, where an appraisal is made under subcondition (8) of statutory condition 4., within fifteen days after the award is rendered by the appraisers.

(2) **WHEN ACTION MAY BE BROUGHT**

The Insured shall not bring an action to recover the amount of a claim under this contract unless the requirements of statutory conditions 3 and 4 are complied with or until the amount of the loss has been ascertained as therein provided or by a judgment against the Insured after trial of the issue or by agreement between the parties with the written consent of the Insurer.

(3) **LIMITATIONS OF ACTIONS**

Every action or proceeding against the Insurer under this contract in respect of loss or damage to the automobile shall be commenced within one year next after the happening of the loss and not afterwards, and in respect of loss or damage to persons or property shall be commenced within one year next after the cause of action arose and not afterwards.

Note: In Yukon Territory, Northwest Territories and New Brunswick, the one year limitation period in subcondition (3) should read "2 years".

In the case of Nova Scotia, Newfoundland and Prince Edward Island, subcondition (3) reads as follows:

(3) *"Every action or proceeding under this contract against the Insurer in respect of a claim for indemnification for liability of the Insured for loss or damage to property of another person or for personal injury to or death of another person shall be commenced within two years after the liability of the Insured is established by a court of competent jurisdiction and not afterwards. Every other action or proceeding against the Insurer under this contract in respect of loss or damage to the automobile shall be commenced within two years from the time the loss or damage was sustained and not afterwards."*

7. **WHO MAY GIVE NOTICE AND PROOFS OF CLAIM:**

Notice of claim may be given and proofs of claim may be made by the agent or broker of the Insured named in this contract in case of absence or inability of the Insured to give the notice or make the proof, such 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.

8. **TERMINATION:**

(1) This contract may be terminated

(a) by the Insurer giving to the Insured

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

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

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

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

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

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

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

(3) Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.

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

(5) The thirty days mentioned in clause (a) of subcondition (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.

Note: In the Northwest Territories, paragraph (a) of subcondition 1. has the following words added:

"and by notifying the registrar of motor vehicles as required by the Vehicles Ordinance".

9. **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 this contract by letter personally delivered to him or her or by registered mail addressed to him or her at his or her latest post office address as notified to the Insurer. In this condition, the expression "registered" means registered in or outside Canada.

Note: In the Northwest Territories, the reference is to Territories and in the Yukon Territory the reference is to Territory rather than Province.

O.E.F.98B

REDUCTION OF COVERAGE FOR LESSEES OR DRIVERS OF LEASED VEHICLES ENDORSEMENT (FOR ATTACHMENT ONLY TO A NON-OWNED POLICY S.P.F. NO. 6)

1. **Purpose of this endorsement:**

   This endorsement alters the coverage provided by this policy with respect to claims in Ontario for loss or damage arising directly or indirectly from the use or operation of a motor vehicle that is leased.

2. **How the policy coverage is changed:**

   - The Insurer also agrees to pay on behalf of every partner, officer or employee of the Insured who, in the business of the Insured stated in Item 3 of the application, leases an automobile **for a period of not more than 30 days** in their own name, all sums which such partner, officer or employee is legally obligated to pay as a result of liability imposed by law arising from the negligence of the driver of such leased automobile(s).
   - The insurance provided under this policy with respect to leased automobiles is in excess of the underlying coverage available to the Insured or to the partner, officer or employee of the Insured.
   - Underlying coverage available to the Insured or to the partner, officer or employee of the Insured includes any motor vehicle liability insurance that is required to respond to the liability of the driver or lessee of the 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.

LIABILITY CONDITIONS

Throughout this Form the word "Insured" refers to the Named Insured shown in the Declarations. The word "Insurer" refers to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS of Liability Insurance form attached to this policy.

If this policy is subject to the Civil Code of Quebec, reference to Quebec Civil Code (CcQ) articles is for easier reading only and should not be construed as exact quotations.

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.

SECTION I: LIABILITY CONDITIONS – ALL PROVINCES

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 (CcQ 2405)

This policy contains all the agreements between the Named Insured and the Insurer concerning the insurance afforded. The first Named Insured shown in the Declarations 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 (CcQ 2504, 2470 and CcQ 2471)

a. 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:

(1) How, when and where the "occurrence" or offence took place;

(2) The names and addresses of any injured persons and witnesses; and

(3) The nature and location of any injury or damage arising out of the "occurrence" or offence.

b. If a claim is made or "action" is brought against any Insured, the Named Insured must:

(1) Immediately record the specifics of the claim or "action" and the date received; and

(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.

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) Cooperate with the Insurer in the investigation or settlement of the claim or defence against the "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 or damage to which this insurance may also apply.

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

6. INSPECTIONS AND SURVEYS

a. The Insurer has the right to:

(1) Make inspections and surveys at any time;

(2) Give the Named Insured reports on the conditions the Insurer finds; and

(3) Recommend changes.

b. 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:

(1) Are safe or healthful; or

(2) Comply with laws, regulations, codes or standards.

c. Paragraphs **a.** and **b.** of this condition apply not only to the Insurer, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

d. Paragraph **b.** of this condition does not apply to any inspections, surveys, reports or recommendations the Insurer may make relative to certification, under provincial or municipal statutes, ordinances, bylaws or regulations, of boilers, pressure vessels or elevators.

7. LEGAL ACTION AGAINST THE INSURER

No person or organization has a right under this policy:

a. To join the Insurer as a party or otherwise bring the Insurer into an "action" asking for "compensatory damages" from an Insured; or

b. 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 (CcQ 2496)

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:

a. **Primary Insurance**

This insurance is primary except when **b.** 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 c. below.

b. **Excess Insurance**

This insurance is excess over:

(1) Any of the other insurance, whether primary, excess, contingent or on any other basis:

(a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "the Named Insured's work";

(b) That is Fire insurance for premises rented to the Named Insured or temporarily occupied by the Named Insured with permission of the owner;

(c) If the loss arises out of the maintenance or use of watercraft or "automobile" not otherwise excluded under this policy.

(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 for which the Named Insured has been added as an additional insured by attachment of an endorsement.

(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 Declarations 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:

i. The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

ii. The total of all deductible and self-insured amounts under all that other insurance.

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 Declarations of this policy.

c. **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

a. The Insurer will compute all premiums for this policy in accordance with the Insurer's rules and rates.

b. 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 Declarations of this policy.

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.

10. PREMIUMS

The first Named Insured shown in the Declarations:

a. Is responsible for the payment of all premiums; and

b. Will be the payee for any return premiums the Insurer pays.

11. REPRESENTATIONS (CCQ 2496)

By accepting this policy, the Named Insured agrees:

a. The statements in the Declarations are accurate and complete;

b. Those statements are based upon representations the Named Insured made to the Insurer; and

c. 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:

a. As if each Named Insured were the only Named Insured; and

b. Separately to each Insured against whom claim is made or "action" is brought.

13. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO THE INSURER (CcQ 2474)

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 (CcQ 2475 and 2476)

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.

SECTION II: LIABILITY CONDITIONS – ALL PROVINCES EXCLUDING ALBERTA, BRITISH COLUMBIA, MANITOBA AND QUEBEC

TERMINATION

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

b. The Insurer may terminate this policy by mailing or delivering to the first Named Insured written notice of termination at least:

(1) 5 days before the effective date of termination if personally delivered;

(2) 15 days before the effective date of termination if the Insurer terminates for non-payment of premium; or

(3) 30 days before the effective date of termination if the Insurer terminates for any other reason.

c. The Insurer will mail or deliver the notice to the first Named Insured's last mailing address known to the Insurer.

d. The policy period will end on the date termination takes effect.

e. 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 provisiona , a premium audit will take place as per **SECTION I**, Paragraph **15 – Provisional Premium.**

SECTION III: LIABILITY CONDITIONS – PROVINCE of QUEBEC

1. MATERIAL CHANGE IN RISK (ARTICLES 2466 AND 2467)

The Named Insured shall promptly notify the Insurer of any change that increases the risks stipulated in the policy and that results from events within his control if it is likely to materially influence an insurer in setting the rate of the premium, appraising the risk or deciding to continue to insure it.

