

*Intact Insurance Company  
2450 Girouard Street West  
Saint-Hyacinthe QC J2S 3B3*

**Insured name and postal address**

Participating clients of  
Front Row Insurance Brokers Inc.  
25 Adelaide Street E Suite 500  
Toronto, ON M5C 3A1

**Broker 4867**

Front Row Insurance Brokers inc.  
1130 Sherbrooke Ouest Bureau 805 MONTREAL  
QC  
H3A 2M8

**General Information**

Intact Insurance Company hereinafter called the Insurer.

Type of Document

RENEWAL

Policy Period

**From** August 10, 2024 **To** August 10, 2025  
12:01 A.M. local time at the postal address of the Insured shown above

Billing Method

Agency Bill

**Total Policy Premium \$1**

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



In consideration of the Premium stated, the Insurer will indemnify the Insured with the Terms and Conditions of this Policy.

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

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

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

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

**CANCELLATION**

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

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

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

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

Insured

Date

**Location 1**

**Address** 25 Adelaide Street E  
Toronto, ON M5C 3A1

**Occupancy** Office Program

Coverage	Form	Coinsurance %	Deductible \$	Limit of Insurance \$
Building and/or Contents - Broad Form	034.0-7			
Contents		80	1,000	500,000
Valuation: Replacement Cost				
Edge Complete 1.0	035.5-1			
Section 1 - Blanket Extensions				250,000
Section 2 - Blanket Extensions				50,000
Section 3 - Additional Extensions				As per Form
MASTER POLICY ENDORSEMENT	GE0004			
Deductible - Earthquake (1012)	GE0005			
Named Insured Amendment (0215)	GE0006			
Profits	233.0-1	80		500,000
Business Interruption Extension 1.0	233.5-1			As per Form
Business Interruption Insurance - Ordinary	238.1-3		1,000	As per Form
Payroll Coverage				
Earthquake Shock Endorsement	159.0-5		5%	
Flood Endorsement	159.1-3		25,000	
Sewer Back-Up Endorsement	159.2-2		5,000	
Equipment Breakdown Max	168.1-3		1,000	500,000
Business Interruption and Extra Expense - ALS				Included
Spoilage				Included
Crime 1.0	111.1-1			
Coverage 1 - Employee Dishonesty			1,000	10,000
Coverage 2 - Theft, Robbery or Burglary			1,000	10,000
Coverage 3 - Fraud - Limit per Coverage			1,000	10,000
Coverage 4 - Expenses - Blanket Limit			1,000	5,000

**General Liability**

Coverage	Form	Deductible \$	Limit of Insurance \$
Commercial General Liability Max	091.0-5		
Coverage A - Bodily Injury and Property Damage Liability - Each Occurrence			5,000,000
Coverage A - Products-Completed Operations - Aggregate			5,000,000
Coverage A - Property Damage Deductible - Each Occurrence		500	
Coverage B - Personal Injury and Advertising Injury Liability - Per Person or Organization			5,000,000
Coverage C - Medical Payments - Each Person			10,000
Coverage D - Tenants' Legal Liability - Any One Premises		500	5,000,000
Total Pollution Exclusion with a Hostile Fire Exception	607.3-2		
Employers' Liability Extension	612.7-1		
O.E.F. 98B Reduction of Coverage for Lessees or Drivers of Leased Vehicles Endorsement	078.1-1		
Liability EDGE 1.0	090.5-1		As per Form
Abuse Exclusion Endorsement	090.9-1		
Pyrite or Pyrrhotite Exclusion	112.0-1		
Q.P.F. no.6 - Quebec Automobile Insurance Policy - Non-Owned Form	094.9-1		5,000,000
Q.E.F. No. 6-96 - Contractual Liability Endorsement	112.1-1		
Q.E.F. No. 6-99 - Excluding Long Term Leased Vehicle Endorsement	112.2-1		
Limitation of Coverage - Designated Premises and Operations	091.2-3		
S.P.F. 6 Supplementary Non-Owned Automobile Liability Policy	094.6-1		5,000,000
S.E.F. 94 Legal Liability for Damage to Hired Automobiles	094.7-1		
Subsection 1 - ALL PERILS		1,000	50,000
S.E.F. No. 99 Excluding Long term Leased Vehicle Endorsement	094.8-1		
Exclusion - Coverage B - Entertainment (1111)	GE0001		
Amended Deductible Endorsement - Bodily Injury and Property Damage Combined	112.7-3	1,000	
CONTRACTUAL LIABILITY ENDORSEMENT (For attachment only to a Non-Owned Automobile Policy)	GE0002		
Non-Stacking of Limits Endorsement	GE0003		

**General Liability**

Coverage	Form	Deductible \$	Limit of Insurance \$
Privacy Breach Liability	037.6-2		
Each Claim Limit		1,000	50,000
Aggregate Limit		1,000	50,000

**Rating Information(s)**

Premises, Property and Operations	Rating Base
Office Program	Flat premium

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**Additional Conditions**

	<b>Form</b>
Common Exclusions	003.1-8
Declaration of Emergency Endorsement	003.2-4
Communicable Disease Exclusion Endorsement	056.5-1
Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) Exclusion	057.7-1
Cyber Loss and Electronic Data Liability Exclusion	057.8-1
General Conditions	240.0-7
General Conditions - Ontario - Atlantic Region	240.4-5
Commercial Policy Conditions and Statutory Conditions - West Region	240.5-5
Standard Mortgage Clause (Approved by IBC)	242.0-1

**Emergency number**

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

**1 866 464 2424**

## **Exclusion – Coverage B – Entertainment (1111)**

It is agreed that Coverage B – PERSONAL AND ADVERTISING INJURY LIABILITY provided under Form 091.0e does not apply to the Insured's operations in the field of entertainment.

For the purpose of this endorsement, "Insured's operations in the field of entertainment" means:

1. the production, pre-production, post-production, distribution, exploitation and exhibition of motion pictures, television programs, exploitation and exhibition of motion pictures, television programs, commercial films, phonograph records, electrical transcriptions, sheet music or other similar activities;
2. the conduct of any players, entertainers or musicians in any show, theatrical performance or exhibition;
3. the ownership, operation, maintenance or use of theaters and similar exhibition media;
4. the ownership, operation, maintenance or use of merchandising programs, advertising or publicity material, characters or ideas; whether or not on premises of the Insured or in possession of the Insured at the time of alleged offence.

Words and phrases that appear in bold and/or in quotation marks are defined within the present endorsement or to the Definitions section of the present policy.

All other terms and conditions of the policy remain unchanged.

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## **CONTRACTUAL LIABILITY ENDORSEMENT (For attachment only to a Non-Owned Automobile Policy)**

This Endorsement Changes the Policy. Please Read it Carefully.

In consideration of the premium herein stated, it is understood and agreed that exclusion (c) of the Insuring Agreement of the policy to which this endorsement is attached is amended to read as follows:

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

Date(s) of Contract(s)    Name(s) of other contracting party or parties  
All written contracts within the Policy Period    As shown on all written contracts

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

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## Non-Stacking of Limits Endorsement

This Endorsement Changes the Policy. Please Read It Carefully.

Certain words and phrases that appear in bold or quotation marks have special meaning as defined below or in the Form to which this Endorsement is attached.

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

This Endorsement is attached to the Commercial General Liability Max Form and is subject to all terms, conditions, limitations and exclusions of such Form.

The following paragraph is added to SECTION III – LIMITS OF INSURANCE AND DEDUCTIBLES of the Commercial General Liability Max form:

### 10. NON-STACKING OF LIMITS

10.1. You acknowledge that you have a financial interest in or is financially linked with the entities listed on the following Schedule of Liability Policies and are insured by us under the policy numbers shown on the Schedule.

10.2. If a claim is made under this Policy which may also involve any one or all of the policies listed on the Schedule of Liability Policies, our total Limit of Insurance under all applicable policies shall not exceed the Limit of Insurance provided under this Policy.

10.3. In no event shall the Limits of Insurance for this Policy be cumulative with any of the Limits of Insurance of any policy listed on the following Schedule:

Schedule of Liability Policies:

[Enter Policy Numbers and Name of Insured shown on that policy number]

All other terms and conditions of the Policy remain unchanged.

## MASTER POLICY ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

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

This Endorsement applies to all Coverage Forms forming part of this Policy unless otherwise stated.

This is a master policy administered by the Broker named on the Declaration Page(s).

Individual coverage, insured location(s), policy periods and other items that apply for each Insured are as shown on the Certificate of Insurance provided to that individual Insured by the Broker (named under on the Declarations Page(s)), and not as shown on the Declaration Page(s). The limits of insurance and the deductibles provided under this Policy apply separately to each individual or entity insured. Only those individuals or entities to whom a Certificate of Insurance has been separately issued are afforded coverage on this Policy.

### Reporting and Premium Adjustment Agreement

If Reporting and Premium Adjustment Agreement is shown on the Declaration Page(s):

1.the Broker agrees to make reports to the Insurer, in writing within fifteen (15) days after the end of each agreed upon reporting period; and

2.the reports, or bordereaux, supplied to the Insurer must include the following information as of the last business day of the reporting period for each individual Insured:

- Assigned Certificate Number;
- Name of Certificate Holder/ Insured;
- Transaction Type (new/renewal/endorsement/cancellation);
- Transaction Effective Date;
- Transaction Premium (annual/additional/return);
- Details of each purchased, amended or cancelled coverage.

All other terms and conditions of this Policy remain unchanged.

## Deductible – Earthquake (1012)

Notwithstanding what is provided in the Declarations and in Form 159.0e, Earthquake Shock Endorsement, it is agreed that the Insurer is liable for the amount by which the loss or damage caused by "earthquake" exceeds, in any "earthquake occurrence", a deductible amount corresponding to % of amount of insurance on the Binder of Insurance provided by Front Row Insurance Brokers Inc."

Words and phrases that appear in bold and/or in quotation marks are defined within the present endorsement or to the Definitions section of the present policy.

All other terms and conditions of the policy remain unchanged.

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## **Named Insured Amendment (0215)**

It is agreed that the Named Insured specified in the Certificate of Insurance includes all Affiliated and Subsidiary Companies.

Words and phrases that appear in bold and/or in quotation marks are defined within the present endorsement or to the Definitions section of the present policy.

All other terms and conditions of the policy remain unchanged.

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# COMMON EXCLUSIONS

This Endorsement Changes the Policy. Please Read It Carefully.

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

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

## APPLICABLE TO ALL COVERAGES UNLESS OTHERWISE STATED

If the exclusions contained in this form are also found elsewhere in this policy, the latter take precedence.

### DATA PROBLEM

#### 1. EXCLUSIONS

- 1.1. This policy does not insure **data**;
- 1.2. This policy does not insure loss or damage caused directly or indirectly by a **data problem**, notably the business interruption. This exclusion (1.2.) does not apply to loss or damage caused directly by resultant fire, explosion, smoke or leakage from fire protective equipment, unless otherwise excluded elsewhere in this policy.

#### 2. LIMITATION

For Business Interruption coverages, with respect to loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic **data** processing or electronically controlled equipment, including **data** thereon, by the perils insured against, the length of time for which the Insurer shall be liable hereunder shall not exceed 30 consecutive calendar days or the length of time that would be required to rebuild, repair or replace such other property herein specified as has been damaged or destroyed, whichever in the greater length of time.

#### 3. BASIS OF SETTLEMENT

The liability of the Insurer for loss or damage to media, **data** storage devices, and programme devices for electronic and electro-mechanical **data** processing or for electronically controlled equipment, except in presence of a specific coverage, shall not exceed the cost of reproducing such media, **data** storage devices, and programme devices from duplicates or from originals of the previous generation of the media, but no liability is assumed hereunder for the cost of gathering or assembling information or **data** for such reproduction.

#### 4. DEFINITIONS

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

**Data Problem** means:

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

### FUNGI AND SPORES

#### 1. EXCLUSIONS

This policy does not insure:

- 1.1. loss or damage consisting of or caused directly or indirectly, in whole or in part, by any **fungi** or **spores**. This exclusion does not apply:
  - 1.1.1. if the **fungi** or **spores** are directly caused by a peril not otherwise excluded by this policy; or
  - 1.1.2. to loss or damage caused directly by a resultant peril not otherwise excluded by this policy;
- 1.2. the cost or expense for any testing, monitoring, evaluating or assessing of **fungi** or **spores**.

#### 2. DEFINITIONS

**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.

**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**.

# TERRORISM

## 1. EXCLUSION

### This policy does not insure:

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

## 2. DEFINITION

**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.

## ONLY APPLICABLE TO PROPERTY COVERAGES

The exclusions described below in this endorsement are attached to and modify all commercial property coverage forms and endorsements in the policy, including but not limited to any of the following:

PROPERTY COVERAGE, including but not limited to Building and/or Contents Broad Form, Commercial Building and Contents Named Perils Form, Farm Outbuildings and Contents Broad Form and Farm Outbuildings and Contents Named Perils Form, as specified in the Declaration Page(s) for each Location;

BUSINESS INTERRUPTION COVERAGE, including but not limited to Profits, Profits Actual Loss Sustained, Gross Earnings, Gross Rentals, Rental Income and Contingent Business Interruption, as specified in the Declaration Page(s) for each Location;

BUILDERS RISK COVERAGE, as specified in the Declaration Page(s) for each Location;

EQUIPMENT BREAKDOWN COVERAGE, as specified in the Declaration Page(s) for each Location;

MISCELLANEOUS OR OTHER PROPERTY COVERAGE, including but not limited to Contractors Equipment Actual Cash Value Form and Farm Equipment Broad Form, as specified in the Declaration Page(s);

ANY EXTENSIONS, CLAUSES OR ADDITIONS OF COVERAGE to such a base Property, Business Interruption, Builders Risk, Equipment Breakdown, Miscellaneous Form or other form, including exceptions to exclusions.

## VIRUS AND BACTERIA EXCLUSION

The following paragraphs are added to the Forms:

- 1.1. This Form does not insure against loss or damage caused directly or indirectly, in whole or in part, by any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.
- 1.2. The exclusion in paragraph 1.1. does not apply to loss or damage caused directly or indirectly, in whole or in part, by **fungi** or **spores** directly caused by an insured peril not otherwise excluded under the policy, but only to the extent such loss or damage is insured under another Form in the policy.
- 1.3. With respect to any loss or damage subject to the exclusion in paragraph 1.1., such exclusion supersedes any exclusion relating to pollution, **pollutants** or **hazardous substance**.
- 1.4. The terms of the exclusion in paragraph 1.1., or the inapplicability of this exclusion to a particular loss, do not serve to create coverage that would not otherwise be included under the policy.

## CYBER INCIDENT EXCLUSION

The following exclusion is added to the EXCLUSIONS Section of the Forms:

### 1. EXCLUSION

This Form does not insure against loss or damage caused directly or indirectly by a **cyber incident**.

Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

### 2. EXCEPTIONS AND LIMITATIONS

#### 2.1. Fire or Explosion

If a **cyber incident** results in fire or explosion, the Insurer will pay for the loss or damage to insured property caused by that resulting fire or explosion.

2.2. **Privacy Breach Expense Endorsement**

Paragraph 1. does not apply to the Privacy Breach Expense Endorsement when such Endorsement is attached to the policy.

3. **VANDALISM AND MALICIOUS ACTS**

For purposes of this endorsement, vandalism and **malicious acts** do not include a **cyber incident**.

4. **DEFINITIONS**

For purposes of this endorsement, the following definitions are added to the Definitions Sections:

- 4.1. **Computer System** means any computer, hardware, media, electronic or digital **data**, software, communications or networking system, electronic device (including but not limited to smart phones, laptops, tablets, wearable devices), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, **data** storage device, networking equipment or back-up facility.
- 4.2. **Cyber Incident** means:
  - 4.2.1. Unauthorized access to or use of any **computer system**;
  - 4.2.2. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any **computer system** and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any **computer system** or otherwise disrupt its normal functioning or operation; or
  - 4.2.3. Denial of service attack which disrupts, prevents or restricts access to or use of any **computer system**, or otherwise disrupts its normal functioning or operation.

All other terms, conditions and limitations of the policy shall remain unchanged.

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## 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:
  - 1.1. the Insured, the insured site or insured property located in the declared emergency area; or
  - 1.2. the operations of the Insurer or its agent/broker located in the declared emergency area.
2. 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:
  - 2.1. 30 days; or
  - 2.2. the number of days equal to the total time the **emergency** order was in effect.
3. If this policy is due to expire during an **emergency**, it will continue in force until the **emergency** is terminated plus the lesser of:
  - 3.1. 30 days; or
  - 3.2. the number of days equal to the total time the **emergency** order was in effect.
4. In no event shall the total term of this extension exceed 120 consecutive days.
5. 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.

### DEFINITION

1. **Emergency** means the first statutory declaration of an emergency:
  - 1.1. 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
  - 1.2. as provided for by the relevant governing legislation if different from 1.1. above.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.



PROPERTY COVERAGE

**BUILDING AND/OR CONTENTS – BROAD FORM**

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

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

## INDEMNITY AGREEMENT

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

### 2. INSURED PROPERTY

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

**Building**

**Equipment**

**Stock**

**Contents**

**Property of Every Description**

### 3. INSURED PERILS

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

## EXCLUSIONS

### 1. EXCLUDED PROPERTY

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

- 1.1. Sewers, Drains, Watermains  
sewers, drains or **watermains** located beyond the Insured's property lines at the location(s) described in the Declaration Page(s). This exclusion does not apply to loss or damage caused directly by **Named Perils**;  
Sewers drains or **watermains** located within the property lines described above shall only be covered if the Insured owns or is legally liable for loss or damage to such property;
- 1.2. Vacancy  
property at locations which, to the knowledge of the Insured, are vacant, unoccupied or shut down for more than 30 consecutive days;  
**With regards to Condominium vacancy, refer to Item 8. Special Provisions applicable to Condominiums of the SPECIAL PROVISIONS;**
- 1.3. Electrical Devices, Appliances or Wiring  
electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing. This exclusion does not apply to loss or damage caused directly by resultant fire or explosion;
- 1.4. Growing Plants, Trees, Shrubs or Flowers  
growing plants, trees, shrubs or flowers, all while outside the **building**, except as provided in Extension of Coverage 5. Growing Plants, Trees, Shrubs or Flowers Outside the Building;
- 1.5. Animals, Fish or Birds  
animals, fish or birds. This exclusion does not apply to loss or damage caused directly by **Named Perils** or by theft or attempted theft;
- 1.6. Money, Precious Metals and Securities  
money, digital currency, **cash cards**, bullion, platinum, precious metals and alloys, securities, stamps, tickets (except lottery tickets) and tokens, or evidence of debt or title;
- 1.7. Automobiles, Watercraft and Aircraft  
automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property. This exclusion does not apply to:
  - 1.7.1. watercraft or amphibious or air cushion vehicles held for sale;
  - 1.7.2. unmanned air vehicles held for sale, while not airborne;
  - 1.7.3. unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the **premises**;
- 1.8. Furs and Jewellery  
furs, fur garments, jewels, jewellery and precious stones;  
This exclusion does not apply to:
  - 1.8.1. loss or damage caused directly by **Named Perils**; or
  - 1.8.2. the first \$5,000 of any loss otherwise insured;
- 1.9. Property Covered under Marine Insurance  
Property that is insured under the terms of any marine insurance;

- 1.10. Property Loaned, Rented or Leased  
property from the time of leaving the Insured's custody, if it is:
- 1.10.1. loaned, rented or leased to others; or
  - 1.10.2. sold by the Insured under conditional sale or instalment payment or other deferred payment plan;
- This exclusion (1.10.) does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at the risk of the Insured;
- 1.11. Property Illegally Acquired  
property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
- 1.12. Pressure Vessels and Boilers
- 1.12.1. any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure;
  - 1.12.2. any boiler, including its connected piping and equipment, which contains steam or water under steam pressure (except tanks having an internal diameter of 610 millimetres (24 inches) or less used for the storage of hot water for domestic use);
- caused directly or indirectly by explosion, rupture, bursting, cracking, burning out or bulging of such property while connected ready for use;
- This exclusion (1.12.) does not apply to:**
- 1.12.3. manually portable gas cylinders;
  - 1.12.4. explosion of natural, coal or manufactured gas;
  - 1.12.5. explosion of gas or unconsumed fuel within a furnace or within the gas passages from the furnace to the atmosphere;

## 2. EXCLUDED PERILS

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

- 2.1. Earthquake  
in whole or in part by earthquake. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for loss or damage caused directly by resultant fire, explosion, smoke or **leakage from fire protective equipment**;  
This exclusion does not apply to property in transit, provided such coverage is afforded by endorsement attached to this Form;
- 2.2. Flood  
in whole or in part by flood, including **surface water**, waves, tides, tidal waves, tsunamis, or the breaking out or overflow of any natural or artificial body of water. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for loss or damage caused directly by resultant fire, explosion, smoke or **leakage from fire protective equipment**;  
This exclusion does not apply to property in transit, provided such coverage is afforded by endorsement attached to this Form, or to loss or damage caused directly by leakage from a **watermain**;
- 2.3. Other Water Damage
- 2.3.1. by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings, foundations, basement floors, sidewalks or sidewalk lights, unless concurrently and directly caused by an insured peril not otherwise excluded in this Form;
  - 2.3.2. by the backing up or overflow of water from sewers, sumps, septic tanks or drains, wherever located, unless concurrently and directly caused by an insured peril not otherwise excluded in this Form;
  - 2.3.3. by the entrance of rain, sleet or snow through doors, windows, skylights, or other similar wall or roof openings, unless through an aperture concurrently and directly caused by an insured peril not otherwise excluded in this Form;
- 2.4. Centrifugal Force, Breakdown  
by centrifugal force, mechanical or electrical breakdown or derangement, in or on the **premises**. This exclusion does not apply to loss or damage caused directly by resultant fire;
- 2.5. Atmospheric, Temperature Change, Service Interruption or other Damage
- 2.5.1. by dampness or dryness of atmosphere;
  - 2.5.2. by changes in or extremes of temperature, heating or freezing;
  - 2.5.3. by total or partial interruption to the supply of electricity, water, gas or steam;
  - 2.5.4. by shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, or change in colour or texture or finish;
  - 2.5.5. by contamination;
  - 2.5.6. by marring, scratching or crushing.
- This exclusion (2.5.) does not apply to loss or damage caused directly by:**
- 2.5.7. **Named Perils**;
  - 2.5.8. rupture of pipes;
  - 2.5.9. breakage of apparatus not excluded under paragraph 1.12. of this Form;
  - 2.5.10. theft or attempted theft;
  - 2.5.11. an accident to a transporting conveyance provided such coverage is afforded by endorsement attached to this Form;
  - 2.5.12. damage to pipes caused directly by freezing unless such pipes are excluded in paragraph 1.12. of this Form;
- 2.6. Rodents, Insects or Vermin  
by rodents, insects or vermin. This exclusion does not apply to loss or damage caused directly by an insured peril not otherwise excluded in this Form;
- 2.7. Delay  
by delay, loss of market, or loss of use or occupancy;
- 2.8. War  
in whole or in part by war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage;
- 2.9. Nuclear
- 2.9.1. by any nuclear incident (as defined in the *Nuclear Liability and Compensation Act*, any other nuclear liability act, law or statute, or any amending law) or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
  - 2.9.2. by contamination by radioactive material;
- 2.10. Dishonest or Criminal Act

- 2.10.1. by any dishonest or criminal act committed by the Insured or any agent of the Insured, acting alone or in collusion with others(except bailees for hire);
- 2.10.2. by theft or attempted theft committed by any employee of the Insured, acting alone or in collusion with others;
- 2.10.3. by any dishonest or criminal act committed by anyone, except as stated in 2.10.2., when the Insured or any agent of the Insured knew or ought to have known prior to the loss or damage, of the dishonest or criminal act;
- 2.11. **Snowslide or Landslide**  
by snowslide, landslide, subsidence or other earth movement. This exclusion does not apply to property in transit (provided such coverage is afforded by endorsement attached to the present Form), or to loss or damage caused directly by resultant fire, explosion, smoke or **leakage from fire protective equipment**;
- 2.12. **Loss or Damage caused by Pressure Vessels, Boilers**  
by explosion (except explosion of natural, coal, or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured:
- 2.12.1. the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
- 2.12.2. piping and apparatus or their parts normally containing steam or water under steam pressure from an external source and while under such pressure;
- 2.12.3. other vessels and apparatus and their connected pipes while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure, but this exclusion does not apply to loss or damage resulting directly from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimetres (24 inches) or less used for the heating and storage of hot water for domestic use;
- 2.12.4. moving or rotating machinery or its parts;
- 2.12.5. any vessels and apparatus and their connected pipes while undergoing pressure tests, but this exclusion does not apply to other insured property that has been damaged by such explosion;
- 2.12.6. gas turbines;
- This exclusion (2.12.) does not apply to loss or damage caused by resultant fire;
- 2.13. **Settling, Expansion, Shifting or Cracking**  
by settling, expansion, contraction, moving, shifting or cracking. This exclusion does not apply to loss or damage caused directly and concurrently by an insured peril not otherwise excluded in this Form;
- 2.14. **By-Laws**  
proximately or remotely, arising in consequence of or contributed to by the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which by-law, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss;
- 2.15. **Pollution**
- 2.15.1. by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants**, nor the cost or expense of any resulting **clean up**;  
**This exclusion does not apply:**
- 2.15.1.1. if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants** is directly caused by an insured peril not otherwise excluded in this Form; or
- 2.15.1.2. to loss or damage caused directly by a resultant insured peril not otherwise excluded in this Form;
- 2.15.2. cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants**;
- 2.16. **Data Exclusion:**
- 2.16.1. This Form does not insure **data**;
- 2.16.2. This Form does not insure loss or damage caused directly or indirectly by a **data problem**;
- Paragraph 2.16.2. does not apply to loss or damage caused directly by resultant fire, explosion of natural, coal or manufactured gas, smoke, **leakage from fire protective equipment** or water damage caused by bursting of frozen pipes and tanks;
- 2.17. **Terrorism**  
in whole or in part, by **terrorism** or by any activity or decision of a government agency or other entity to prevent, respond to or terminate **terrorism**;  
This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.  
If any portion of this exclusion is found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect;
- 2.18. **Fungi and Spores**  
This Form does not insure:
- 2.18.1. loss or damage consisting of or caused directly or indirectly, in whole or in part, by any **fungi** or **spores**, unless such **fungi** or **spores** are directly caused by an insured peril not otherwise excluded by this Form;
- 2.18.2. the cost or expense for any testing, monitoring, evaluating or assessing of **fungi** or **spores**;
- 2.19. **Wear and Tear, Defects**
- 2.19.1. by wear and tear;
- 2.19.2. by rust or corrosion;
- 2.19.3. by gradual deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- This exclusion (2.19.) does not apply to loss or damage caused directly by an insured peril not otherwise excluded in this Form;
- 2.20. **Faulty or Improper Material, Workmanship, Design**  
the cost of making good:
- 2.20.1. faulty or improper material;
- 2.20.2. faulty or improper workmanship;
- 2.20.3. faulty or improper design;
- This exclusion (2.20.) does not apply to loss or damage caused directly by an insured peril not otherwise excluded in this Form;
- 2.21. **Disappearance**
- 2.21.1. by mysterious disappearance;
- 2.21.2. by shortage of **equipment** or **stock** disclosed on taking inventory;

## EXTENSIONS OF COVERAGE

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

### 1. REMOVAL

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

### 2. DEBRIS REMOVAL

#### 2.1. Debris Removal:

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

#### 2.2. Removal of Windstorm Debris:

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

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

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

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

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

### 3. PERSONAL PROPERTY OF OFFICERS AND EMPLOYEES

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

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

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

### 4. BUILDING DAMAGE BY THEFT

This Form is extended to insure damage (except by fire) to that part of a **building** occupied by the Insured directly resulting from theft or attempted theft and from vandalism or **malicious acts** committed on the same occasion, provided the Insured is not the owner of such **building** and is legally liable for such damage and the **building** is not otherwise insured under this Form.

This Extension of coverage shall be limited to a maximum recovery of \$2,500 for any one occurrence.

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

This Form is extended to insure loss of or damage to growing plants, trees, shrubs or flowers outside the **building** caused directly by **Named Perils** (with the exception of windstorm or hail), or from theft or attempted theft.

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

### 6. NEWLY ACQUIRED LOCATION

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

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

## SPECIAL PROVISIONS

### 1. DEDUCTIBLE

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

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

### 2. CO-INSURANCE

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

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

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

### 3. PROPERTY PROTECTION SYSTEMS

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

- 3.1. sprinkler or other fire extinguishing system; or
- 3.2. fire detection system; or
- 3.3. intrusion detection system;

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

### 4. PREMIUM ADJUSTMENT

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

If, within six (6) months after the expiry or anniversary date of each policy period, the Insured shall file with the Insurer a Premium Adjustment Application Form showing, for the policy period, the value of the **stock** on the last day of each month at each **premises** as commented upon by the Insured's Accountant, the actual premium for the policy period shall then be calculated at the rate applying to each **premises** for the average amount of the total values declared. If the premium paid by the Insured for such **stock** exceeds the actual premium thus calculated, the Insurer shall refund to the Insured any excess paid, subject to a maximum refund of 50% of the premium paid. In the event of any monthly declared values being in excess of the amount of insurance, the amount of the excess shall not be included in the premium adjustment calculations..