On being notified of any material change in the risk, the Insurer may cancel the contract or propose, in writing, a new rate of premium. Unless the new premium is accepted and paid by the Insured within thirty (30) days of the proposal, the policy ceases to be in force.

2. MISREPRESENTATION OR CONCEALMENT (ARTICLES 2410, 2411 AND 2466)

Any misrepresentation or concealment of relevant facts mentioned in **SECTION I** Paragraph **11. Representations** and **SECTION III** – Paragraph **1. Material Change In Risk** by the Applicant or the Insured nullifies the contract at the instance of the Insurer, even in respect to losses not connected with the risk so misrepresented or concealed.

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

3. WARRANTIES (ARTICLE 2412)

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

4. INTENTIONAL FAULT (ARTICLE 2464)

The Insurer is never liable to compensate for injury resulting from the Insured's intentional fault.

Where there is more than one Insured, the obligation of coverage remains in respect to those Insureds who have not committed an intentional fault.

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

5. RIGHT OF ACTION (ARTICLE 2502)

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

6. CANCELLATION (ARTICLES 2477 AND 2479)

This policy may be cancelled at any time:

a. By any of the Named Insureds giving written notice. Termination takes effect upon receipt of the notice and the Insured shall be entitled to a refund of the excess of the premium actually paid over the short-term for the expired time. If the premium is provisional, a premium audit will take place as per **SECTION I**, Paragraph **15 – Provisional Premium.**

b. By the Insurer giving written notice to each Named Insureds at their last know address, at least:

(1) fifteen (15 days before the effective date of cancellation by reason of non payment of premium, or

(2) thirty (30) days before the effective date of cancellation by any other reason.

Cancellation takes effect fifteen (15) or thirty (30) days after receipt of such notice, depending upon the reason for cancellation. The Named Insured is entitled to refund of the excess premium actually paid over the prorate premium for the expired time. If the premium is provisional, a premium audit will take place as per **SECTION I**, Paragraph **15 – Provisional Premium.**

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

d. In this Condition, the words "premium actually paid" means the premium actually paid by the Named Insured to the Insurer or its representative, but do not include any premium or part thereof paid to the Insurer by a representative unless actually paid to the representative by the Insured.

7. NOTICE

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

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

COMMERCIAL GENERAL LIABILITY

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The words "Insured" and "Named Insured" mean any person or organization qualifying as such under SECTION II – WHO IS AN INSURED. The word "Insurer" refers to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION IV – DEFINITIONS.

Various provisions in this Form restrict coverage. Read the entire Form 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 an Each Occurrence Limit is indicated in the Declarations.

1. INSURING AGREEMENT

a. The Insurer 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. The Insurer will have the right and duty to defend the Insured against any "action" seeking those "compensatory damages". However, the Insurer 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. The Insurer may, at the Insurer's discretion, investigate any "occurrence" and settle any claim or "action" that may result. But:

(1) The amount the Insurer will pay for "compensatory damages" is limited as described in SECTION III – LIMITS OF INSURANCE and is subject to the Deductible Clause shown in SECTION III – LIMITS OF INSURANCE; and

(2) The Insurer's right and duty to defend end when the Insurer has used up the applicable limit of insurance in the payment of judgments or settlements under COVERAGES A, B or D or medical expenses under COVERAGE C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS.

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

(1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and

(2) The "bodily injury" or "property damage" occurs during the policy period; and

(3) Prior to the policy period, no Insured listed under Paragraph **1.** of SECTION II – WHO IS AN INSURED and no "employee" authorized by the Named Insured to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed Insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any Insured listed under Paragraph **1.** of SECTION II – WHO IS AN INSURED or any "employee" authorized by the Named Insured to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any Insured listed under Paragraph **1.** of SECTION II – WHO IS AN INSURED or any "employee" authorized by the Named Insured to give or receive notice of an "occurrence" or claim:

(1) Reports all or any part, of the "bodily injury" or "property damage" to the Insurer or any other Insurer;

(2) Receives a written or verbal demand or claim for "compensatory damages" because of the "bodily injury" or "property damage"; or

(3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

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

2. EXCLUSIONS

This insurance does not apply to:

a. **Expected or Intended Injury**

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

b. **Contractual Liability**

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

(1) That the Insured would have in the absence of the contract or agreement; or

(2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable legal fees and necessary litigation expenses incurred by or for a party other than an Insured are deemed to be "compensatory damages" because of "bodily injury" or "property damage", provided:

(a) Liability to such party for, or for the cost of, that party's defence has also been assumed in the same "insured contract"; and

(b) 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.

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

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

d. **Employer's Liability**

"Bodily injury" to an "employee" of the Insured arising out of and in the course of:

(1) Employment by the Insured; or

(2) Performing duties related to the conduct of the Insured's business.

This exclusion applies:

(a) Whether the Insured may be liable as an employer or in any other capacity; and

(b) To any obligation to share "compensatory damages" with or repay someone else who must pay "compensatory damages" because of the injury.

This exclusion does not apply to:

i. Liability assumed by the Insured under an "insured contract"; or

ii. A claim made or an "action" brought by a Canadian resident "employee" on whose behalf contributions are made by or are required to be made by the Insured under the provisions of any Canadian provincial or territorial workers' compensation law, if cover or benefits have been denied by any Canadian Workers' Compensation Authority.

e. **Automobile**

"Bodily injury" or "property damage" arising out of the use, ownership or operation of any "automobile" that is owned or operated by, on behalf of, rented or loaned to any Insured.

This exclusion also applies to any motorized snow vehicle or its trailers, except when being used by an Insured for the Named Insured's business, and any vehicle while being used in any speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity.

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

This exclusion does not apply to:

(1) "Bodily injury" to an "employee" of the Insured.

(2) "Bodily injury" or "property damage" arising out of a defective condition in, or improper maintenance of, any "automobile" that is owned by the Insured while leased to others for a period of 30 days or more provided the lessee is obligated under contract to ensure that the "automobile" is insured.

(3) "Bodily injury" or "property damage" arising out of the ownership, use or operation of machinery, apparatus or equipment mounted on or attached to any vehicle while at the site of the use or operation of such equipment.

f. **Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others by or on behalf of any Insured of any watercraft that is owned, operated by, rented or loaned to any Insured.

Use includes operation and "loading or unloading".

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

This exclusion does not apply to:

(1) A watercraft while ashore on premises the Named Insured owns or rents;

(2) A watercraft the Named Insured does not own that is:

(a) Less than 8 metres long; and

(b) Not being used to carry persons or property for a charge.

(3) "Bodily injury" to an "employee" of the Named Insured on whose behalf contributions are made by or are required to be made by the Named Insured under the provisions of any Canadian provincial or territorial workers' compensation law, if the "bodily injury" results from an "occurrence" involving watercraft.

g. **Aircraft**

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

(a) Any aircraft; that is owned, operated by rented or loaned to any Insured; or

(b) Any air cushion vehicle that is owned, operated by rented or loaned to any Insured.

(2) "Bodily injury" or "property damage" arising out of the ownership, existence, use or operation by or on behalf of any Insured of any premises for the purpose of an airport or aircraft landing area and all operations necessary or incidental thereto.

Use includes operation and "loading and unloading" of any aircraft or air cushion vehicle.

h. **Damage to Property**

"Property damage" to:

(1) Property that is owned or occupied by or rented to the Named Insured;

(2) Premises the Named Insured sells, gives away or abandons, if the "property damage" arises out of any part of those premises;

(3) Property held by the Named Insured for sale or entrusted to the Named Insured for storage or safekeeping;

(4) Property being on premises that is owned or rented by the Named Insured for the purpose of having operations performed on such property by the Insured;

(5) That particular part of property on which the Named Insured or any contractor or subcontractor working directly or indirectly on the Named Insured's behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "the Named Insured's work" was incorrectly performed on it.

Paragraph **(2)** of this exclusion does not apply if the premises are "the Named Insured's work" and were never occupied, rented or held for rental by the Named Insured.