### 5. BASIS OF VALUATION

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

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

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

### 6. LIBERALISATION CLAUSE

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

### 7. INFLATION PROTECTION

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

### 8. SPECIAL PROVISIONS APPLICABLE TO CONDOMINIUMS

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

- 8.2. Additional Exclusions

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

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

- 8.3. Loss Adjustment

#### Applicable to Québec policies

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

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

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

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

# DEFINITIONS

Wherever used in this Form:

**1. BUILDING** means:

- 1.1. the building(s) described in the Declaration Page(s) and includes:
  - 1.1.1. fixed structures pertaining to the **building(s)** and located on the **premises**. Such structures include, but are not limited to, antennae and their wiring, fencing, signs, lighting, wind turbines, solar panels and satellite dishes;
  - 1.1.2. additions and extensions communicating and in contact with the **building(s)**;
  - 1.1.3. permanent fittings and fixtures attached to and forming part of the **building(s)**;
  - 1.1.4. materials, equipment and supplies on the **premises** for maintenance of, and normal repairs and minor alterations to the **building(s)** or for building services.
  - 1.1.5. trees, shrubs and growing plants or flowers inside the **building(s)** used for decorative purposes;
  - 1.1.6. At the option of the Insured, and only for a **building** occupied as rented private residences:
    - 1.1.6.1. landlord's permanent fittings and fixtures, excluding furniture and furnishings in furnished suites or apartments;
    - 1.1.6.2. cooking, cooling, dishwashing, heating and refrigerating apparatus in suites and apartments;
    - 1.1.6.3. electrical and lighting fixtures;
    - 1.1.6.4. awnings, blinds, screen doors, screens and shutters.
- 1.2. With regards to condominiums, those parts of the common property or common elements and the units as defined in the provincial or territorial legislation or in the registered documents of the **Condominium Corporation**.

**2. CASH CARDS** means cards designed to store a cash value by electronic means as a mode of payment, without a personal identification number and without direct access to a bank or other account.

**3. CLEAN UP** means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of **pollutants**, including testing which is integral to any of these processes.

**4. CONDOMINIUM CORPORATION** means a Corporation constituted under provincial legislation or territorial legislation relating to condominiums or co-ownership by declaration. It refers to a strata corporation in British Columbia and to a syndicate in Quebec.

**5. CONTENTS** means **equipment** and **stock**.

**6. DATA** means representations of information or concepts, in any form.

**7. DATA PROBLEM** means:

- 7.1. erasure, destruction, corruption, misappropriation, misinterpretation of **data**;
- 7.2. error in creating, amending, entering, deleting or using **data**; or
- 7.3. inability to receive, transmit or use **data**.

**8. EQUIPMENT** means:

- 8.1. generally all contents usual to the Insured's business, including furniture, furnishings, fittings, fixtures, machinery, tools, utensils, signs and appliances, other than **building** or **stock**;
- 8.2. similar property belonging to others which the Insured is under obligation to keep insured or for which the Insured is legally liable;
- 8.3. tenant's improvements, which are defined as **building** improvements, alterations and betterments made at the expense of the Insured to a building occupied by the Insured and which are not otherwise insured, provided the Insured is not the owner of such **building**. If the Insured purchased the use interest in tenant's improvements made by a predecessor tenant, this Form applies as though such tenant's improvements had been made at the expense of the Insured;
- 8.4. glass or other equipment for which the Insured has assumed responsibility in a contract for a lease of premises.

**9. FIRE PROTECTIVE EQUIPMENT** includes tanks, **watermains**, hydrants, valves and any other apparatus whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:

- 9.1. branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
- 9.2. any **watermains** or appurtenances located outside of the **premises** and forming a part of the public water distribution system;
- 9.3. any pond or reservoir in which the water is impounded by a dam.

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

**11. LEAKAGE FROM FIRE PROTECTIVE EQUIPMENT** means:

- 11.1. the leakage or discharge of water or other substances from;
- 11.2. the collapse of;
- 11.3. the rupture due to freezing of;

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

**12. MALICIOUS ACTS** means all acts of a malicious nature, except theft or attempted theft.

**13. NAMED PERILS** means:

- 13.1. fire or lightning;
- 13.2. explosion;
- 13.3. impact by aircraft, spacecraft or land vehicle (including articles dropped from them);
- 13.4. **riot**, vandalism and **malicious acts**;
- 13.5. smoke;
- 13.6. **leakage from fire protective equipment**;
- 13.7. windstorm or hail,

provided such perils are not otherwise excluded in EXCLUSIONS – Item 2. (Excluded Perils) of this Form.

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

**15. PREMISES** means:

- 15.1. the entire area within the property lines at the location(s) described in the Declaration Page(s) or at any newly acquired location, including:



15.1.1. areas under adjoining sidewalks and driveways;

15.1.2. in or on vehicles within 100 metres (328 feet) of such property lines described in 15.1.;

15.2. in the open within 305 metres (1000 feet) of such property lines described in 15.1.

**16. PROPERTY OF EVERY DESCRIPTION** means **building, equipment and stock**.

**17. RIOT** includes open assemblies of strikers inside or outside the **premises** who have quit work and of locked-out employees.

**18. SPORES** includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any **fungi**.

**19. STOCK** means:

19.1. merchandise of every description usual to the Insured's business;

19.2. packing, wrapping and advertising materials;

19.3. similar property belonging to others which the Insured is under obligation to keep insured or for which the Insured is legally liable;

**20. SURFACE WATER** means water or natural precipitation temporarily diffused over the surface of the ground.

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

**22. UNIT** means the unit as defined in the declaration, description or bylaws of the **Condominium Corporation** or provincial or territorial legislation relating to condominiums or divided co-ownership. It refers to a strata lot in British Columbia and to a private portion in Quebec.

**23. WATERMAIN** means piping of a public potable water distribution system exclusively.

SPECIMEN ONLY

# EDGE COMPLETE 1.0

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# SUMMARY OF COVERAGES

## SECTION 1

The following Extensions of Coverage apply in addition to the limits of insurance stated on the Declaration Page(s) for the Building, the Contents or the Property of Every Description and are subject to all conditions of the policy. These Extensions are limited to \$250,000 in respect of any one occurrence.

SECTION 1 - BLANKET EXTENSIONS		
Item	Extensions of Coverage	Amount of Insurance per occurrence
1.	Accounts Receivable	<b>\$250,000</b>
2.	Brands and Labels	
3.	Building Damage by Theft	
4.	Environmental (Green) Upgrade	
5.	Expediting Expenses	
6.	Fire or Police Department Service Charge	
7.	Fire Suppression Recharge Expense	
8.	Personal Property of Officers, Employees and Volunteers	
9.	Professional Fees	
10.	Proof of Loss and Inventory Preparation Expense	
11.	Replacement of Locks and Keys	
12.	Tenant Leasehold Interest - Rents	
13.	Valuable Papers and Records, Computer Data	

## SECTION 2

The following Extensions of Coverage apply in addition to the limits of insurance stated on the Declaration Page(s) for the Building, the Contents or the Property of Every Description and are subject to all conditions of the policy. These Extensions are limited to \$50,000 in respect of any one occurrence.

SECTION 2 - BLANKET EXTENSIONS		
Items	Extensions of Coverage	Amount of Insurance per occurrence
14.	Accrued Storage Charges	<b>\$50,000</b>
15.	Arson and Theft Reward	
16.	Consequential Loss - Off-premises Service Interruption	
17.	Contents at Insured or Insured's Employees Residence	
18.	Contents at Other than Specified Locations	
19.	Contents Temporarily Away from the Premises	
20.	Deferred Payment Plan Stock	
21.	Exhibition Floater	
22.	Fine Arts	
23.	Fines, Damages or Penalties for Breach of Contract	
24.	Installation Floater	
25.	Mobile Inventory Management Equipment	
26.	Mortgage Rate Guarantee	
27.	Moulds and Patterns	
28.	Property in Custody of Sales Representatives	

## SECTION 3

Except for Extensions 35., 40. and 56., the following Extensions of Coverage apply in addition to the limits of insurance stated on the Declaration Page(s) for the Building, the Contents or the Property of Every Description and are subject to all conditions of the policy.

<b>SECTION 3 - INDIVIDUAL EXTENSIONS</b>		
<b>Item</b>	<b>Extension of Coverage</b>	<b>Amount of Insurance per occurrence</b>
29.	Bailee's Customer	\$2,500
30.	Breakdown of refrigeration or heating equipment on vehicle	\$5,000
31.	Building by-laws	
31.1.	Value of undamaged portion	Included
31.2.	Cost of demolition	Included
31.3.	Increased cost of construction	10% / \$1,000,000
32.	Catch all Clause	\$25,000
33.	Computer System	\$25,000
	Computer Media	\$25,000
	Computer Data	\$25,000
34.	Condominiums - Common elements contents or common area contents	\$50,000
35.	Condominiums - Common expense	Included
36.	Condominiums - Trustees fees	\$50,000
37.	Condominiums - Property in custody	\$2,500 / \$50,000
38.	Condominiums - Unit Owners Additional Coverages	
38.1.	Contingent Condominium Unit Coverage	\$125,000
38.2.	Special Loss Assessment	\$125,000
38.3.	Betterments and Improvements	\$50,000
39.	Confiscation or Seizure of Property	\$2,500
40.	Consequential Loss - On Premises	Included
41.	Construction of Additions, Extensions, Alterations and Repairs	\$100,000
42.	Crane Operator's Insurance	\$5,000
43.	Debris Removal Expenses	10% / \$1,000,000
44.	Extra Expenses	\$25,000
45.	Growing Plants, Trees, Shrubs, Lawns or Flowers	\$25,000
46.	Land and Water Pollutant Clean Up Expenses	\$25,000
47.	Money and Securities	\$1,000
48.	Newly Acquired Contents	\$50,000 (Equipment) / \$10,000 (Stock) / (30 days)
49.	Newly Acquired Locations	\$500,000 (Building) / \$500,000 (Contents) / (90 days)
50.	New Generation	\$5,000
51.	Office Business Contents	\$5,000
52.	Peak Season Increase	25%
53.	Precious Metals	\$2,500
54.	Property in Transit	\$10,000
55.	Property Leased, Rented or Loaned	\$10,000
56.	Removal	60 days
57.	Roadways, Walkways and Parking Lots	\$50,000
58.	System Software Erasure	\$5,000
59.	Unscheduled Tool Floater	\$5,000

60.	Warehouseman's Legal Liability	\$10,000
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### SECTION 4

Item	SPECIAL PROVISIONS
	Basis of valuation - Replacement Cost
	Notice of Cancellation/Termination Amendment
	Territorial Limits
	Waiver of Deductible for a Major Loss

**Note: See the wording of each Extension for full conditions of coverage.**

SPECIMEN ONLY

# PROPERTY COVERAGE

In the event that more than one Extension of Coverage applies to the same property lost or damaged as a result of a single occurrence, only the Extension with the highest amount of insurance will apply. In the event a more specific coverage elsewhere in the policy applies to a loss covered by one of these Extensions, only the specific coverage will apply.

The following Extensions cancel and replace those existing on the Building and/or Contents - Broad Form, subject to the conditions, exclusions and limitations stipulated in this Form. The following Extensions of Coverage are not subject to a co-insurance requirement.

## EXTENSIONS OF COVERAGE

### SECTION 1 - BLANKET EXTENSIONS

The following Extensions of Coverage apply in addition to the limits of insurance stated on the Declaration Page(s) for the Building, the Contents or the Property of Every Description and are subject to all conditions of the policy, up to a total limit per occurrence as specified in the Summary of Coverages for this Section.

#### 1. ACCOUNTS RECEIVABLE

This Extension insures:

- 1.1. all sums due to the Insured from customers, provided the Insured is unable to collect such sums as the direct result of loss or damage to records of accounts receivable which are inside the **building** at the location designated on the Declaration Page(s);
- 1.2. interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectable by such loss or damage;
- 1.3. collection expense in excess of normal collection cost and made necessary because of such loss or damage;
- 1.4. other expenses, while reasonably incurred by the insured in reestablishing records of accounts receivable following such loss or damage.

**The Insurer shall not be liable for loss or damage:**

- 1.5. due to bookkeeping, accounting or billing errors or omissions;
- 1.6. 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;
- 1.7. 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.

#### 1.8. BASIS OF SETTLEMENT

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

- 1.8.1. determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;
- 1.8.2. calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve months immediately preceding the month in which the loss occurs, or such part thereof for which the Insured has furnished monthly statements to the Insurer, as compared with such average for the same months of the preceding year;
- 1.8.3. the amount determined under (1.8.1.) above, increased or decreased by the percentage calculated under (1.8.2.) above, shall be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;
- 1.8.4. the amount determined under (1.8.3.) 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 amount 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 uncollectable by the Insured. On deferred payment accounts receivable, unearned interest and service charges shall be deducted.

#### 2. BRANDS AND LABELS

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

#### 3. 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**, is legally liable for such damage, and the **building** is not otherwise insured under this Form.

#### 4. ENVIRONMENTAL (GREEN) UPGRADE

This Form is extended to cover:

- 4.1. any difference between the certified **green** cost and the established **replacement cost**;
- 4.2. any additional costs incurred by the Insured for the services of a **green authority**, in accordance with the design, construction, restoration or reconstruction of certified **green** property which suffered an insured loss; and
- 4.3. any additional costs incurred by the Insured to obtain the certification or the recertification of repaired or replaced insured property to be certified **green**;

following a loss or damage to **building(s)** and **equipment** directly caused by an insured peril.

For the purposes of this Extension of coverage, the Insured shall comply with the co-insurance clause applicable to the **building(s)** and **equipment**.

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

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

## 5. EXPEDITING EXPENSES

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

- 5.1. make reasonable temporary repairs;
- 5.2. expedite reasonable permanent repairs;
- 5.3. expedite permanent **replacement** of the insured property that has been lost or damaged by an insured peril.

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

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

## 6. FIRE OR POLICE DEPARTMENT SERVICE CHARGES

This Form is extended to cover service charges assessed when a fire or police department is called to save or protect the insured property from fire or another insured peril at the location specified on the Declaration Page(s).

This Extension of Coverage only provides reimbursement for service charges for which the Insured is liable and which have been received directly from:

- 6.1. the Insured's municipal fire or police department; or
- 6.2. a neighbouring municipality's fire department or police department for which there is an inter-municipal agreement.

## 7. FIRE SUPPRESSION RECHARGE EXPENSE

This Form is extended to cover any **fire suppression system** recharge expense (including system inspection expenses) incurred by the Insured due to the leakage or discharge of the fire suppressant within any **fire suppression system** at the **premises** of the Insured where such discharge or leakage is caused by or results from an insured peril.

Coverage under this Extension, may also be applied to the cost incurred during the policy period of upgrading any **fire suppression system** following loss or damage arising out of a fire to which this Form otherwise applies, and that caused such **fire suppression system** to discharge. The cost incurred for upgrading **fire suppression systems** does not apply to any **automatic sprinkler system** designed to protect the **building or contents**.

**Fire Suppression System** means special fire suppression equipment, which is not water based and has been designed and installed to conform with National Fire Protection Association (NFPA) guidelines.