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

Paragraphs **(5)** and **(6)** of this exclusion do not apply to "property damage" included in the "products-completed operations hazard".

i. **Damage to the Named Insured's Product**

"Property damage" to "the Named Insured's product" arising out of such product or any part of such product.

If the Named Insured is in the business of selling, repairing or servicing "automobiles", this exclusion applies only if the "property damage" is caused by a defect existing at the time "the Named Insured's product" was sold or transferred to another.

j. **Damage to the Named Insured's Work**

"Property damage" to that particular part of "the Named Insured's work" arising out of it or any part of it and included in the "products-completed operations hazard" provided the cause of the "property damage" is a defect in "the Named Insured's work". This exclusion applies only to that part of "the Named Insured's 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 the Named Insured's behalf by a subcontractor.

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

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

(1) A defect, deficiency, inadequacy or dangerous condition in "the Named Insured's product" or "the Named Insured's work"; or

(2) A delay or failure by the Named Insured or anyone acting on the Named Insured's 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 "the Named Insured's product" or "the Named Insured's work" after it has been put to its intended use.

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

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

(1) "The Named Insured's product";

(2) "The Named Insured's work"; or

(3) "Impaired property";

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

m. **Explosion, Vibration, Removal or Weakening of Support**

"Property damage" arising out of:

(1) The use of explosives for blasting;

(2) Vibration from pile driving or caisson work; or

(3) The removal or weakening of support of any property, building or land whether such support be natural or otherwise.

This exclusion does not apply:

(a) To "property damage" arising out of work performed on behalf of the Named Insured by any contractor or subcontractor;

(b) To "property damage" included within the "products-completed operations hazard".

n. **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".

o. **Personal Injury and Advertising Injury**

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

p. **Professional Services**

"Bodily injury" (other than "incidental medical malpractice injury") or "property damage" due to the rendering of or failure to render by the Named Insured or on the Named Insured's behalf any professional service.

This exclusion does not apply when the professional service is:

(1) Performed by an architect or engineer in his or her capacity as an "employee" of the Named Insured and is an integral part of "the Named Insured's product" or "the Named Insured's work". This exemption does not provide coverage for "property damage" to "the Named Insured's product" or "the Named Insured's work".

(2) Designing or testing by an "employee" of "the Named Insured's product".

q. **Abuse** – See COMMON EXCLUSIONS

r. **Asbestos** – See COMMON EXCLUSIONS.

s. **Fungi or Spores** – See COMMON EXCLUSIONS.

t. **Nuclear Liability** – See COMMON EXCLUSIONS.

u. **Pollution Liability** – See COMMON EXCLUSIONS.

v. **Terrorism** – See COMMON EXCLUSIONS.

w. **War Risks** – See COMMON EXCLUSIONS.

COVERAGE B – PERSONAL INJURY AND ADVERTISING INJURY LIABILITY

This insurance applies only when a Personal Injury and Advertising Injury Liability Limit is indicated in the Declarations.

1. INSURING AGREEMENT

a. The Insurer 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. The Insurer will have the right and duty to defend the Insured against any "action" seeking those "compensatory damages". However, the Insurer 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. The Insurer may, at the Insurer's discretion, investigate any offence and settle any claim or "action" that may result. But:

(1) The amount the Insurer will pay for "compensatory damages" is limited as described in SECTION III – LIMITS OF INSURANCE and is subject to the Deductible Clause shown in SECTION III – LIMITS OF INSURANCE; and

(2) The Insurer's right and duty to defend end when the Insurer has used up the applicable limit of insurance in the payment of judgments or settlements under COVERAGES A, B or D or medical expenses under COVERAGE C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS.

b. This insurance applies to "personal injury" and "advertising injury" caused by an offence arising out of the conduct of the Named Insured's business, but only if the offence was committed in the "coverage territory" and during the policy period.

2. EXCLUSIONS

This insurance does not apply to:

a. **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 an Insured with knowledge of its falsity.

b. **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.

c. **Criminal Acts**

"Personal injury" or "advertising injury" arising out of a criminal act committed by or at the direction of an Insured.

d. **Contractual Liability**

"Personal injury" or "advertising injury" for which an 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.

e. **Breach of Contract**

"Advertising injury" arising out of a breach of contract, except an implied contract allowing the use of another's advertising idea by the Named Insured.

f. **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 advertising statement of quality or performance made by the Named Insured.

g. **Wrong Description of Prices**

"Advertising injury" arising out of the wrong description of the price of goods, products or services, including any claim or suit based upon comparative advertising or alleged, false, misleading, deceptive, fraudulent or misrepresentative advertising committed by the Named Insured.

h. **Infringement of Patent**

"Advertising injury" arising out of infringement of patent.

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

"Personal injury" or "advertising injury" committed by an Insured whose business is:

(1) Advertising, broadcasting, publishing or telecasting;

(2) Designing or determining content of web-sites for others; or

(3) An Internet search, access, content or service provider.

However, this exclusion does not apply to:

(a) False arrest, detention or imprisonment;

(b) Malicious prosecution;

(c) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;

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

j. **Interactive Websites, Electronic Chat Rooms, Interactive Forums or Bulletin Boards**

"Personal injury" or "advertising injury" arising out of an electronic interactive webstite, chat room interactive forum or bulletin board an Insured hosts, owns, or over which the Insured exercises control.

k. **Abuse** – see COMMON EXCLUSIONS

l. **Asbestos** – see COMMON EXCLUSIONS

m. **Fungi or Spores** – see COMMON EXCLUSIONS

n. **Nuclear Liability** – see COMMON EXCLUSIONS

o. **Pollution Liability** – see COMMON EXCLUSIONS

p. **Terrorism** – see COMMON EXCLUSIONS

q. **War Risks** – see COMMON EXCLUSIONS

COVERAGE C – MEDICAL PAYMENTS

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

1. INSURING AGREEMENT

a. The Insurer will pay medical expenses as described below for "bodily injury" caused by an accident:

(1) On premises the Named Insured owns or rents;

(2) On ways next to premises the Named Insured owns or rents; or

(3) Because of the Named Insured's operations;

provided that:

(a) The accident takes place in the "coverage territory" and during the policy period;

(b) The expenses are incurred and reported to the Insurer within one year of the date of the accident; and

(c) The injured person submits to examination, at the Insurer's expense, by physicians of the Insurer's choice as often as the Insurer reasonably requires.

b. The Insurer 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. The Insurer will pay reasonable expenses for:

(1) First aid administered at the time of an accident;

(2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and

(3) Necessary ambulance, hospital, professional nursing and funeral services.

2. EXCLUSIONS

The Insurer will not pay expenses for "bodily injury":

a. **Any Insured**

To any Insured, except "volunteer workers".

b. **Hired Person**

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

c. **Injury on Normally Occupied Premises**

To a person injured on that part of premises the Named Insured owns or rents that the person normally occupies.

d. **Workers Compensation and Similar Laws**

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

e. **Athletics Activities**

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

f. **Products – Completed Operations Hazard**

Included within the "products-completed operations hazard".

g. **COVERAGE A Exclusions**

Excluded under COVERAGE A.

COVERAGE D – TENANTS' LEGAL LIABILITY

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

1. INSURING AGREEMENT

a. The Insurer will pay those sums that the Insured becomes legally obligated to pay as "compensatory damages" because of "property damage" to which this insurance applies. This insurance applies only to "property damage" to premises of others rented to the Named Insured or occupied by the Named Insured. The Insurer will have the

right and duty to defend the Insured against any "action" seeking "compensatory damages". However, the Insurer will have no duty to defend the Insured against any "action" seeking "compensatory damages" for "property damage" to which this insurance does not apply. The Insurer may, at the Insurer's discretion, investigate any "occurrence" and settle any claim or "action" that may result. But:

(1) The amount the Insurer will pay for "compensatory damages" is limited as described in SECTION III – LIMITS OF INSURANCE and is subject to the Deductible Clause shown in SECTION III – LIMITS OF INSURANCE; and

(2) The Insurer's right and duty to defend ends when the Insurer has used up the applicable limit of insurance in the payment of judgments or settlements under COVERAGES A, B or D or medical expenses under COVERAGE C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS.