**Automatic Sprinkler System** means a system that consists of an integrated network of piping designed in accordance with fire protection engineering standards that includes a water supply source, a water control valve, a water flow alarm and a drain. The system shall be activated by heat from a fire that automatically discharges water over the fire area.

## 8. PERSONAL PROPERTY OF OFFICERS, EMPLOYEES AND VOLUNTEERS

At the option of the Insured, **equipment** also includes personal property of officers, employees and volunteers of the Insured.

## 9. PROFESSIONAL FEES

This Form is extended to cover reasonable fees charged by auditors, accountants, lawyers, architects, surveyors, engineers or other professionals retained by the Insured, for the purpose of producing or certifying particulars or details of the Insured's business and that are required by the Insurer in connection with loss or damage caused to insured property by an insured peril.

This extension only applies to necessary and reasonable fees paid to professionals for producing and certifying any information that may be required by the Insurer in order to arrive at the loss payable under this Form.

This Extension of does not include the fees and cost of public adjusters.

## 10. PROOF OF LOSS AND INVENTORY PREPARATION EXPENSE

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

- 10.1. the preparation of a proof of loss; or
- 10.2. the preparation of inventories to help determine the amount of the loss.

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

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

## 11. REPLACEMENT OF LOCKS AND KEYS

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

## 12. TENANT LEASEHOLD INTEREST - RENTS

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

- 12.1. the unexpired term of the prior lease; or
- 12.2. 24 months from the date of loss;

whichever time period is shorter.

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

## 13. VALUABLE PAPERS AND RECORDS, COMPUTER DATA

This Form is extended to cover all risks of direct physical loss of or damage to **valuable papers and records** and **computer data**, and for the extra expense necessarily incurred in the reproduction of **valuable papers and records** and **computer data**, including the cost of gathering or assembling information or data for such reproduction.

**This Extension of coverage does not apply to:**

- 13.1. errors or omissions in processing or copying unless fire or explosion ensues and then only for such ensuing fire or explosion;
- 13.2. **money** or **securities**.

### DEFINITIONS

**Computer Data** means facts, concepts and information which is converted to a form useable for computer equipment and includes programs, software and coded instructions for the processing and manipulation of data or the direction and manipulation of such computer equipment.

**Money** means currency, coins, bank notes and bullion, traveller's cheques, registered cheques and money orders held for sale to the public.

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

**Valuable Papers and Records** means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts and electronically stored records.



## SECTION 2 - BLANKET EXTENSIONS

The following Extensions of Coverage apply in addition to the limits of insurance stated on the Declaration Page(s) for the Building, the Contents or the Property of every description and are subject to all conditions of the policy, up to a total limit per occurrence as specified in the Summary of Coverages for this Section.

### 14. ACCRUED STORAGE CHARGES

This Form is extended to cover the amount of uncollectible accrued storage charges that arise from loss of or damage caused by an insured peril to the movable property of others that is stored or transported by the Insured. No coverage is provided for storage charges that are more than 30 days in arrears.

### 15. ARSON AND THEFT REWARD

In the event of loss or damage to the insured property that results from an act of arson or theft, for which coverage is afforded under this policy, this Form is extended to reimburse the Insured for rewards paid for information directly leading to convictions for the act of arson or theft, or for the recovery of stolen property.

The Insurer's liability under this Extension shall not be increased by the number of people who provide information.

This Extension is limited to a maximum recovery of 25% of such loss, up to the amount specified on the Summary of Coverages under Section 2.

### 16. CONSEQUENTIAL LOSS - OFF-PREMISES SERVICE INTERRUPTION

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

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

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

### 17. CONTENTS AT INSURED RESIDENCE OR INSURED'S EMPLOYEES RESIDENCE

This Form is extended to insure **contents** while at the residence of the Insured or the Insured's employees.

### 18. CONTENTS AT OTHER THAN SPECIFIED LOCATIONS

This Form is extended to cover **contents**, while at a location not owned, rented, or controlled in whole or in part by the Insured. This Extension applies while the **contents** are anywhere in the world.

### 19. CONTENTS TEMPORARILY AWAY FROM THE PREMISES

This Form is extended to cover **contents** temporarily removed from the premises described on the Declaration Page(s), while at an unnamed location anywhere in the world.

### 20. DEFERRED PAYMENT PLAN STOCK

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

### 21. EXHIBITION FLOATER

This Form is extended to cover loss or damage caused directly to the insured property by an insured peril, from the time the property insured leaves any **premises** of the Insured, while in transit to and from any exhibition site and while at such exhibition site.

### 22. FINE ARTS

This Form is extended to cover fine arts that are the property of the Insured or the property of others for which the Insured may be liable, while at the premises described on the Declaration Page(s).

Fine arts includes paintings, etchings, pictures, tapestries and other bona fide works of art such as valuable rugs, statuary, marbles, bronzes, antique furniture, books, antique silver, manuscripts, porcelains, glass and bric-a-brac, that are rare, are of historical value or that are of artistic merit.

### 23. FINES, DAMAGES OR PENALTIES FOR BREACH OF CONTRACT

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

### 24. INSTALLATION FLOATER

This Form is extended to cover property, while in transit or otherwise, which is in the process of installation, construction, repair or reconstruction, or any other job in connection with the operations of the Insured, provided that:

24.1. the Insured is the owner, or has care, custody or control and may be held responsible for the property described above; and

24.2. such property is intended to enter into and form part of the project performed by the Insured.

The Insurer shall be liable for up to the amount of Insurance specified in the Summary of Coverages under this Section 2 on property at any single project site.

#### Property Excluded

This Form does not insure property while located on any **premises** owned, leased or occupied by the insured.

#### Cessation of Coverage

This insurance will be terminated:

24.3. at the beginning of use or occupancy of any part or section of the project unless such use or occupancy is for:

24.3.1. construction purposes;

24.3.2. office or habitational purposes;

24.3.3. installing, testing or storing equipment or machinery;

24.4. 30 days after completion of the installation; or

24.5. the expiration of this insurance;

whichever occurs first.

### 25. MOBILE INVENTORY MANAGEMENT EQUIPMENT

Notwithstanding what is provided under exclusion 1.3 Electrical Devices, Appliances or Wiring, of the Building and/or Contents - Broad Form, this Form is extended to cover loss of or damage to **mobile inventory management equipment** including **data** and **media**, caused by an insured peril. This Extension applies to property only while away from the **premises**.

Paragraph 2.16 Data Exclusion, of the Building and/or Contents - Broad Form, does not apply to this Extension of coverage.

Insurance under this Extension does not apply to loss due to electrical or magnetic injury, computer viruses, malware or any form of malicious code, or the disturbance or erasure of electronic recordings, except by lightning.

**Mobile inventory management equipment** means mobile computers, computerized equipment and related component parts that are used away from the **premises** solely to manage and control inventory.

## 26. MORTGAGE RATE GUARANTEE

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

The new mortgage must be the same term, amortization, and interest rate option of the previous mortgage.

Indemnity shall be based on the difference between the mortgage rate in effect on the date of the loss and the new mortgage rate, based on the outstanding mortgage balance.

This Extension will continue:

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

whichever occurs first.

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

## 27. MOULDS AND PATTERNS

This Form is extended to cover moulds and patterns which are the property of the Insured, or the property of others in the custody of the Insured and for which the Insured is liable.

## 28. PROPERTY IN CUSTODY OF SALES REPRESENTATIVES

This Form is extended to cover insured property, whether in transit or otherwise, in the custody of sales representatives.

## SECTION 3 - INDIVIDUAL EXTENSIONS

Except for Extensions 35. CONDOMINIUMS - COMMON EXPENSE, 40. CONSEQUENTIAL LOSS - ON PREMISES, and 56. REMOVAL, the following Extensions of coverage apply in addition to the limit of insurance stated on the Declaration Page(s) for the Building, Contents, or the Property of Every Description, and are subject to all conditions of the policy, up to an individual limit per occurrence as specified in the Summary of Coverages for this Section, unless stated otherwise on the Declaration Page(s).

## 29. BAILEE'S CUSTOMER

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

- 29.1. on the **premises** for the purpose of the Insured performing the business service or professional service described on the Declaration Page(s);
- 29.2. 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.

## 30. BREAKDOWN OF REFRIGERATION OR HEATING EQUIPMENT ON VEHICLE

This Form is extended to cover loss or damage to insured property from sudden or accidental breakdown or failure of refrigeration or heating equipment forming part of the transporting vehicle owned, rented or leased by the Insured, subject to the following conditions:

- 30.1. It is warranted that the Insured and/or his agents shall exercise due diligence in maintaining in complete working order all refrigeration or heating units and related equipment, in accordance with the manufacturer's specified precautions and service procedures. If the Insured fails to maintain written records of such maintenance or fails to inspect, repair or otherwise keep such units and related equipment in good working order, there will be no coverage for loss or damage to cargo caused by or resulting from changes in temperature.
- 30.2. The Insurer is not liable if at the time of loss or damage there is any other insurance that would be attached if this Extension had not been effected. This coverage shall apply only as excess and in no event as contributing insurance and then only after all other insurance has been exhausted.

## 31. BUILDING BY-LAWS

In the event of loss or damage, by the perils insured against under this policy, to buildings described on the Declaration Page(s), this Form is extended to cover:

- 31.1. loss occasioned by the demolition of any undamaged portion of the **building**;
- 31.2. the cost of demolishing and clearing the site of any undamaged portion of the **building**;
- 31.3. any increase in the cost of repairing, replacing, constructing or reconstructing the damaged portion of the **building** on the same site or on an adjacent site, of like height, floor area and style, and for like occupancy.  
This Extension (31.3) also covers an additional amount, if the policy limit is exhausted, for up to 10% of the limit of insurance stated on the Declaration Page(s) for the Building, subject to the maximum amount stated in the Summary of Coverages for this Extension under Section 3.;

arising from the enforcement of the minimum requirements of any by-law, regulation, ordinance or law which regulates zoning or the demolition, repair or construction of damaged **buildings**, and is in force at the time of such loss or damage.

**This Extension of coverage does not insure against:**

- 31.4. 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; or
- 31.5. 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**; or
- 31.6. 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
- 31.7. the enforcement of any by-law, regulation, ordinance or law which would apply in the absence of a loss; or
- 31.8. the enforcement of any by-law, regulation, ordinance or law that the Insured was required to comply with prior to the loss but failed to do so.

## 32. CATCH ALL CLAUSE

In the event of a claim being made under any Extension specified under Section 3 of this Form, and following the application of all terms, deductibles, and conditions applicable to the Extension, if the amount of insurance is insufficient to fully indemnify the Insured for loss or damage, then the insurance under this Form is extended to provide additional coverage, in excess of any such adjusted claim.

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

- 32.1. the difference between the amount payable, under the adjusted claim(s), and the amount required to fully indemnify the Insured; or
- 32.2. the amount of insurance specified for this Extension in the Summary of Coverages for this Extension under Section 3.;

whichever is the lesser amount.

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

The Insurer shall not be liable for more than the amount shown in the Summary of Coverages for this Extension under Section 3. in any one occurrence, no matter how many Extension limits are insufficient.

### 33. COMPUTER SYSTEMS, MEDIA AND DATA BREAKDOWN

This Form is extended to cover loss or damage to **computer systems**, **computer media** or **computer data** on the **premises** due to:

- 33.1. mechanical breakdown, faulty construction or error in design; or
- 33.2. short circuit, blow-out or other electrical, electronic or magnetic disturbance:
  - 33.2.1. within a **computer system**; or
  - 33.2.2. caused by lightning;
- 33.3. failure, breakdown or malfunction of **computer system** when **computer media** is being run through a **computer system** and the **computer media** fails, breaks down, or malfunctions.

In addition, this Extension covers the extra expenses necessarily incurred to reprogram or replace any **computer data** that is disturbed or erased as the direct result of such loss or damage.

**This Extension of coverage does not apply to:**

- 33.4. errors or omissions in processing or copying of **computer media** or **computer data**;
- 33.5. computer viruses, harmful code or similar instructions introduced into or enacted on a **computer system**, equipment or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation;
- 33.6. loss or damage caused directly or indirectly by any change or interruption to electric power, if the change originates more than 1000 feet away from the **premises** insured containing the **computer system**, **computer media** or **computer data**.

**Computer Data** means facts, concepts and information which is converted to a form useable for computer equipment and includes programs, software and coded instructions for the processing and manipulation of **data** or the direction and manipulation of such computer equipment.

**Computer Systems** means electronic office equipment including computer servers, component parts, networks, mainframes, accounting machines, drives, associated peripheral equipment, and any storage devices that are used for **computer data** storage and processing.

**Computer Media** means the material on which **computer data** are stored.

### 34. CONDOMINIUMS - COMMON ELEMENTS CONTENTS OR COMMON AREA CONTENTS

This Form is extended to cover loss or damage to **common elements contents** or **common area contents** at the **premises**, not otherwise insured.

**Common elements contents** or **Common area contents** means furniture, furnishings, fittings, fixtures, machinery, and appliances other than the **building**. The property must be located in a common area of the **building** which is openly accessible to all occupants of the **building**.

### 35. CONDOMINIUMS - COMMON EXPENSE

The Insurer agrees to indemnify the **Condominium Corporation** for the loss of such obligatory contributions towards common expenses 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 expenses during the time that the **unit(s)** remain unoccupied and untenable due to loss or damage insured by this Policy.

### 36. CONDOMINIUMS - TRUSTEES FEES

This Form is extended to cover reasonable and customary fees paid by the **Condominium Corporation** or by any **unit** owner to an insurance trustee for services provided following insured loss or damage. The use of an insurance trustee must be required by the Condominium Declaration and the Insurance Trust Agreement.

This Extension of Coverage shall be limited to a maximum recovery, corresponding to the amount of Insurance specified in the Summary of Coverages for this Extension, provided the amount of the fee or fees levied does not exceed two percent (2%) of the loss sustained and otherwise payable under this Form, without regard to the benefit under this Extension.

### 37. CONDOMINIUMS - PROPERTY IN CUSTODY

This Form is extended to cover loss or damage to the property of **unit** owners, only if the **Condominium Corporation** accepts such property for custody or safekeeping.

This Extension of Coverage shall be limited to an amount per **unit** owner and maximum amount per occurrence as specified in the Summary of Coverages for this Extension under Section 3.

### 38. CONDOMINIUMS - UNIT OWNERS' ADDITIONAL COVERAGES

#### 38.1. Contingent Condominium Unit Coverage

This Form is extended to cover for loss or damage by an insured peril to the **Insured's unit**, but only to the extent that said **unit** is not so insured by the **Condominium Corporation** or to the extent that building insurance purchased by the **Condominium Corporation** on behalf of its **unit** owners is not effective or is inadequate.

#### 38.2. Special Loss Assessment

This Form is extended to cover 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.

#### 38.3. Betterments and Improvements

This Form is extended to cover loss or damage by an insured peril to improvements or betterments made or acquired by the owners of condominium units that have become a permanent part of the **building**.

For the purposes of this Extension, **Insured** means the individual Condominium **unit** owner.

### 39. CONFISCATION OR SEIZURE OF PROPERTY

Notwithstanding exclusion 1.11. Property Illegally Acquired of the Building and/or Contents - Broad Form, 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, this Form is extended to cover such loss.

This Extension shall not apply if the Insured was aware they were purchasing illegally acquired property.

### 40. CONSEQUENTIAL LOSS - ON PREMISES

This Form is extended to cover physical loss of or damage to **stock**, while on the **premises**, caused by:

- 40.1. dampness or dryness of atmosphere; or
- 40.2. change of temperature;

directly resulting from physical loss of or damage to **building** or **equipment**, including, while located on the **premises**, their supply or transmission lines and pipes and their connections furnishing **services**.

The physical loss of or damage to **building** or **equipment** must directly result from an insured peril.

**Services** means electricity, water, gas or steam.

### 41. CONSTRUCTION OF ADDITIONS, EXTENSIONS, ALTERATIONS AND REPAIRS

If not insured elsewhere, this Form is extended to cover property in course of construction that forms part of an addition, extension or alteration to the **building** on the **premises**, including:

- 41.1. materials and supplies;
- 41.2. landlord's permanent fittings and fixtures to be attached to the **building**;
- 41.3. scaffolding, falsework, forms, hoardings, excavation, site preparation, temporary structures, and similar work;
- 41.4. fences, foundations, other supports, frescoes, machinery and equipment for building services;
- 41.5. landscaping.

#### 42. CRANE OPERATOR'S INSURANCE

This Form is extended to cover property in the care, custody or control of the Insured, owned by the Insured's customers and for which the Insured may be held legally liable, against any loss or damage caused by accident while such property is being lifted or moved on the **project site** by cranes or hoisting equipment, during erection or elevation operations.

**Project site** means any work site at which the Insured has been contracted to do work usual to the operations of the Insured.

#### 43. DEBRIS REMOVAL - ADDITIONAL EXPENSES

This Form is extended to cover expenses incurred by the Insured in the removal from the **premises** of:

- 43.1. debris of the insured property, occasioned by loss or damage insured under this Form;
- 43.2. debris or other property which is not insured by this Form but which has been blown by windstorm upon the **premises**.

This Extension also covers additional debris removal expense, if the policy limit is exhausted, for up to 10% of the limit of insurance stated on the Declaration Page(s) for the Building, the Contents or the Property of Every Description, subject to a maximum amount stated in the Summary of Coverages for this Extension under Section 3.

**This Extension of coverage does not apply to costs or expenses:**

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

#### 44. EXTRA EXPENSES

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

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

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

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

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

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

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

#### 45. GROWING PLANTS, TREES, SHRUBS, LAWNS OR FLOWERS

This Form is extended to cover loss of or damage to growing plants, trees, shrubs, lawns or flowers outside the **building** and caused by an insured peril.

#### 46. LAND AND WATER POLLUTANT CLEAN UP EXPENSES

Notwithstanding the pollution exclusion 2.15. provided in the Building and/or Contents - Broad Form, this Form is extended to cover expenses incurred for the **clean up** of **pollutants** from land or water at the **premises**, provided the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants**:

- 46.1. arises directly from loss or damage due to an insured peril to insured property at the **premises**; and
- 46.2. is sudden, unexpected and unintended from the standpoint of the Insured; and
- 46.3. first occurs during the policy period.

##### 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 365 days of the spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of **pollutants** for which **clean up** expenses are being claimed.

##### Limit of Insurance

The maximum amount of insurance under this Extension during any one annual policy period shall not exceed in the aggregate, the amount of insurance specified in the Summary of Coverages for this Extension under Section 3.

##### No automatic reinstatement

Notwithstanding the Reinstatement Clause in the General Conditions Form to which this Form is attached, the amount of insurance specified for this Extension will be reduced, following a loss, by the amount payable.

**This Extension of coverage does not apply to:**

- 46.4. expenses for **clean up** away from or beyond the **premises** resulting from any spill, discharge, emission, dispersal, leakage, seepage, migration, release or escape of **pollutants**, even if the **pollutants** emanated from the **premises**;
- 46.5. expenses for **clean up** of any spill, discharge, emission, dispersal, leakage, seepage, migration, release or escape of **pollutants** that began before the effective date of the policy;
- 46.6. fines, penalties, punitive or exemplary damages;
- 46.7. 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.

##### 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, unless the Insured has no other valid and collectible insurance, in which case this policy shall be primary.

#### 47. MONEY AND SECURITIES

This Form is extended to cover **money** and **securities** used in and incidental to the Insured's business (as evidenced by the Insured's account records) while on the **premises** of the Insured as specified on the Declaration Page(s) or away from such **premises** while being carried or held strictly incidentally to the Insured's business.

**Money** means currency, coins, bank notes and bullion.

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

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, unless the Insured has no other valid and collectible insurance, in which case this Extension shall be primary.

#### 48. NEWLY ACQUIRED CONTENTS

This Extension is only applicable if **contents** are insured under this policy.

This Form is extended to cover newly acquired **stock** and **equipment**.

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

- 48.1. for a period of 30 days; or
  - 48.2. to the date of endorsement of this Form adding such **stock** and **equipment**; or
  - 48.3. until the expiry date of this policy;
- whichever occurs first.

#### 49. NEWLY ACQUIRED LOCATION

This Form is extended to cover **buildings** and **contents** at any newly acquired location, other than any location(s) already described on the Declaration Page(s), that is owned, rented or controlled by the Insured for the purposes stated on the Declaration Page(s).

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

- 49.1. for the number of days shown in the Summary of Coverages for this Extension under Section 3.; or
  - 49.2. to the date of endorsement of this form adding such location; or
  - 49.3. until the expiry date of this policy;
- whichever occurs first.

#### 50. NEW GENERATION

This Form is extended to cover any increase in the replacement cost of **equipment** which has been lost or damaged as a direct result of perils insured against and which the Insured elects to replace with **equipment** of a newer generation, provided that the replacement equipment performs the same function and is of like quality as that lost or destroyed.

Coverage will only apply in the event of the total loss of the insured property. In case of a partial loss to the insured property, the basis of settlement will be applied according to the terms elsewhere in this Form.

#### 51. OFFICE BUSINESS CONTENTS

This Form is extended to cover loss or damage to **office business contents** at the location described on the Declaration Page(s).

**This Extension does not apply to:**

- 51.1. **valuable papers and records**;
- 51.2. fine arts; including paintings, etchings, pictures, tapestries and other bona fide works of art such as valuable rugs, statuary, marbles, bronzes, antique furniture, books, antique silver, manuscripts, porcelains, glass and bric-a-brac, that are rare, are of historical value or that are of artistic merit.

**Office business contents** means generally all contents usual to the Insured's business including computer equipment, furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances other than **building** or **stock**.

**Valuable Papers and Records** means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts and electronically stored records.

#### 52. PEAK SEASON INCREASE

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

#### 53. PRECIOUS METALS

Notwithstanding exclusion 1.6. Money, Precious Metals and Securities, of the Building and/or Contents - Broad Form, this Form is extended to cover bullion, platinum, or other precious metals or alloys used for commercial, professional or industrial purposes in the business of the Insured.

#### 54. PROPERTY IN TRANSIT

This Form is extended to cover insured property while in transit, other than unscheduled tools, anywhere in the world, for any one loss caused by an insured peril.

Loading and Unloading

Coverage is extended to include direct physical loss or damage to insured property while being loaded or unloaded from a vehicle.

Additional Conditions:

- 54.1. coverage during loading shall not attach until the insured property is in the custody of the Insured or a common carrier or contract carrier for the purpose of transport;
- 54.2. coverage during unloading shall cease when the insured property leaves the custody of the Insured or a common carrier or contract carrier.

## 55. PROPERTY LEASED, RENTED OR LOANED

Notwithstanding exclusion 1.10. of the Building and/or Contents - Broad Form, this Form is extended to cover insured property while leased, rented, loaned or entrusted to others for a period not exceeding thirty (30) days. This Extension of coverage is not applicable to commercial businesses whose main source of income consists of leasing property to other individual or entities.

## 56. 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 60 days only, or for the unexpired term of the policy if less than 60 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.

## 57. ROADWAYS, WALKWAYS AND PARKING LOTS

This Form is extended to cover loss or damage to roadways, walkways, parking lots, other exterior paved surfaces, retaining walls or permanently installed landscape structures on the **premises** outside the **building**.

## 58. SYSTEM SOFTWARE ERASURE

In the event that:

58.1. electronic recordings, upon which production machinery or inventory control systems at the **premises** are dependent, or

58.2. electronic recordings of **data** pertaining to the movable property of others stored or transported by the insured;

are disturbed or erased by artificial electric or magnetic currents, this Form is extended to cover the extra expense necessarily incurred to reprogram or replace such recordings.

### Limit of Insurance

The maximum amount of insurance under this Extension during any one annual policy period shall not exceed in the aggregate, the amount of insurance specified in the Summary of Coverages for this Extension under Section 3.

### No coverage is provided for:

58.3. Errors or omissions in **data** entry or programming.

58.4. Damage caused by computer viruses, malware or any form of malicious code.

Clause 2.16., **Data Exclusion**, provided under the Building and/or Contents - Broad Form, does not apply to the coverage provided by this Extension.

## 59. UNSCHEDULED TOOL FLOATER

This Form is extended to cover loss of or damage to unscheduled portable tools caused by an insured peril.

## 60. WAREHOUSEMAN'S LEGAL LIABILITY

This Form is extended to cover the liability imposed by law upon the Insured as a warehouseman for direct physical loss of or damage to property of others while at the locations described on the Declaration Page(s).

In addition to this amount, the Insurer will pay expenses incurred for defence costs and related expense, and any accrued interest after entry of judgment upon that part of the judgment which is within the applicable amount of Insurance.

### This Extension does not insure:

60.1. any liability assumed by the Insured beyond the liability imposed by law in the absence of a contract or agreement;

60.2. the loss of perishable merchandise caused by or resulting from a partial or total electrical failure of a refrigeration or heating system.

# SPECIAL PROVISIONS

The Special Provisions Section of the BUILDING AND/OR CONTENTS - BROAD FORM, is amended as follows:

Section 5. Basis of Valuation, is deleted and replaced by the following:

## 5. BASIS OF VALUATION - REPLACEMENT COST

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

5.1. unsold **stock**: the **replacement cost** of the property at the time and place of loss or damage, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;

5.2. sold **stock**: the selling price after allowance for discounts;

5.3. obsolete or used **stock**: on the basis of actual cash value;

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

5.5. tenant's improvements:

5.5.1. if repaired or replaced with due diligence and dispatch, the amount actually and necessarily expended, but not exceeding the replacement cost of the tenant's improvements at the time and place of loss or damage;

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

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

5.6.1. the cost of blank materials for reproducing the records; and

5.6.2. the costs of labour to transcribe or copy the records when there is a duplicate;

5.7. **buildings**: Loss shall be settled on the basis of **replacement cost**;

5.8. all other insured property under this Form and for which no more specific conditions have been set out: the **replacement cost** 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;

5.9. glass including any lettering, ornamentation or burglar alarm foil thereon, shall be settled on the basis of **replacement cost**, including:

5.9.1. repairing or replacing frames immediately encasing and contiguous to such damaged glass when necessary;

5.9.2. installing temporary plates in or boarding up openings containing such glass when necessary because of unavoidable delay in repairing or replacing such damaged glass;

- 5.9.3. removing or replacing any obstruction, other than window displays, when necessary in replacing such damaged glass, lettering or ornamentation;
- 5.10. patterns, dies, moulds: **replacement cost**, only if they have been used in production within 24 months from the time of loss or damage.

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.

- 5.11. **Replacement cost** means whichever is the least of the cost of replacing, repairing, constructing or reconstructing the property on the same site with new property of like kind and quality and for like occupancy without deduction for depreciation. Wherever in this coverage the Insurer agrees to make settlement on the basis of replacement cost, such agreement shall only apply subject to the following provisions:

- 5.11.1. replacement shall be effected by the Insured with due diligence and dispatch;
- 5.11.2. settlement on a replacement cost basis shall be made only when replacement has been effected by the Insured and in no event shall it exceed the amount actually and necessarily expended for such replacement;
- 5.11.3. 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 clause is applicable shall be on the basis of replacement cost as defined herein;
- 5.11.4. this clause applies separately to each items listed on the Declaration Page(s);
- 5.11.5. failing compliance by the Insured with any of the above provisions, settlement shall be made on the basis of actual cash value.

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 clause.

Exclusions

**This clause does not apply to:**

- 5.11.6. paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelain, rare glassware, bric-a-brac or other articles of art, rarity or antiquity;
- 5.11.7. business records, including those which exist on electronic or magnetic media (other than pre-packaged software program);
- 5.11.8. any increase in the cost of replacement occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law;
- 5.11.9. property that is obsolete or that has not been maintained in good or workable condition.
- 5.12. Any coinsurance calculation shall be based on a valuation of **replacement cost**.

The following clauses are added to the Special Provisions:

**9. NOTICE OF CANCELLATION/TERMINATION AMENDMENT**

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

Except for: (i) cancellations for non-payment of premium, and/or (ii) a written notice of termination personally delivered to the Insured, the number of day notice by the Insurer as stated in the Notice of Cancellation or Termination clause(s) contained in this policy is amended to 60 days.

**Applicable to Québec policies**

It is agreed that the 30-day prior cancellation notice, provided under paragraph 28.2 of the CANCELLATION Section under the General Conditions form to which this wording is attached, is increased from 30 to 60 days, and that therefore paragraph 28.2 now reads as follows:

**28. THIS POLICY MAY BE CANCELLED AT ANY TIME:**

- 28.2. By the Insurer giving written notice to each of the Named Insured, at their last known address, at least 15 days before the effective date of cancellation by reason of non payment of premium or 60 days before the effective date of cancellation for any other reason. Cancellation takes effect 15 or 60 days after receipt of the written notice, depending upon the reason for cancellation. The Named Insured is entitled to a refund of the excess premium actually paid over the pro-rata premium for the expired time. If the premium is subject to adjustment or determination as to amount, the refund shall be made as soon as practicable.

**10. TERRITORIAL LIMITS**

Except as otherwise provided, this Form only covers property within Canada and the United States of America.

**11. WAIVER OF DEDUCTIBLE FOR A MAJOR LOSS**

Except for covered loss or damage caused by earthquake, sewer back-up, flooding and any other type water damage, the deductible limit stated on the Declaration Page(s) does not apply if the amount of the indemnity is higher than \$250,000.

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

# PRIVACY BREACH LIABILITY

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SPECIMEN ONLY



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

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

ANY CLAIM MUST FIRST BE MADE AGAINST THE INSURED DURING THE POLICY PERIOD OF THIS FORM AND MUST BE REPORTED TO THE INSURER DURING THE POLICY PERIOD OF THIS FORM OR DURING THE EXTENDED REPORTING PERIOD IN ACCORDANCE WITH THE EXTENDED REPORTING PERIOD SECTION.