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

(1) The "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

(2) The "property damage" occurs during the policy period; and

(3) Prior to the policy period, no Insured listed under Paragraph **1.** of SECTION II – WHO IS AN INSURED and no "employee" authorized by the Named Insured to give or receive notice of an "occurrence" or claim, knew that the "property damage" had occurred, in whole or in part. If such a listed Insured or authorized "employee" knew, prior to the policy period, that the "property damage" occurred, then any continuation, change or resumption of such "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

c. "Property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any Insured listed under Paragraph 1. of SECTION II – WHO IS AN INSURED or any "employee" authorized by the Named Insured to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "property damage" after the end of the policy period.

d. "Property damage" will be deemed to have been known to have occurred at the earliest time when any Insured listed under Paragraph **1.** of SECTION II – WHO IS AN INSURED or any "employee" authorized by the Named Insured to give or receive notice of an "occurrence" or claim:

(1) Reports all, or any part, of the "property damage" to the Insurer or any other insurer;

(2) Receives a written or verbal demand or claim for "compensatory damages" because of the "property damage"; or

(3) Becomes aware by any other means that "property damage" has occurred or has begun to occur.

2. EXCLUSIONS

This insurance does not apply to:

a. **Expected or Intended Injury**

"Property damage" expected or intended from the standpoint of any Insured.

b. **Contractual Liability**

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

c. **Abuse** – See COMMON EXCLUSIONS.

d. **Asbestos** – See COMMON EXCLUSIONS.

e. **Fungi or Spores** – See COMMON EXCLUSIONS

f. **Nuclear Energy Liability** – See COMMON EXCLUSIONS.

g. **Pollution Liability** – See COMMON EXCLUSIONS.

h. **Terrorism** – See COMMON EXCLUSIONS.

i. **War Risks** – See COMMON EXCLUSIONS.

COMMON EXCLUSIONS

This insurance does not apply to:

1. ABUSE

a. Claims or "actions" arising directly or indirectly from "abuse" committed or alleged to have been committed by an Insured, including the transmission of disease arising out of any act of "abuse".

b. Claims or "actions" based on the Named Insured's practices of "employee" hiring, acceptance of "volunteer workers" or supervision or retention of any person alleged to have committed "abuse".

c. Claims or "actions" alleging knowledge by an Insured of, or failure to report, the alleged "abuse" to the appropriate authority(ies).

2. 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".

3. FUNGI OR SPORES

a. "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";

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

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

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

For the purpose of the following exception:

(1) "Property damage" means physical injury to animals.

(2) "Products-completed operations hazard" means all "bodily injury" and "property damage" that arises out of "the Named Insured's product" provided the "bodily injury" or "property damage" occurs after the Named Insured has relinquished physical possession "the Named Insured's 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, "the Named Insured's product", and the Named Insured intends "the Named Insured's product" to be:

(a) applied topically to; or

(b) ingested by;

humans or animals.

4. NUCLEAR ENERGY LIABILITY

a. Liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof.

b. "Bodily injury", "property damage" or "personal 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.

c. "Bodily injury", "property damage", or "personal injury" resulting directly or indirectly from the "nuclear energy hazard" arising from:

(1) The ownership, maintenance, operation or use of a "nuclear facility" by or on behalf of an Insured;

(2) The furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility";

(3) The possession, consumption, use, handling, disposal or transportation of "fissionable substances", or of other "radioactive material" (except radioactive isotopes, away from a "nuclear facility", which have reached the final stage of fabrication so as to be useable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an Insured.

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

5. POLLUTION LIABILITY

a. "Bodily injury", "property damage" or "personal injury" arising out of the actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":

(1) Which occurred prior to the policy period shown in the Declarations;

(2) At, or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any Insured. However, this subparagraph does not apply to:

(a) "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;

(b) "Bodily injury" or "property damage" for which the Named Insured may be held liable, if the Named Insured is a contractor and the owner or lessee of such premises, site or location has been added to the Named Insured's policy as an additional insured with respect to the Named Insured's ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any Insured, other than that additional insured; or

(c) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from, or fire extinguishing substances used to fight, a "hostile fire";

(3) 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) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(a) any Insured; or

(b) any person or organization for whom the Insured may be legally responsible; or

(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 "pollutants" are brought on or to the premises, site, or location in connection with such operations by such Insured, contractor, or subcontractor. However, this subparagraph does not apply to:

(a) "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;

(b) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapours from materials brought into that building in connection with operations being performed by the Named Insured or on the Named Insured's behalf by a contractor or subcontractor; or

(c) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from, or fire extinguishing substances used to fight, a "hostile fire".

(6) 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".

b. Any fines or penalties assessed against or imposed upon any Insured arising out of the actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

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

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

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

6. TERRORISM

"Bodily injury", "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".

7. 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".

SUPPLEMENTARY PAYMENTS

1. The Insurer will pay, with respect to any claim the Insurer investigates or settles, or any "action" against an Insured that the Insurer defends:

a. All expenses the Insurer incurs.

b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. The Insurer does not have to furnish these bonds.

c. All reasonable expenses incurred by the Named Insured at the Insurer's request to assist the Insurer in the investigation or defence of the claim or "action", including actual loss of earnings because of time off from work.

d. All costs taxed against the Named Insured in the "action".

e. Any interest accruing after entry of judgment upon that part of the judgment which is within the applicable limit of insurance and before the Insurer has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If the Insurer defends an insured against an "action" and an indemnitee of the Insured is also named as a party to the "action", the Insurer will defend that indemnitee if all of the following conditions are met:

a. The "action" against the indemnitee seeks "compensatory damages" for which the Insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";

b. This insurance applies to such liability assumed by the Insured;

c. The obligation to defend, or the cost of the defence of, that indemnitee, has also been assumed by the Insured in the same "insured contract";

d. The allegations in the "action" and the information the Insurer knows about the "occurrence" are such that no conflict appears to exist between the interests of the Insured and the interests of the indemnitee;

e. The indemnitee and the Insured ask the Insurer to conduct and control the defence of that indemnitee against such "action" and agree that the Insurer can assign the same counsel to defend the Insured and the indemnitee; and

f. The indemnitee:

(1) Agrees in writing to:

(a) Cooperate with the Insurer in the investigation, settlement or defence of the "action";

(b) Immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with the "action";

(c) Notify any other insurer whose coverage is available to the indemnitee; and

(d) Cooperate with the Insurer with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides the Insurer with written authorization to:

(a) Obtain records and other information related to the "action"; and

(b) Conduct and control the defence of the indemnitee in such "action".

So long as the above conditions are met, legal fees incurred by the Insurer in the defence of that indemnitee, necessary litigation expenses incurred by the Insurer and necessary litigation expenses incurred by the indemnitee at the Insurer's request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b. (2)** of SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, such payments will not be deemed to be "compensatory damages" for "bodily injury" and "property damage" and will not reduce the limits of insurance.

The Insurer's obligation to defend an Insured's indemnitee and to pay for legal fees and necessary litigation expenses as SUPPLEMENTARY PAYMENTS ends when:

i. The Insurer has used up the applicable limit of insurance in the payment of judgments or settlements; or

ii. The conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If the Named Insured is designated in the Declarations 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, limited liability 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. A limited liability company, the Named Insured is an Insured. The Named Insured's members are also Insureds, but only with respect to the conduct of the Named Insured's business. The Named Insured's managers are Insureds, but only with respect to their duties as the Named Insured's managers.

d. An organization other than a partnership, limited liability partnership, joint venture or limited liability company, the Named Insured is an Insured. The Named Insured's "executive officers" and directors are Insureds, but only with respect to their duties as the Named Insured's officers or directors. The Named Insured's shareholders are also Insureds, but only with respect to their liability as shareholders.

e. A trust, the Named Insured is an Insured. The Named Insured's trustees are also Insureds, but only with respect to their duties as trustees.

2. Each of the following is also an Insured:

a. The Named Insured's "volunteer workers" or "employees", other than the Named Insured's "executive officers", but only with respect to acts performed on behalf of the Named Insured (if the Named Insured is an organization other than a partnership, limited liability partnership, joint venture or limited liability company) or the Named Insured's managers (if the Named Insured is a limited liability company), but only with respect to acts performed on behalf of the Named Insured. However, none of these "employees" or "volunteer workers" is an Insured for:

(1) "Bodily injury", "personal injury" or "advertising injury":

(a) To the Named Insured, the Named Insured's partners or members (if the Named Insured is a partnership, limited liability partnership or joint venture), to the Named Insured's members (if the Named Insured is a limited liability company), to a co-"employee" but only with respect to acts performed on behalf of the Named Insured, or to the Named Insured's other "volunteer workers" but only with respect to acts performed on behalf of the Named Insured except with respect to "incidental medical malpractice injury";

(b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1) (a)** above;

(c) For which there is any obligation to share "compensatory damages" with or repay someone else who must pay "compensatory damages" because of the injury described in Paragraphs **(1)(a)** or **(b)** above;

(d) Arising out of his or her providing or failing to provide professional health care services; or

(e) To any person who at the time of injury is entitled to benefits under any workers' compensation or disability benefits law or a similar law.

(2) "Property damage" to property that is:

(a) Owned or occupied by; or

(b) Rented to or loaned to:

i. that "employee" or "volunteer worker"; or

ii. any other "employee" or "volunteer worker" of the Named Insured; or

iii. any of the Named Insured's partners or members (if the Named Insured is a partnership, limited liability partnership or joint venture); or

iv. any manager (if the Named Insured is a limited liability company).

b. Any person (other than the Named Insured's "employee" or "volunteer worker"), or any organization while acting as the Named Insured's real estate manager.

c. Any person or organization having proper temporary custody of the Named Insured's property if the Named Insured dies, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until the Named Insured's legal representative has been appointed.

d. 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.

e. The Named Insured's 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.

f. Any person or organization under the Named Insured's management control and for which the Named Insured is responsible for arranging insurance, but only with respect to the Named Insured's premises, the Named Insured's operations, "the Named Insured's products" or "the Named Insured's work".

g. Any person, firm or organization (other than an architect or engineering firm) for whom the Named Insured has 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 the Named Insured's premises, "the Named Insured's product" or "the Named Insured's work".

3. Any organization the Named Insured newly acquires or forms, other than a partnership, limited liability partnership or joint venture or limited liability company, and over which the Named Insured maintains ownership or management control, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

a. Coverage under this provision is afforded only until the 90th day after the Named Insured acquires or forms the organization or the end of the policy period, whichever is earlier;

b. COVERAGES A and D do not apply to "bodily injury" or "property damage" that occurred before the Named Insured acquired or formed the organization; and

c. COVERAGE B does not apply to "personal injury" or "advertising injury" arising out of an offence committed before the Named Insured acquired or formed the organization.

4. No person or organization is an Insured with respect to the conduct of any current or past partnership, limited liability partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

5. Any breach of condition of this policy by any Named Insured shall not affect the protection given to any other Named Insured who does not have knowledge of such breach of condition.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations 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 General Aggregate Limit is the most the Insurer will pay for the sum of:

a. "Compensatory damages" under COVERAGE A, except "compensatory damages" because of "bodily injury" or "property damage" included in the "products-completed operations hazard";

b. "Compensatory damages" under COVERAGE B; and

c. Medical expenses under COVERAGE C.

3. The Products-Completed Operations Aggregate Limit is the most the Insurer will pay under COVERAGE A for "compensatory damages" because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

4. Subject to **2.** or **3.** above, whichever applies, the Each Occurrence Limit is the most the Insurer will pay for the sum of:

a. "Compensatory damages" under COVERAGE A; and

b. Medical expenses under COVERAGE C

because of all "bodily injury" and "property damage" arising out of any one "occurrence".

5. Subject to **2.** above, the Personal Injury and Advertising Injury Limit is the most the Insurer will pay under COVERAGE B for the sum of all "compensatory damages" because of all "personal injury" and "advertising injury" sustained by any one person or organization.

6. The Tenants' Legal Liability Limit is the most the Insurer will pay under COVERAGE D for "compensatory damages" because of "property damage" to any one premises.

7. Subject to **4.** above, the Medical Payments Limit is the most the Insurer will pay under COVERAGE C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limit of Insurance.

8. **DEDUCTIBLE**

a. The Insurer's obligation under Property Damage Liability and Tenants' Legal Liability to pay "compensatory damages" on behalf of the Named Insured applies only to the amount of "compensatory damages" in excess of any deductible amounts stated in the Declarations as applicable to such coverages, and the limit of insurance applicable to each "occurrence" for Property Damage Liability and any one premises for Tenants' Legal Liability coverage will be reduced by the amount of such deductible.

b. The deductible amount applies as follows:

(1) Under COVERAGE A: To all "compensatory damages" because of "property damage" as the result of any one "occurrence", regardless of the number of persons or organizations who sustain "compensatory damages" because of that "occurrence".

(2) Under COVERAGE D, Tenants' Legal Liability to all "compensatory damages" because of "property damage" as the result of any one "occurrence", regardless of the number of persons or organizations who sustain "compensatory damages" because of that "occurrence".

c. The terms of this insurance, including those in respect to:

(1) the insurer's right and duty to defend any "action" seeking those "compensatory damages"; and

(2) the Named Insured's duties in the event of an "occurrence", claim or "action";

apply irrespective of the application of the deductible amount.

d. The Insurer 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, the Named Insured shall promptly reimburse the Insurer for such part of the deductible amount as has been paid by the Insurer.

SECTION IV – DEFINITIONS

Whenever used in this Form and its endorsements:

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" to which this insurance applies are alleged. "Action" includes:
   a. An arbitration proceeding in which such "compensatory damages" are claimed and to which the Insured must submit or does submit with the Insurer's consent; or
   b. Any other alternative dispute resolution proceeding in which such "compensatory damages" are claimed and to which the Insured submits with the Insurer's consent.
3. **"Advertising injury"** means injury arising out of one or more of the following offences:
   a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's products or services; or
   b. Oral or written publication of material that violates a person's right of privacy; or
   c. Misappropriation of advertising ideas or style of doing business; or
   d. Infringement of copyright, title or slogan.
4. **"Automobile"** means a self-propelled land motor vehicle, trailer or semi-trailer that is required by law to be insured under a contract evidenced by a motor vehicle policy, or any vehicle insured under such a contract, including any attached machinery or equipment.
5. **"Bodily injury"** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
6. **"Compensatory damages"** means damages (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.
7. **"Coverage territory"** means:
   a. Canada and the United States of America (including its territories and possessions);
   b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or
   c. All parts of the world if the injury or damage arises out of:
      (1) Goods or products made or sold by the Named Insured in the territory described in **a.** above; or
      (2) The activities of an insured person whose home is in the territory described in **a.** above, but is away for a short time on the Named Insured's business; and
      (3) "Personal injury" or "advertising injury" offences that take place through the Internet or similar electronic means of communication

      provided the Insured's responsibility to pay "compensatory damages" is determined in an "action" on the merits in the territory described in **a.** above or in a settlement the Insurer agrees to in writing.
8. **"Electronic data"** means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
9. **"Employee"** includes a "leased worker" and a "temporary worker".
10. **"Executive officer"** means a person holding any of the officer positions created by the Named Insured's charter, constitution, by-laws or any other similar governing document.
11. **"Fissionable substance"** means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
12. **"Fungi"** includes, but is not limited to, any form or type of mould, yeast, mushroom, or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "fungi" or "spores" or resultant mycotoxins, allergens, or pathogens.
13. **"Hostile fire"** means a fire which becomes uncontrollable or breaks out from where it was intended to be.
14. **"Impaired property"** means tangible property, other than "the Named Insured's product" or "the Named Insured's work", that cannot be used or is less useful because:
   a. It incorporates "the Named Insured's product" or "the Named Insured's work" that is known or thought to be defective, deficient, inadequate or dangerous; or
   b. The Named Insured has failed to fulfil the terms of a contract or agreement;