Coverage as provided by this Form may also be provided elsewhere in the policy or by another policy issued to the Named Insured by the Insurer. In the event of any such coverage duplication or overlap, only the coverage as provided by this Form will apply.

The amount the Insurer will pay under the following Insuring Agreements is limited as Described in SECTION V – LIMITS OF INSURANCE AND SUPPLEMENTARY PAYMENTS.

No deductible applies to coverage provided under this Form.

1. Coverage under the following Insuring Agreements applies to **privacy breach compensatory damages** and **legal fees or defence expense** due to **privacy breach** that:
  - 1.1. takes place anywhere in the world, except for countries against which the Government of Canada has imposed economic or trade sanctions, provided the Insured's responsibility to pay **privacy breach compensatory damages** is determined in an **action** on the merits in Canada or in a settlement based on the law in Canada and to which the Insurer agrees in writing; and
  - 1.2. first takes place, or is first activated, within the policy period of this Form.
2. Any **claim** must first be made against the Insured during the policy period of this Form and must be reported to the Insurer during the policy period of this Form or during the extended reporting period in accordance with the Extended Reporting Period section.

Subject to this condition, a **claim** is deemed to have been made at the earlier of the following times:

- 2.1. When notice of such **claim** is received by an officer of the Named Insured or by the Insurer, whichever notice comes first; or
- 2.2. When an officer of the Named Insured first becomes aware of a **privacy breach** that may reasonably be expected to result in a **claim** and written notice of such **privacy breach** is provided to the Insurer as soon as reasonably practicable, stating the reasons for anticipating a **claim**, including:
  - 2.2.1. the specific **privacy breach**;
  - 2.2.2. the dates and individuals involved;
  - 2.2.3. the identities of anticipated or possible claimants; and
  - 2.2.4. the circumstances by which the officer of the Named Insured first became aware of the **privacy breach**.

## SECTION I – INSURING AGREEMENTS

### INSURING AGREEMENT A – PRIVACY BREACH LIABILITY

The Insurer agrees to pay sums that the Insured shall become legally obligated to pay to any person or entity that is not an Insured as **privacy breach compensatory damages**.

### INSURING AGREEMENT B – LEGAL FEES OR DEFENCE EXPENSE – LIABILITY FOR PRIVACY BREACH

Insurance granted by this Form shall also apply to **legal fees or defence expense** because of a covered **claim** to which this Form applies.

No other fees, costs or expenses are covered under this Form.

If the Insurer is prevented by law or otherwise from defending the Insured, the Insurer will reimburse the Insured for **legal fees or defence expense** incurred with the consent of the Insurer.

The 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.

The Insurer, at its sole discretion, may reimburse the **legal fees or defence expense** either directly to the Insured or pay the **legal fees or defence expense** invoice to another entity on the Insured's behalf.

## SECTION II – EXTENDED REPORTING PERIOD

### Extended Reporting Period

Coverage as provided by this Form is subject to an automatic extended reporting period, but only if the coverage provided by this Form is cancelled by the Named Insured, is not renewed by the Named Insured, or is cancelled by the Insurer for any reason other than the non-payment of premium. No extended reporting period is available in the event of cancellation due to the non-payment of premium.

The extended reporting period starts with the expiration date and time of the policy period of this Form and ends no later than ninety (90) consecutive days after such expiration date and time.

The automatic extended reporting period applies only to the reporting of **claims** for **privacy breach** committed prior to the effective date of cancellation or non-renewal. Any such **claim** first reported during the extended reporting period shall be considered a **claim** made during the policy period. The extended reporting period does not change the coverage provided by this Form, does not extend the policy period and does not alter or reinstate the limits of insurance of this Form.

The extended reporting period does not apply to any **claim** or **privacy breach** that is covered under any subsequent insurance in effect for the Insured, whether or not the limits of such subsequent insurance have been exhausted or not.

## SECTION III – EXCLUSIONS

This insurance does not apply to any **claim**, **privacy breach compensatory damages**, or **legal fees or defence expense**, arising directly or indirectly from or in any way involving:

### 1. Contractual Liability

Liability assumed by the Insured under any contract or agreement except to the extent that the Insured would have been liable in the absence of such a contract or such an agreement.

### 2. Patent Infringement

Actual or alleged infringement, use, misappropriation or disclosure of a patent or of patent rights whether foreign or Canadian.

### 3. Intentional Acts or Proceedings

Any criminal or penal proceeding, or any intentional, criminal, fraudulent, malicious, mischievous or dishonest acts of the Insured, or of any authorized representative of the Insured, whether acting alone or in collusion with others or at the direction of the Insured.

### 4. Infringement of Intellectual Property Rights

Theft of or failure to prevent unauthorized use of or unauthorized access to, intellectual property, trade dress, trademarks, copyrights or trade secrets of any kind.

### 5. Publication or Dissemination

Publication or dissemination, in any manner, of material that slanders or libels a person or organization or that disparages a person's or an organization's goods, products or services.

### 6. Professional Services

- 6.1. The Insured's professional advice or professional services, or failure of the Insured to provide such professional advice or professional services; or
- 6.2. Any regulatory or disciplinary action related to an Insured's profession or to the profession of an **employee** or authorized representative of the Named Insured.

### 7. Bankruptcy or Insolvency

Bankruptcy or insolvency of the Insured or of any supplier to the Insured.

### 8. Extortion or Blackmail

Extortion or blackmail. This Exclusion 8. shall not apply to **privacy breach** due directly to the carrying out of **cyber extortion**.

### 9. Prior Knowledge and Pending Matters

- 9.1. Any fact, circumstance or occurrence known to the Insured prior to the effective date of this Form or about which the Insured should reasonably have known prior to the effective date of this Form; or
- 9.2. Any civil proceeding, arbitration proceeding, alternative dispute resolution proceeding, demand, investigation, litigation or other proceeding that occurred before or is pending as of the effective date of this Form.

### 10. Unexplained Loss

Unexplained deletion, loss, disappearance or diminution of **electronic data, private information** or non-computer, non-electronic or non-digital data including paper files and paper records.

### 11. Electronic Data

Corruption of, inability to gain access to, inability to properly manipulate or misconfiguration of **electronic data**.

### 12. Bodily Injury or Property Damage

- 12.1. **Bodily injury**; or
- 12.2. **Property damage**.

### 13. Fines and Penalties

Fines, penalties, sanctions, taxes, levies or assessments of any nature, including:

- 13.1. fines, fees or damages for breach of contract or for late or non-completion of orders or payments; or
- 13.2. levies or assessments that are related to payment cards or to Payment Card Industry Standards.

### 14. Information Technology Security

**Privacy breach**, except for theft of non-computer or non-electronic data, arising out of a failure of the Insured, or of any authorized representative of the Insured, to diligently deploy updated functional security software including anti-malware software, anti-ransomware software, security patches, smart phone operating system and software updates, including a functional hardware firewall and, for each computer, a functional software firewall. Such deployment should be completed 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 this item 14.:

- 14.1. available security patches available in response to computer or data security threats as such threats are recognized and specified by any CERT entity, or available otherwise; or
- 14.2. available smart phone operating system and software updates;

that are not applied automatically or semi-automatically must be applied by the Insured as soon as practicable following the Insured's discovery of a **privacy breach** related to a security vulnerability that is addressed by a patch or by such an operating system or software update.

In any event, such patch or update must be applied no later than thirty (30) days following a security patch or a smart phone operating system update being made available by a software developer, a software supplier, smart phone operating system provider or by an information technology security specialist.

### 15. Mechanical Breakdown and Service Interruption

- 15.1. Mechanical failure, breakdown, short circuit or wear and tear of computing hardware, software or any of their components; or
- 15.2. Electrical disturbance or interruption of internet service or electrical power supply.

### 16. Terrorism

**Terrorism** or 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 such **claim, privacy breach, privacy breach compensatory damages, legal fees or defence expense**.

### 17. Pollution

- 17.1. The actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape at any time of any solid, liquid, gaseous or thermal irritant, contaminant or waste.
- 17.2.
  - 17.2.1. A request, demand, order or statutory or regulatory requirement that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects any solid, liquid, gaseous or thermal irritant, contaminant or waste; or
  - 17.2.2. Any civil proceeding, arbitration proceeding, alternative dispute resolution proceeding, demand, investigation, litigation or other proceeding by or on behalf of a governmental authority for **privacy breach 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 any solid, liquid, gaseous or thermal irritant, contaminant or waste.

## 18. Nuclear Energy

- 18.1. The *Nuclear Liability and Compensation Act of Canada*, any nuclear liability act, law or statute, or any law amending such act, law or statute;
- 18.2. **Privacy breach** 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 Form but for its termination upon exhaustion of its limit of insurance.
- 18.3. The radioactive, toxic, explosive, or other hazardous properties of **radioactive material** and arising from the:
  - 18.3.1. ownership, maintenance, operation or use of a **nuclear facility** by or on behalf of an Insured;
  - 18.3.2. furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility**;
  - 18.3.3. possession, consumption, use, handling, disposal or transportation of any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission 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 such **claim, privacy breach, privacy breach compensatory damages, legal fees or defence expense**.

## 19. Government Actions

Any governmental entity or regulatory body for any administrative, judicial or regulatory action or order. This exclusion does not apply to any **claim** brought by or on behalf of any governmental entity in its capacity as the Insured's customer.

## 20. Coverage Disputes and Insured Claimant

- 20.1. A dispute or an action of any kind between the Insured and the Insurer; or
- 20.2. The Insured as a claimant. However, this exclusion does not apply when the claimant is an **employee** of the Named Insured.

## 21. War, State-Sponsored Activity, Hostile Cyber Activity, Economic Sanctions

Any means, methods or techniques of engaging in:

- 21.1. War, including cyber warfare, hybrid warfare, undeclared war or civil war;
- 21.2. Warlike action, including action in hindering or defending against an actual or expected attack, either directly or indirectly performed, ordered or sponsored by any:
  - 21.2.1. government, sovereign or other authority;
  - 21.2.2. agent, branch, subdivision or entity of any government, sovereign or other authority; or
  - 21.2.3. other person or organization acting on behalf of any government, sovereign or other authority; or
- 21.3. Espionage, illegal activity or vandalism either directly or indirectly performed, ordered or sponsored by any:
  - 21.3.1. government, sovereign or other authority;
  - 21.3.2. agent, branch, subdivision or entity of any government, sovereign or other authority; or
  - 21.3.3. other person or organization acting on behalf of any government, sovereign or other authority;
- 21.4. **Hostile cyber activity** either directly or indirectly performed, ordered or sponsored by any:
  - 21.4.1. government, sovereign or other authority;
  - 21.4.2. agent, branch, subdivision or entity of any government, sovereign or other authority; or
  - 21.4.3. other person or organization acting on behalf of any government, sovereign or other authority; or
- 21.5. Economic sanctions by any:
  - 21.5.1. government, sovereign or other authority;
  - 21.5.2. agent, branch, subdivision or entity of any government, sovereign or other authority; or
  - 21.5.3. other person or organization acting on behalf of any government, sovereign or other authority; or
- 21.6. Insurrection, rebellion, revolution or usurped power;

including but not limited to means, methods or techniques that: (a) are physical, kinetic, cyber or economic; (b) are offensive or defensive; or (c) impact a government, sovereign or other authority, or impact individual persons, individual organizations or any groups(s) or persons or organizations;

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to such **claim, privacy breach, privacy breach compensatory damages, legal fees or defence expense**.

## SECTION IV – WHO IS AN INSURED

The Insured is the Named Insured as shown in the Declaration Page(s).

The Insured also includes the following:

1. if the Named Insured is an individual or a partnership, spouses are included, but only with respect to the ownership and conduct of the Named Insured's business;
2. any present partner, **employee** or shareholder of the Named Insured, while acting on behalf of the Named Insured with respect to acts performed on behalf of the Named Insured in that capacity;
3. if the Named Insured is a trust, trustees are included, but only with respect to the conduct of the Named Insured trust;
4. any company created or acquired by the Named Insured provided the Insurer is notified within ninety (90) days of such creation or acquisition.

No person or organization is an Insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declaration Page(s).

## SECTION V – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declaration Page(s) and subject to the rules below, are the most the Insurer will pay under this Form in any one policy period regardless of the number of:
  - 1.1. Insureds;
  - 1.2. **claims**; or
  - 1.3. claimants.
2. The Insurer's right and duty to defend ends when the Insurer has used up the applicable Limits of Insurance shown in the Declaration Page(s) in the payment of **privacy breach compensatory damages and legal fees or defence expense**.

### INSURING AGREEMENT A – PRIVACY BREACH LIABILITY

#### 1. Limit of Insurance – Aggregate

The Privacy Breach Liability Limit of Insurance – Aggregate specified in the Declaration Page(s) is the most the Insurer will pay under this Form for **privacy breach compensatory damages** arising from all **claims** under Insuring Agreement A – Privacy Breach Liability in any one policy period.

#### 2. Limit of Insurance – Each Claim

Subject to the Privacy Breach Liability Limit of Insurance – Aggregate, the Privacy Breach Liability Limit of Insurance – Each Claim specified in the Declaration Page(s) is the most the Insurer will pay for **privacy breach compensatory damages** arising from any one **claim** under Insuring Agreement A – Privacy Breach Liability.

### INSURING AGREEMENT B – LEGAL FEES OR DEFENCE EXPENSE – LIABILITY FOR PRIVACY BREACH

Except where this policy is governed by the insurance laws of the Province of Québec, all **legal fees or defence expense** related to this Form shall reduce and exhaust the Limits of Insurance stated in the Declaration Page(s) applicable to Insuring Agreement A – Privacy Breach Liability. In the Province of Québec, **legal fees or defence expense** related to this Form are payable by the Insurer in addition to the Limits of Insurance stated in the Declaration Page(s) for this Form.