   if such property can be restored to use by:
   (1) The repair, replacement, adjustment or removal of "the Named Insured's product" or "the Named Insured's work"; or
   (2) The Named Insured fulfilling the terms of the contract or agreement.
15. **"Incidental medical malpractice injury"** means "bodily injury" arising out of the rendering of or failure to render, during the Policy Period, the following services:
   a. Medical, surgical, dental, x-ray or nursing services or treatment or the furnishing of food or beverages in connection therewith; or
   b. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;

   by first aid personnel at the time of an accident.
16. **"Insured contract"** means:
   a. A contract for a lease of premises;
   b. A sidetrack agreement;
   c. An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
   d. Any other easement agreement;
   e. An obligation, as required by ordinance or bylaw, to indemnify a municipality, except in connection with work for a municipality;
   f. An elevator maintenance agreement;
   g. That part of any other contract or agreement pertaining to the Named Insured's business (including an indemnification of a municipality in connection with work performed for a municipality) under which the Named Insured assumes the tort liability of another 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 the Named Insured or by those acting on the Named Insured's behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
   Paragraph **g.** does not include that part of any contract or agreement:
      (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
         (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
         (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
      (2) Under which the Insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the Insured's rendering or failure to render professional services, including those listed in (1) above and supervisory, inspection, architectural or engineering activities.
17. **"Leased worker"** means a person leased to the Named Insured by a labour leasing firm under an agreement between the Named Insured and the labour leasing firm, to perform duties related to the conduct of the Named Insured's business. "Leased worker" does not include a "temporary worker".

18. **"Loading or unloading"** means the handling of property:
    a. After it is moved from the place where it is accepted for movement into or onto an aircraft or watercraft ;
    b. While it is in or on an aircraft or watercraft; or
    c. While it is being moved from an aircraft or watercraft to the place where it is finally delivered;

    but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft or watercraft.
19. **"Nuclear energy hazard"** means the radioactive, toxic, explosive, or other hazardous properties of "radioactive material".
20. **"Nuclear facility"** means:
    a. any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium, or any one or more of them;
    b. any equipment or device designed or used for (i) separating the isotopes of plutonium, thorium and uranium or any one or more of them; (ii) processing or packaging waste;
    c. any equipment or device used for the processing, fabricating or alloying of plutonium, thorium, or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the Insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
    d. any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste "radioactive material";

    and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.
21. **"Occurrence"** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
22. **"Personal injury"** means injury, including consequential "bodily injury", arising out of one or more of the following offences:
    a. False arrest, detention or imprisonment;
    b. Malicious prosecution;
    c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
    d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
    e. Oral or written publication, in any manner, of material that violates a person's right of privacy; or
    f. Defamation of character.
23. **"Pollutants"** mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, odour, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
24. **"Products-completed operations hazard"**
    a. Includes all "bodily injury" and "property damage" occurring away from premises the Named Insured owns or rents and arising out of "the Named Insured's product" or "the Named Insured's work" except:
        (1) Products that are still in the Named Insured's physical possession; or
        (2) Work that has not yet been completed or abandoned. However, "the Named Insured's work" will be deemed completed at the earliest of the following times:
            (a) When all of the work called for in the Named Insured's contract has been completed.
            (b) When all of the work to be done at the job site has been completed if the Named Insured's contract calls for work at more than one job site.
            (c) When that part of work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

            Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
    b. Does not include "bodily injury" or "property damage" arising out of the existence of tools, uninstalled equipment or abandoned or unused materials.
25. **"Property damage"** means:
    a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
    b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

    For the purposes of this insurance, "electronic data" is not tangible property.
26. **"Radioactive material"** means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances which may be designated by any nuclear liability act, law or statute, or any law amendatory thereof as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy;
27. **"Spores"** includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".
28. **"Temporary worker"** means a person who is furnished to the Named Insured to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
29. **"Terrorism"** means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.
30. **"The Named Insured's product"**
    a. Means:
        (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
            (a) The Named Insured;
            (b) Others trading under the Named Insured's name; or
            (c) A person or organization whose business or assets the Named Insured has acquired; and
        (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
    b. Includes:
        (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "the Named Insured's product"; and
        (2) The providing of or failure to provide warnings or instructions.
    c. Does not include vending machines or other property rented to or located for the use of others but not sold.
31. **"The Named Insured's work"**
    a. Means:
        (1) Work or operations performed by the Named Insured or on the Named Insured's behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "the Named Insured's work"; and

(2) The providing or failure to provide warnings or instructions.

32. **"Volunteer worker"** means a person who is not the Named Insured's "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by the Named Insured, and is not paid a fee, salary or other compensation by the Named Insured or anyone else for their work performed for the Named Insured.

SECTION V – DESCRIPTION OF TERMS USED FOR PREMIUM BASES

1. **"Area"** means the square footage or square metres of the buildings to be insured excluding that portion of the basement used exclusively for storage or that portion of the premises used for heating or air conditioning plant purposes.
2. **"Cost of work"** means the total cost of all operations performed for the Named Insured during the Policy Period by independent contractors, including materials used or delivered for use by whomsoever supplied, except maintenance or ordinary alterations and repairs on premises owned or rented by the Named Insured.
3. **"Revenue"** means the gross amount of money charged for all work or services performed by or on behalf of the Named Insured or goods and products sold and distributed by the Named Insured or by others trading under the Named Insured's name during the Policy Period.
4. **"Payroll"** means the total earnings during the Policy Period for each owner, partner, "executive officer" or "employee". For Employer's Liability, payroll not to exceed $5,000.00 for each owner, partner, "executive officer", or "employee" in any one policy year.
5. **"Cost"** means the total cost to any indemnitee, with respect to any contract which is insured, of all work let or sublet in connection with each specific project, including the cost of all labour, materials and equipment furnished, used or delivered for use in the execution of such work, whether furnished by the owner, contractor or the subcontractor, including all fees, allowances, bonuses or commissions made, paid or due.
6. **"Standard Units"** means the unit of exposure to which the rates apply, and each article is designated (person, object or event), except litre which is per 1,000 litres.

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 various Provincial Regulators/Superintendents of Insurance.

NOTICE TO INSUREDS

Pursuant to the

PERSONAL INFORMATION PROTECTION AND ELECTRONIC DOCUMENT ACT, S.C. 2000, c.5.
LEGAL AUTHORITY FOR COLLECTION.

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 to monitor 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 various Provincial Regulator/Superintendents of Insurance; and
- to use and disclose such information for purposes which are consistent with the previous clauses.

QUESTIONS RELATING TO THE COLLECTION MAY BE ADDRESSED TO EITHER:

Intact Insurance Company
Privacy Officer
700 University Avenue, Suite 1500
Toronto, Ontario.
M5G 0A1
Telephone No.1-866-941-5094
OR
Provincial Regulator or Superintendent of Insurance in your Province.

CONDOMINIUM CORPORATION DIRECTORS' AND OFFICERS' LIABILITY FORM (CLAIMS MADE)

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

SECTION I - COVERAGE

In consideration of the payment of premium in reliance upon the representations made to the Insurer during the process of obtaining this insurance and subject to the Limit of Insurance shown in the Declarations and all the exclusions, limitations, definitions, conditions and other terms of this Form, the Insurer agrees with the "organization" as follows:

1. **Insuring Agreement**

   a. To pay on behalf of any "Insured" "loss" which such "Insured" shall become legally obligated to pay, except for such "loss" for which the "organization" shall indemnify such "Insured", because of any "claim" or "claims" made during the "policy period" against any "Insured", individually or collectively, for a "wrongful act" which occurs during the "policy period" and within the "coverage territory".

   b. To pay on behalf of the "organization" all "loss" which the "organization" shall be required or permitted by the applicable law and any by-laws to indemnify the "Insured" because of any "claim" or "claims" made during the "policy period" against any "Insured", individually or collectively, for a "wrongful act" which occurs during the "policy period" and within the "coverage territory".

2. **Extensions**

   a. **Extension of Insurance**

      The "Insured" and the "organization" shall be entitled to an extension of insurance granted by this Form in respect of any "wrongful act" which occurs prior to the "policy period" if "claim" or "claims" are made during the "policy period" and provided:

      (1) that the "Insured", at the effective date of the insurance had no knowledge of, and could not reasonably foresee, any circumstances which might result in a "claim"; and

      (2) that there is no other insurance applicable to such "wrongful act".

   b. **Estates and Legal Representatives**

      This Form is extended to cover "loss" sustained as a result of any "claim" arising from a "wrongful act" of any "Insured" made against the estates, heirs, legal representatives or assigns of any "Insured" who is incompetent, insolvent or bankrupt.

   c. **Optional Extension Period**

      If this Form is cancelled or not renewed by the Insurer for any reason other than non-payment of premium, the "organization" has the right to an Optional Extension Period of 365 days following the effective date of cancellation or non-renewal. However, coverage during the Optional Extension Period shall only apply to "claims" made in respect of "wrongful acts" committed prior to such effective date.

      The Optional Extension Period does not increase the Limit of Insurance.

3. **Defence - Settlement - Supplementary Payments**

   As respects insurance afforded by this Form, the Insurer shall defend any "claim" against any "Insured" alleging any "wrongful act" which is covered by this Form even if such "claim" is groundless, false or fraudulent, but the Insurer may make such investigation, negotiation and settlement of any "claim" as it deems expedient. The Insurer shall not be obligated, however, to pay any "claim" or judgment or to defend any suit after the Limit of Insurance has been exhausted by payments of "loss".

   The "organization" and its directors and officers will not, except at their own cost, voluntarily admit liability, make a payment, assume any obligation or incur any expense without the Insurer's consent, such consent not to be unreasonably withheld.

   If a "claim" made against an "Insured" involves both covered and not covered allegations and/or parties, the "organization" and the Insurer shall use their best efforts to agree upon a fair and proper allocation of costs.

4. **Exclusions**

   The Insurer shall not be liable to make payment for "loss" in connection with any "claim" made against any "Insured":

   a. for

      (1) any actual or alleged bodily injury, sickness, disease or death of any person; or

      (2) any actual or alleged damage to, destruction of, or loss of use of any tangible property.

   b. for claims made against the "Insured" for "wrongful acts" known to any "Insured":

      (1) before the effective date of this insurance; or

      (2) if this policy is part of a series of consecutive renewals issued by the Insurer, before the effective date of the first policy issued by this Insurer.

   c.

      (1) which arises out of or would not have occurred in whole or in part but for the actual, alleged or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" at any time;

      (2) for any "loss", cost or expense arising out of any:

         (a) request, demand or order that any "Insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants";

         (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, decontaminating, stabilizing, remediating, 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, acid, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

   d. based upon or attributable to any "wrongful act" in procuring, effecting and maintaining insurance, or with respect to amount, form, conditions or provisions of such insurance.

   e. based upon or arising out of:

      (1) any "Insured" gaining any personal profit or advantage to which they were not legally entitled;

      (2) the receipt by any "Insured" of remuneration to which they were not legally entitled; or

      (3) any dishonest, fraudulent or criminal act or omission however, any "Insured" shall be protected for "claim" brought against such "Insured" by reason of alleged dishonesty on the part of such "Insured", unless a judgment or other final adjudication adverse to such "Insured" shall establish that acts of active and deliberate dishonesty committed by such "Insured" with actual dishonest purpose and intent were material to the cause of action so adjudicated.

      Note: Any "wrongful act" pertaining to any "Insured" shall not be imputed to any other person for the purpose of determining the applicability of this Exclusion **e.**

   f.

      (1) for liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof;

(2) for "loss" 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 insured under any such policy but for its termination upon exhaustion of its limit of liability;

(3) for "loss" 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 of other radioactive material (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an "Insured".

As used in this 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, radioac-tive 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.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, agreements, or limitations of this Form other than above stated.

g. due to war, invasion, or act of foreign enemy.

h. 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.

i. 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".

j. 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 "claim".

k.

(1) 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 "loss", 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 "loss", damage, expense or costs or whether other causes acted concurrently or in any sequence to produce the "loss", damage, expenses or costs.

l. for any actual or alleged liability whatsoever for any "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 II - LIMIT OF INSURANCE

The Limit of Insurance shall be the maximum aggregate amount payable in addition to "Costs, Charges and Expenses" for all "Loss" sustained during the "Policy Period"

SECTION III - CONDITIONS - ALL PROVINCES

1. **Warranty and Severability Clause**

a. The application for this Form is considered as part of this Form, which is issued based upon the statements contained in the application and in reliance on any other material submitted to the Insurer.

b. In the event that material misrepresentations have been made within the application, then insurance provided under this Form shall be void and of no effect.

c. This Form is a severable contract or series of contracts with each "Insured". This does not increase the Limit of Insurance shown in the Declarations.

2. **Canadian Currency Clause**

All Limits of Insurance, premiums and other amounts as expressed in this Form are in Canadian currency.

3. **False or Fraudulent Claims**

If any "Insured" of the "organization" shall make any "claim" under this Form knowing the same to be false or fraudulent, this insurance shall become null and void and all rights hereunder of the "Insured" and the "organization" shall be forfeited.

4. **Insured's Duties in the Event of "Loss"**

If during the "policy period" or during the Optional Extension Period any "claim" is made against any "Insured", the "organization" or the "Insured" shall, as a condition precedent to their right to be indemnified under this Form:

(1) give written notice to the Insurer containing particulars sufficient to identify the "Insured" and the "organization", and provide full information with respect to the time, place and circumstances of the event complained of, and the names and addresses of the claimants and of available witnesses, as soon as practicable;

(2) immediately forward to the Insurer any writ, notice of action, statement of claim, letter, document or advice received by them or their representative;

(3) co-operate with the Insurer and, upon the Insurer's request, assist in making settlements, in the conduct of "claims" and in enforcing any right of contribution or indemnity against any person or organization which may be liable to the "Insured" because of "loss" with respect to which insurance is afforded under this Form and attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses;

(4) not voluntarily make any payment, assume any obligation or incur any expense, except at their own cost.

5. **Subrogation**

In the event of any payment under this Form, the Insurer shall be subrogated, to the extent of such payment, to all the rights of recovery of the "Insured" and the "organization" against any person, and the "Insured" or the "organization" shall execute all papers required and shall do everything that may be necessary to secure such rights including the execution of such documents necessary to enable the Insurer to effectively bring suit in the name of the "Insured" or the "organization". The "Insured" or the "organization" shall do nothing after loss to prejudice such rights.

6. **Assignment:**

This insurance may not be assigned without the Insurer's consent.

7. **Changes:**

The "Insured" and the "organization" are not authorized to make changes to this Form without the Insurer's consent. The Form's terms can be amended or waived only by endorsement issued by the Insurer, and made part of this Form.

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 compensatory damages from an "Insured"; or

b. To sue the Insurer under 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 any "Insured" obtained after an actual trial; but the Insurer will not be liable for compensatory damages that are not payable under the terms of this Form 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 "organization" 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. **Notice to Insureds:**

All "Insureds" hereunder agree that the "organization" is authorized to act on behalf of all "Insureds" with respect to the settlement of "claims", the giving and receiving of notice of cancellation, receiving any returned premium that becomes payable under this Form and the receipt of any payment which may be due.

10. **Notification:**

a. In the event of a "claim", notice must be given to the Insurer as soon as practicable.

b. If during the "policy period", any "Insured" or the "organization" become aware of a "wrongful act" which they believe will lead to a "claim", notice must be given to the Insurer as soon as practicable. Any "claim" arising out of such "wrongful act" shall then be deemed to have been made during the "policy period". Such notice must state why it is believed that a "claim" will be made.

11. **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 Limit of Insurance, the Insurer will pay only the Insurer's share of the amount of the "loss", if any, that exceeds the sum of:

(1) The total amount that all such other insurance would pay for the "loss" in the absence of this insurance; and

(2) The total of all deductible and self-insured amounts under 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" and the "organization's" rights against all other Insurers.

12. **Premium Audit**

a. The Insurer will compute all premiums for this policy in accordance with the Insurer's rules and rates.

b. 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 Declarations of this policy.

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.