## SECTION VI – DEFINITIONS

For the purpose of this Form:

1. **Action** means a civil proceeding in which **privacy breach compensatory damages** to which this Form applies are alleged. **Action** includes:
  - 1.1. an arbitration proceeding in which such **privacy breach compensatory damages** are claimed and to which the Insured must submit or does submit with the Insurer's consent; or
  - 1.2. any other alternative dispute resolution proceeding, in which such **privacy breach compensatory damages** are claimed and to which the Insured submits with the Insurer's consent.
2. **Bodily injury** means:
  - 2.1. physical injury, including death, sickness, disease or pain, sustained by a person; and
  - 2.2. pain and suffering, shock, and mental or emotional distress, anguish or mental injury.
3. **Claim** means:
  - 3.1. a written demand or written request for **privacy breach compensatory damages**; or
  - 3.2. an **action**.
4. **Cyber extortion** means a demand that originates from outside the insured entity, made to the Insured for money, currency or something else of value in exchange for not carrying out a threat to commit **privacy breach**. **Cyber extortion** also means a threat to disseminate, without authorisation, data that are **private information** or to deny, impede, to make unavailable or otherwise disrupting access to such data.
5. **Electronic data** means information, facts or programs in any form or representations of information or concepts in any form stored as or on, created or used on, or transmitted to or from computer or data processing software (including systems and application software), memory devices, data processing devices or any other media that are used with electronically controlled equipment.
6. **Employee** includes any manager, any director or officer, a **leased worker** or a volunteer worker. **Employee** does not include any independent contractor.
7. **Hostile cyber activity** means any actual or attempted:
  - 7.1. Access or use of any computer, computer system or network by unauthorized persons or organizations (including access or use by persons or organizations in a manner that exceeds their authority), regardless of whether such access affects the functionality of such computer, computer system or network alters, deletes, corrupts, or denies access to any data stored therein; or
  - 7.2. Operations directed at any computer, computer system, or network to:
    - 7.2.1. Alter, delete, corrupt, or deny access to any computer, computer system or network or to any data stored therein;
    - 7.2.2. Partially or totally disrupt or disable the functioning of any computer, computer system, or network or any related physical infrastructure; or
    - 7.2.3. Cause:
      - 7.2.3.1. **Bodily injury**;
      - 7.2.3.2. Physical injury to tangible property; or
      - 7.2.3.3. Loss of use of tangible property regardless of whether such property is physically injured; outside of any computer, computer system, or network.
8. **Leased worker** means a person leased to the Insured by a labour leasing firm under an agreement between the Insured and the labour leasing firm, to perform duties related to the conduct of the Insured's business. **Leased worker** does not include a temporary worker.
9. **Legal fees or defence expense** means the following expenses, when reasonable and necessary and incurred with the Insurer's written consent or at the Insurer's direction in the defence of a **claim** against the Insured:
  - 9.1. fees of the Insured's attorney;
  - 9.2. experts' fees, excluding the fees or expenses of public adjusters;
  - 9.3. judicial costs including but not limited to judicial stamps and fees for bailiffs, stenography and translation;
  - 9.4. loss of salary for an **employee** of the Named Insured, up to a maximum of \$500 per day and due directly to attendance to court for an **action** when such attendance is at the Insurer's request or is in response to a formal summons;

- 9.5. premiums on bonds to release charges or attachments for an amount not in excess of the applicable Limit of Insurance of this Form and all premiums on bonds required in any such defended **action**, but without any obligation to apply for or furnish such bonds;
- 9.6. 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;
- 9.7. other necessary costs that are incurred by the 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 Insured following an **action** to which this Form applies;
- 9.8. expenses incurred directly by the Insurer, as deemed expedient by the Insurer, for investigation, negotiation and defence of **claims**.

**Legal fees or defence expense** also means such expenses when incurred by the Insurer for the investigation, negotiation and defence of a claim against the Insured.

**10. Nuclear facility means:**

- 10.1. any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
- 10.2. any equipment or device designed or used for:
  - 10.2.1. separating the isotopes of plutonium, thorium and uranium or any one or more of them;
  - 10.2.2. processing or packaging waste;
- 10.3. any equipment or device used for the processing, fabricating or alloying of plutonium, thorium, or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them, if at any time the total amount of such material in the custody of the Insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- 10.4. any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste **radioactive material**;

and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.

**11. Privacy breach** means unauthorized use of, unauthorized access to, or theft of:

- 11.1. **electronic data** that are **private information**; or
- 11.2. non-computer, non-electronic or non-digital data (including paper files and paper records) that are **private information**.

**Privacy breach** also includes the loss of, corruption of, inability to gain access to, or inability to properly manipulate, as a consequence of sub-paragraph 10.1., **electronic data** that are **private information**.

**12. Privacy breach compensatory damages** means damages due or awarded as indemnification for actual **privacy breach** loss. **Privacy breach compensatory damages** do not include punitive or aggravated damages or the multiple portion of any multiplied damage award.

**13. Private information** means non-public and personal information:

- 13.1. as established by Canadian federal or provincial law, regulation, statute or ordinance, regardless of the coverage territory that applies to this Form; and
- 13.2. in regard to any person or entity that is not an Insured; and
- 13.3. that is such information possessed by, managed by, entrusted to, or held by the Insured.

**Private information** includes, irrespective of item 12.2. above, such information of **employees** of the Named Insured.

**14. Property damage** means physical injury to tangible property, including all resulting loss of use of such property.

**15. 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 the *Nuclear Liability and Compensation Act of Canada*, any nuclear liability act, law or statute (or any law amending such act, law or statute) as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy.

**16. Terrorism** means an ideologically motivated unlawful act or acts, including, the use of violence or force or threat of violence or force, committed by or on behalf of any group, organization or government for the purpose of influencing any government or instilling fear in the public or a section of the public.

## SECTION VII – GENERAL CONDITIONS

Except where this Form is governed by the laws of insurance of the Province of Québec, coverage under this Form is subject to the following Conditions. No other Conditions apply to coverage under this Form. In Québec, the General Conditions are provided under Form 240.0e, General Conditions; please refer to that form.

**1. Notice of Claim**

Upon the happening of **privacy breach** or any other occurrence that may give rise to a **claim** under this Form, the Insured shall give notice of **privacy breach** or any other occurrence to the Insurer as soon as practicable after notice has been received by an officer of the Named Insured.

Such notice shall contain all available information pertaining to the **privacy breach** that is obtainable at the time.

If a **claim** is made against the Insured, the Insured shall immediately forward to the Insurer every demand, notice, summons or other process received by the Insured or the Insured's representatives.

**2. Assistance and Cooperation**

- 2.1. The Insured shall cooperate with the Insurer and, upon the Insurer's request, assist in making settlements in the conduct of **actions** and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the Insured because of injury or damage to which this insurance applies.
- 2.2. The Insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

**3. Assumption of Liability**

The Insured shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expenses, without the Insurer's consent.

**4. Action Against Insurer**

- 4.1. No action shall lie against the Insurer unless, as a condition precedent to such action, there shall have been full compliance with all of the terms of this Form.
- 4.2. No action shall lie against the Insurer until the amount of the Insured's obligation to pay shall have been finally determined either by judgment against the Insured after actual trial, or by written agreement of the Insured, the claimant and the Insurer. However, the Insurer shall not be liable for **privacy breach compensatory damages** that are not payable under the terms of this Form or that are in excess of the applicable Limit of Insurance.
- 4.3. Unless another time limit is specified to the contrary in any Canadian province's Insurance Act governing this Form, every **action** or proceeding against the Insurer under this policy shall be commenced within two years of the date of such judgment or written agreement and not afterwards.
- 4.4. The sole venue for legal action related to this Form shall be in a court in Canada.
- 4.5. Nothing contained in this Form shall give any person or organization any right to join the Insurer as a co-defendant in any **claim** against the Insured to determine the Insured's liability.

## 5. Representations

By accepting this policy, the Insured agrees that statements made to the Insurer, including such statements within an application (if any) for this insurance are accurate, true and complete. All statements and representations of the Insured form the basis of this policy, which has been issued by the Insurer in reliance on such statements and representations of the Insured.

## 6. Other Insurance

- 6.1. The Insurer shall not be liable if, at the time of **privacy breach** covered by this Form, there is any other insurance provided by another Insurer that would have attached if this insurance had not been in effect. This insurance shall specifically exclude losses covered by such other valid insurance provided by another Insurer. This insurance shall apply only as excess insurance and in no event as contributing insurance and then only after all such other insurance has been exhausted.
- 6.2. The Insurer acknowledges the existence of any policies arranged to apply in excess of the insurance provided by this Form. The insurance provided by such excess policies shall be considered as excess and non-contributing insurance as far as the insurance provided under this Form is concerned and shall be held to attach and cover only after the insurance under this Form has been exhausted.

## 7. Subrogation

In the event of any payment under this Form, the Insurer shall be subrogated to the extent of such payment to all the Insured's rights of recovery against any third party. The Insurer shall have the right to control such subrogation. Where the amount of settlement exceeds the amount provided in aggregate by this Form and any other valid and collectible insurance, the Insured shall be entitled to all recovery until such excess has been made good to the Insured. The Insured shall execute all papers required and shall do everything necessary within the Insured's power to secure all such rights of recovery against any third party.

## 8. Cancellation and Termination

- 8.1. This Form may be terminated:
  - 8.1.1. in the event of non-payment of premium, the Insurer shall give to the Named Insured 15 days written notice of termination by registered mail or 5 days written notice by personal delivery;
  - 8.1.2. for any other reason other than termination for non-payment of premium, by the Insurer shall give the Named Insured 30 days written notice of termination by registered mail or personal delivery;
- 8.2. By the Named Insured at any time on written request. If no date is specified, termination takes effect upon receipt of the notice by the Insurer.
- 8.3. Where the Form is terminated by the Insurer:
  - 8.3.1. and where the premium is developed on other than an estimated basis, the Insurer will refund the excess of the paid premium for the time the Form has been in force, calculated pro rata; or
  - 8.3.2. where the premium is developed on an estimated basis, the Insurer will refund the excess of the premium above the premium earned, when determined.
- 8.4. Where the Form is terminated by the Named Insured:
  - 8.4.1. and where the premium is developed on other than an estimated basis, the Insurer will refund the excess of the paid premium above the short rate premium for the time the Form has been in force calculated in accordance with the short rate premium table in use by the Insurer, and subject to the retention of any minimum retained premium, provided by the Form; or
  - 8.4.2. where the premium is developed on an estimated basis, the Insurer will refund the excess of the paid premium above the premium earned, when determined, and subject to the retention of any minimum retained premium, provided by the Form.
- 8.5. Refund of premium may be made by money, postal or express company money order or by cheque payable at par.
- 8.6. The fifteen (15) days or thirty (30) days mentioned above in this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.
- 8.7. Premium adjustment may be made at the time cancellation is effected and if not, shall be made as soon as practicable after cancellation becomes effective but payment or tender of unearned premium is not a condition of cancellation.
- 8.8. In this condition the expression "paid premium" means premium actually paid by the Named Insured to the Insurer and does not include all or any part of any premium paid to the Insurer by an Agent unless actually paid to the Agent by the Named Insured.

## 9. Waiver

No notice to any Agent or knowledge possessed by any Agent or by any other person shall be held to affect a waiver or change in any part of this Form. The terms of this Form shall not be waived or changed except by endorsement issued to form a part of this Form.

## 10. Assignment

Assignment of interest under this Form shall not bind the Insurer until their consent is endorsed on this Form, except through change of title by succession, death or proceedings under any bankruptcy act.

## 11. Conformity to Statute and Severability

- 11.1. Any provision contained in this Form which is in conflict with any applicable statutory provision is amended to conform to such statutory provision.
- 11.2. If any provision contained in this Form is found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect.

## 12. Separation of Insureds

- 12.1. If more than one Insured is specified for this Form, the coverage shall apply in the same manner and to the same extent as though a separate Form had been issued to each Insured.
- 12.2. The inclusion under this Form of more than one Insured shall not operate to increase the limits of insurance under this Form.
- 12.3. Any breach of a condition of this Form by any Insured shall not affect the protection given by this Form to any other Insured who is not nor was not, a party to such breach of condition.

## 13. Canadian Currency Clause

All Limits of Insurance, amounts of insurance and other sums referenced in this Form and Declaration Page(s) are in Canadian currency.

## 14. Bankruptcy or Insolvency

Bankruptcy or insolvency of the Insured or of the Insured's estate shall not relieve the Insurer of any of its obligations under this Form.

# COMMUNICABLE DISEASE EXCLUSION ENDORSEMENT

This Endorsement Changes the Policy. Please Read It Carefully.

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

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

This endorsement is attached to and modifies all commercial liability coverage forms and endorsements in the policy, including but not limited to any of the following:

Commercial General Liability Max; Owners', Landlords' & Tenants' Liability; Farm Liability; Commercial Umbrella Coverage; Farm Umbrella Liability Coverage Form; Commercial Excess Liability; Directors and Officers Liability Coverage Section; Non-Profit Organization Liability Insurance Policy; Employment Practices Liability Coverage Section; Venture Investing and Private Equity Liability; Educational Liability; Fiduciary Liability Coverage Section; Professional Liability (Errors and Omissions); Malpractice Liability Form (Occurrence) For Nursing Homes, Medical Clinics and Other Medical Institutions; Excess Professional Liability (Errors and Omissions); and any extensions, clauses or additions of coverage to such liability forms, including exceptions to exclusions.

The following paragraphs are added to the Forms:

- 1.1. Notwithstanding any other provision of the policy to the contrary, this insurance does not apply to, and no coverage will be available for, any **claim, bodily injury, injury, property damage, personal injury, advertising injury, loss, compensatory damages, damages, defence costs, defence expenses** or other liability, loss, injury, damage, damages, cost, expense or other sum based upon, arising out of, in relation to, directly or indirectly resulting from, caused by or otherwise in connection with:
  - 1.1.1. a communicable disease, including fear or threat of a communicable disease (whether actual or perceived); or
  - 1.1.2. any actual, alleged or threatened virus, bacterium or other micro-organism that induces or is capable of inducing a communicable disease.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the **claim, bodily injury, injury, property damage, personal injury, advertising injury, loss, compensatory damages, damages, defence costs, defence expenses** or other liability, loss, injury, damage, damages, costs, expense or other sum.

- 1.2. The exclusion in paragraph 1.1. applies even if negligence or other wrongdoing is alleged against any **insured** in:
  - 1.2.1. supervising, hiring, employing, training or monitoring others who may be infected with and spread a communicable disease;
  - 1.2.2. testing or failure to test for a communicable disease, virus, bacterium or other micro-organism;
  - 1.2.3. the transmission, spread or failure to prevent the transmission or spread of a communicable disease, virus, bacterium or other micro-organism;
  - 1.2.4. the failure to report a communicable disease to authorities;
  - 1.2.5. any supervision, instructions, testing, reporting, recommendations, warnings or advice given, or which should have been given; or
  - 1.2.6. cleaning-up, removing, detoxifying or containing the virus, bacterium or other micro-organism.
- 1.3. Where this Communicable Disease Exclusion applies to a **claim**, any term, condition or provision contained in the policy relating to the allocation of **defence costs, defence expenses**, other **loss** or indemnity shall have no application.
- 1.4. This exclusion does not apply to:
  - 1.4.1. **bodily injury, property damage** or **personal injury** included in the **products-completed operations hazard** and arising directly from **fungi or spores**, but only if the policy includes the Commercial General Liability Max form or the Commercial Umbrella Coverage form and only to the extent such **bodily injury, property damage** or **personal injury** is insured under the applicable form(s); or
  - 1.4.2. **bodily injury** or physical injury to animals included in the **products-completed operations hazard** and arising directly from bacteria in **your product**, but only if **your product** is intended to be ingested by, or applied topically to, humans or animals and the policy includes the Commercial General Liability Max form; and only to the extent such **bodily injury** or physical injury to animals is otherwise insured under the Commercial General Liability Max form.

All other terms and conditions of the policy remain unchanged.

# PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES (PFAS) EXCLUSION

This Endorsement Changes the Policy. Please Read It Carefully.