SECTION IV - CONDITIONS - ALL PROVINCES EXCLUDING QUEBEC

1. **Termination**

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

b. The Insurer may terminate this policy by mailing or delivering to the first Named Insured written notice of termination at least:

(1) 5 days before the effective date of termination if personally delivered;

(2) 15 days before the effective date of termination if the Insurer terminates for non-payment of premium; or

(3) 30 days before the effective date of termination if the Insurer terminates for any other reason.

c. The Insurer will mail or deliver the notice to the first Named Insured's last mailing address known to the Insurer.

d. The policy period will end on the date termination takes effect.

e. 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.

SECTION V - CONDITIONS - PROVINCE of QUEBEC

1. **Material Change in Risk (Articles 2466 and 2467)**

   The Named Insured shall promptly notify the Insurer of any change that increases the risks stipulated in the policy and that results from events within his control if it is likely to materially influence an insurer in setting the rate of the premium, appraising the risk or deciding to continue to insure it.

   On being notified of any material change in the risk, the Insurer may cancel the contract or propose, in writing, a new rate of premium. Unless the new premium is accepted and paid by the Insured within thirty (30) days of the proposal, the policy ceases to be in force.

2. **Misrepresentation or Concealment (Articles 2410, 2411 and 2466)**

   Any misrepresentation or concealment of relevant facts mentioned in **SECTION III,** Paragraph **1. Warranty and Severability Clause** and **SECTION V.** Paragraph **1. Material Change in Risk** by the Applicant or the Insured nullifies the contract at the instance of the Insurer, even in respect to "losses" not connected with the risk so misrepresented or concealed.

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

3. **Warranties (Article 2412)**

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

4. **Intentional Fault (Article 2464)**

   The Insurer is never liable to compensate for injury resulting from the "Insured's" intentional fault.

   Where there is more than one Insured, the obligation of coverage remains in respect to those "Insureds" who have not committed an intentional fault.

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

5. **Right of Action (Article 2502)**

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

6. **CANCELLATION (Articles 2477 and 2479)**

   This policy may be cancelled at any time:

   a. By any of the Named Insureds giving written notice. Termination takes effect upon receipt of the notice and the Insured shall be entitled to a refund of the excess of the premium actually paid over the short-term for the expired time. If the premium is provisional, a premium audit will take place in accordance with **SECTION V.**, Paragraph **12 - Premium Audit**.

   b. By the Insurer giving written notice to each Named Insureds at their last know address, at least:

      (1) fifteen (15 days before the effective date of cancellation by reason of non payment of premium, or

      (2) thirty (30) days before the effective date of cancellation by any other reason.

      Cancellation takes effect fifteen (15) or thirty (30) days after receipt of such notice, depending upon the reason for cancellation. The Named Insured is entitled to refund of the excess premium actually paid over the prorate premium for the expired time. If the premium is provisional, a premium audit will take place in accordance with **SECTION V.**, Paragraph **12 - Premium Audit**.

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

   d. In this Condition, the words "premium actually paid" means the premium actually paid by the Named Insured to the Insurer or its representative, but do not include any premium or part thereof paid to the Insurer by a representative unless actually paid to the representative by the "Insured".

7. **NOTICE**

   Any notice to the Insurer may be sent by any recognized means of communications to the Insurer or its authorized representative. Notice may be given to the Named Insured by letter personally delivered or by mail addressed to him at his last know address. It is incumbent upon the sender to prove that such notice was received.

SECTION VI - DEFINITIONS

Wherever used in this Form:

1. **"Claims"** means any judicial or administrative proceeding initiated against any "Insured" for damages or other relief.
2. **"Costs, Charges and Expenses"** means legal fees, and expenses incurred in defending, investigating or monitoring a "Claim" and appeals and the cost of appeal, attachment or similar bonds, excluding salaries and expenses of any "Insured".
3. **"Coverage territory"** means Canada or the United States of America (including its territories and possessions).
4. **"Data"** means representations of information or concepts in any form.
5. **"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.
6. **"Insured"**, either in the singular or plural, means:
   a. any person who was, now is or shall be a duly elected or appointed director or officer of the "organization";
   b. the estates, heirs, legal representatives or assigns of deceased persons who were directors or officers of the "organization";
   c. the legal representatives or assigns of directors or officers of the "organization" in the event of their incompetency, insolvency or bankruptcy.
7. **"Loss"** means damages, judgments, settlements and "Costs, Charges and Expenses", excluding:
   a. punitive or exemplary damages;
   b. criminal or civil fines or penalties;
   c. taxes other than those for which any "Insured" is personally liable under statute for non-remittances by the "Organization";
   d. matters deemed uninsurable under law.

8. **"Organization"** means the condominium corporation named in the Declarations.
9. **"Policy Period"** means the period shown in the Declarations plus the Optional Extension Period if applicable.
10. **"Spores"** includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".
11. **"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.
12. **"Wrongful Act"** means any actual or alleged error or misstatement or misleading statement or act or omission or neglect or breach of duty by any "Insured" while acting solely in their respective capacities as directors and officers of the "organization".

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 various Provincial Regulators/Superintendents of Insurance.

NOTICE TO INSUREDS

Pursuant to the

PERSONAL INFORMATION PROTECTION AND ELECTRONIC DOCUMENT ACT, S.C. 2000, c.5.

LEGAL AUTHORITY FOR COLLECTION.

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 to monitor 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 various Provincial Regulator/Superintendents of Insurance; and

-to use and disclose such information for purposes which are consistent with the previous clauses.

QUESTIONS RELATING TO THE COLLECTION MAY BE ADDRESSED TO EITHER:

Intact Insurance Company

Privacy Officer

700 University Avenue, Suite 1500

Toronto, Ontario,

M5G 0A1

Telephone No.1-866-941-5094

OR

Provincial Regulator or Superintendent of Insurance in your Province.

[intact]

Ottawa Carleton Standard Condo Corp #1004
3187 ALBION Road S
OTTAWA, ON K1V 8Y3

Privacy breaches do happen, but with Intact Insurance Company's cyber expense offering, your business can be better prepared and protected.

Company laptop missing, payment records stolen, paper files lost, on-line systems hacked — these risks are now part of conducting business. With Intact Insurance's coverage for expenses related to privacy breaches, we can help you respond so that your customers, business and reputation are better protected.

Enhanced coverage for better protection

With our cyber legal expense coverage, we're offering additional protection against certain legal defence costs that could arise from civil proceedings related to a covered privacy breach.

Stay prepared with the Breach Preparation Services from IDT911®

In addition, our cyber expense coverage gives you access to privacy breach services from IDT911, an independent services provider, to help:

- Reduce the chances of a privacy breach occurring
- Prepare for those that might occur
- Respond appropriately if a breach occurs

Get started, it's easy to access the privacy breach preparedness site

Our privacy breach preparedness site is an educational resource to help you better protect sensitive data and respond appropriately to a breach. On the site, you'll find information on notification laws and regulations, incident response plan templates, procedures for handling a breach and educational resources.

Go to **intactinsurance.breachresponse.ca** and log in using the following credentials:

- Username: **Intactinsurance1**
- Password: **Intactinsurance1**

After your initial login, you will be prompted to create your unique credentials for future use.

React appropriately if a breach occurs by calling Intact Insurance at 1 866 464 2424

In the event of a privacy breach, Intact Insurance's claims personnel provide access to IDT911's experts who will help you quickly develop a breach response strategy and incident management plan. If you think that you have had a privacy breach, call **1 866 464 2424**.

Certain conditions, limitations and exclusions apply. The information that appears on this document is provided to you for information purposes only. Cyber expense offerings are through the Cyber Expense endorsement and Cyber Legal Expense Endorsement. Your insurance contract prevails at all times. Please consult it for a complete description of coverage and exclusions. Non-insurance services under the Cyber Expense endorsement are provided by IDT911, Inc., an independent third party. These services do not constitute legal advice. If you require legal advice, please consult a lawyer. Intact Financial Corporation and its affiliates assume no responsibility for making the services available to you or for your use of the services. ©2015 Intact Insurance Company. All rights reserved.