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

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

This Endorsement is attached to and modifies each of the following liability coverage forms and endorsements specified in the Declaration Page(s) as forming part of this Policy:

COMMERCIAL GENERAL LIABILITY MAX;  
COMMERCIAL GENERAL LIABILITY POLICY CLAIMS MADE FORM;  
COMMERCIAL GENERAL LIABILITY FORM – CLAIMS MADE;  
OWNERS', LANDLORDS' & TENANTS' LIABILITY;  
FARM AND HOME LIABILITY;  
FARM LIABILITY;  
AGRICULTURAL BUSINESSES LIABILITY POLICY;  
COMMERCIAL UMBRELLA COVERAGE;  
COMMERCIAL EXCESS LIABILITY;  
FARM UMBRELLA LIABILITY;  
FARM UMBRELLA LIABILITY COVERAGE FORM;  
AGRICULTURAL BUSINESSES UMBRELLA LIABILITY POLICY;  
ANY EXTENSIONS, CLAUSES, OR ADDITIONS OF COVERAGE to the above base forms.

The following paragraphs are added to the Forms and apply to all coverage thereunder, including exceptions to exclusions:

1.1. This insurance does not apply to:

1.1.1. **Bodily injury, property damage, personal injury, advertising injury, compensatory damages**, punitive damages, exemplary damages or any other liability, loss, injury, damage, damages, cost, expense or other sum arising directly or indirectly, in whole or in part, out of the actual, alleged, threatened or suspected inhalation, ingestion, absorption, consumption, spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of, contact with, exposure to, existence of, or presence of, any **PFAS** at any time; or

1.1.2. Any loss, cost or expense arising directly or indirectly, in whole or in part, out of abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, decontaminating, stabilizing, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, any **PFAS**, by any Insured or by any other person or organization.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the **bodily injury, property damage, personal injury, advertising injury, compensatory damages**, punitive damages, exemplary damages or other liability, loss, injury, damage, damages, cost, expense or other sum.

2.1. For the purposes of the exclusion in paragraph 1.1. above, **PFAS** refers to per- or polyfluoroalkyl substance and means any:

2.1.1. Fluorinated substance containing at least one fully fluorinated methyl or methylene carbon atom without any hydrogen, chlorine, bromine or iodine atom attached to it, including but not limited to:

2.1.1.1. Perfluoroalkyl acids (PFAAs), such as perfluorooctanoic acid (PFOA) or perfluorooctane sulfonic acid (PFOS);

2.1.1.2. Perfluoroalkane sulfonyl fluorides (PASFs);

2.1.1.3. Perfluoroalkyl iodides (PFAIs);

2.1.1.4. Fluorotelomer-based substances;

2.1.1.5. Fluoropolymers;

2.1.1.6. Side-chain fluorinated polymers;

2.1.1.7. Per- and polyfluoroalkyl ethers (PFPEs); or

2.1.1.8. Perfluoropolyethers (PFPEs);

2.1.2. Associated homologues, isomers, salts, esters, alcohols, acids, precursor chemicals, derivatives, and related degradation products or by-products of any substance described in paragraph 2.1.1. above; or

2.1.3. Good or product that consists of or contains any chemical or substance described in paragraphs 2.1.1. or 2.1.2. above, or any containers, materials, parts or equipment furnished in connection with such good or product.

All other terms and conditions of the Policy remain unchanged.



# CYBER LOSS AND ELECTRONIC DATA LIABILITY EXCLUSION

This Endorsement Changes the Policy. Please Read It Carefully.

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

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

This Endorsement is attached to and modifies each of the following liability coverage forms and endorsements specified in the Declaration Page(s) as forming part of this Policy:

COMMERCIAL GENERAL LIABILITY MAX;  
COMMERCIAL GENERAL LIABILITY POLICY CLAIMS MADE FORM;  
COMMERCIAL GENERAL LIABILITY FORM – CLAIMS MADE;  
OWNERS', LANDLORDS' & TENANTS' LIABILITY;  
FARM AND HOME LIABILITY;  
FARM LIABILITY;  
AGRICULTURAL BUSINESSES LIABILITY POLICY;  
COMMERCIAL UMBRELLA COVERAGE;  
COMMERCIAL EXCESS LIABILITY;  
FARM UMBRELLA LIABILITY;  
FARM UMBRELLA LIABILITY COVERAGE FORM;  
AGRICULTURAL BUSINESSES UMBRELLA LIABILITY POLICY;  
ANY EXTENSIONS, CLAUSES, OR ADDITIONS OF COVERAGE to the above base forms, including exceptions to exclusions.

This Endorsement does not apply to the Privacy Breach Liability when such Form is attached to this Policy.

It is agreed that any Electronic Data exclusion (or any other exclusion of the same nature) that may be contained under one of the abovementioned Forms to which this Endorsement is attached, is deleted and replaced by the following exclusion. Otherwise, if the Form to which this Endorsement is attached does not contain an Electronic Data exclusion (or any other exclusion of the same nature), the following exclusion is added to such Form:

1. This insurance does not apply to **bodily injury, property damage, personal injury, advertising injury, compensatory damages**, punitive damages, exemplary damages or any other liability, loss, injury, damage, damages, cost, expense or other sum, incurred by you or others, arising out of the actual, alleged or threatened:
  - 1.1. **Cyber loss**;
  - 1.2. Loss of, loss of use of, damage to, misinterpretation of, misuse of, corruption of **electronic data**;
  - 1.3. The inability to access, process, store, transmit, intercept or manipulate **electronic data**.
2. For the purposes of this Endorsement, the following definitions are added to the **DEFINITIONS** section to which this Endorsement is attached:
  - 2.1. **Computer system** means any computer, hardware, software, electronic device, communication or control system (whether or not mobile or portable), including but not limited to any:
    - 2.1.1. Microcontroller or microprocessor;
    - 2.1.2. Server, cloud or networking equipment;
    - 2.1.3. Peripheral computer equipment, input, output or data storage device; or
    - 2.1.4. Application, program, process or code;owned, leased, rented, operated, or controlled by you or any other party.
  - 2.2. **Cyber act** means an unauthorized, malicious or criminal act or series of related unauthorized, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any **computer system**.
  - 2.3. **Cyber incident** means:
    - 2.3.1. Any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any **computer system**; or
    - 2.3.2. Any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any **computer system**.
  - 2.4. **Cyber loss** means any **cyber act** or **cyber incident** including, but not limited to, any action taken or failure to be taken, in controlling, preventing, suppressing, mitigating or remediating any **cyber act** or **cyber incident**.
3. For the purposes of this Endorsement only, it is agreed that if a definition of "Electronic data" is contained under the Form to which this Endorsement is attached, such definition is deleted and replaced by definition 2.5. below. Otherwise, if the Form to which this Endorsement is attached does not contain an Electronic Data definition, the following definition is added to the Definitions section of such Form:
  - 2.5. **Electronic data** means information, facts, concepts, programs, software or code stored as or on, created or used on, or transmitted in a form to be used, accessed, processed, transmitted or stored by a **computer system**.

All other terms and conditions of the Policy remain unchanged.

**O.E.F. 98B**  
**REDUCTION OF COVERAGE FOR LESSEES OR DRIVERS OF**  
**LEASED VEHICLES ENDORSEMENT**  
**(for attachment only to the Standard Non-Owned Automobile**  
**Policy S.P.F. No. 6)**

**1. PURPOSE OF THIS ENDORSEMENT**

This endorsement alters the coverage provided by this policy with respect to claims in Ontario for loss or damage arising directly or indirectly from the use or operation of a motor vehicle that is leased.

**2. HOW THE POLICY COVERAGE IS CHANGED**

- The Insurer also agrees to pay on behalf of every partner, officer or employee of the Insured who, in the business of the Insured stated in Item 3 of the application, leases an automobile **for a period of not more than 30 days** in their own name, all sums which such partner, officer or employee is legally obligated to pay as a result of liability imposed by law arising from the negligence of the driver of such leased automobile(s).
- The insurance provided under this policy with respect to leased automobiles is in excess of the underlying coverage available to the Insured or to the partner, officer or employee of the Insured.
- Underlying coverage available to the Insured or to the partner, officer or employee of the Insured includes any motor vehicle liability insurance that is required to respond to the liability of the driver or lessee of the leased automobile.

The terms leased, lease and lessee are used as equivalent to rented, rent and renter.

**Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect.**

# COMMERCIAL GENERAL LIABILITY COVERAGE

## LIABILITY EDGE 1.0

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This Endorsement Changes the Policy. Please Read It Carefully.

Attached to and forming part of the Commercial General Liability Max form shown on the Declaration Page(s).

Except as otherwise provided in this Form, the following Extensions of Coverage are subject to all terms, conditions, exclusions, stipulations and provisions applicable to the Commercial General Liability Max form, including the right and duty to defend and the provisions of the SUPPLEMENTARY PAYMENTS – COVERAGES A, B and D contained in SECTION I – COVERAGES.

Other words and phrases that appear in bold have special meaning. Refer to SECTION IV – DEFINITIONS of the Commercial General Liability Max form or in this Form. The definitions contained under this Form prevail over the definitions contained under the Commercial General Liability Max form.

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

## SUMMARY OF COVERAGES

Items	Extensions of Coverage	Limits of Insurance
1.	Building Materials Replacement Cost	\$10,000
2.	Crane and Hoist Operators' Liability	\$25,000
3.	Difference in Deductibles	\$10,000
4.	Employee Benefit Liability	\$2,000,000
5.	Employers Liability – Voluntary Compensation	Subject to Schedule of Benefits described in Extension of Coverage
6.	Employment Practices Liability	\$10,000
7.	Financial Loss Coverage	\$25,000
8.	Hoist, Elevator, Escalator or Lift Collision	\$50,000 Per Occurrence
9.	Limited Coverage for Failure of Product or Work to Meet Written Specifications	\$25,000
10.	Limited Pollution Liability Coverage (120 Hours)	\$10,000 (including Clean-up costs)
11.	Penal Defence Costs Coverage	\$10,000 Per Offence \$25,000 Aggregate
12.	Product Recall Expenses	\$25,000
13.	Trademark Infringement	\$10,000

## LIMITS OF INSURANCE

- The Limits of Insurance shown above in the Summary of Coverages or in the Declarations Page(s) are the most we will pay under the Extensions of Coverage described below, regardless of the number of Insureds, claims made or actions brought, or persons or organizations making claims or bringing actions. If a limit of insurance for an Extension of Coverage is shown on both the Summary of Coverages above and in the Declaration Page(s), the higher limit will apply.
- Unless otherwise stated, each Limit of Insurance stated above or in the Declaration Page(s) is:
  - An Aggregate Limit of insurance that is the most we will pay under the applicable Extension of Coverage during the **policy period** for the sum of all amounts payable under that Extension of Coverage; and
  - In addition to, and not part of, the Limit of Insurance - Each Occurrence Limit applicable to the Commercial General Liability Max form.
- The Aggregate Limits of insurance applicable to the Extensions of Coverage described below apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the **policy period**, unless the **policy period** is extended after issuance for an additional period of less than twelve (12) months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

## EXTENSIONS OF COVERAGE

In the event that more than one Extension of Coverage applies to the risk insured, only the Extension of Coverage with the highest limit of insurance will apply. In the event a more specific coverage elsewhere in the Policy applies to the risk insured by one of these Extensions of Coverage, only that specific coverage, and not the Extension of Coverage contained in this Form, will apply.

### 1. BUILDING MATERIALS REPLACEMENT COST

#### 1.1. INSURING AGREEMENT

- 1.1.1. We will pay the cost of labour to remove and/or replace building material products installed by or on behalf of the Insured which are in place and form part of any type of structure or other property constructed or being constructed by or on behalf of the Insured;

Provided that:

- 1.1.1.1. The removal and/or replacement is made necessary by the ascertainment that such products are defective to the extent they have been rejected by the owner of the structure or their accredited representative or by any municipal or other authority having jurisdiction of the structure; and
- 1.1.1.2. The defect arose out of the design, manufacture, blending, mixing or compounding of such products.
- 1.1.2. This insurance shall not apply to any products installed prior to the effective date of this Policy.

## 2. CRANE AND HOIST OPERATORS' LIABILITY

### 2.1. INSURING AGREEMENT

We will pay those sums that the Insured becomes legally obligated to pay as **compensatory damages**, including resultant loss of use, for direct physical loss or destruction of, or damage to, the property of others only while such property is being moved or lifted by any of the Insured's cranes or by any similar equipment owned or rented by the Insured from the commencement of hitching the property to the crane or other similar equipment, until the property is unhitched.

### 2.2. ADDITIONAL EXCLUSIONS

**This insurance does not apply to loss of or damage to property directly or indirectly caused by or resulting from:**

- 2.2.1. Criminal or willful acts or omissions of an Insured;
- 2.2.2. The weight of any load, including the load block and all rigging, exceeding any or all of:
  - 2.2.2.1. The maximum allowable load;
  - 2.2.2.2. The lifting capacity;
  - 2.2.2.3. The rated load; or
  - 2.2.2.4. Eighty-five percent (85%) of the minimum tipping load;any or all of which may be set out in the manufacturer's specifications, capacity tables or rating sheets for the particular unit involved;
- 2.2.3. The neglect of an Insured to use all reasonable means to save and preserve the property at and after any loss;
- 2.2.4. Consequential loss however caused; or
- 2.2.5. Any insufficient, defective, or improper processing of or work done upon such property.

## 3. DIFFERENCE IN DEDUCTIBLES

### 3.1. INSURING AGREEMENT

If other insurance is provided under a **Wrap-Up Liability Insurance Policy**, we agree to indemnify you with respect to any loss arising from **your work**, for the difference in deductibles where the amount of any deductible applicable to this insurance is less than the amount of any deductible applicable to such **Wrap up Liability Insurance Policy**.

### 3.2. DEFINITION

For the purposes of this Extension of Coverage:

**Wrap-Up Liability Insurance Policy** means any specific liability insurance procured by any owner or anyone on the owner's behalf which insures the owner, you, majority of contractors, sub-contractors and others, engaged on a specific construction project.

## 4. EMPLOYEE BENEFIT LIABILITY

### 4.1. INSURING AGREEMENT

We will pay those sums that the **Insured** becomes legally obligated to pay as **compensatory damages** because of a **wrongful act** in the **administration** of your **employee benefit programs**, provided that the claim is first made during the **policy period** within Canada.

A claim by a person or organization seeking **compensatory damages** will be deemed to have been made when notice of such claim is received and recorded by any **Insured** or by us, whichever comes first.

### 4.2. EXCLUSIONS

**This insurance does not apply to any claim based upon:**

- 4.2.1. Failure of performance of contract by an insurer, or any other party, including the **Insured**, obligated to afford the benefits;
- 4.2.2. The **Insured's** failure to comply with any law concerning workers' compensation, employment insurance, social security, disability benefits or any similar law;
- 4.2.3. Any insufficiency of funds to meet any obligation under any plan included in the **employee benefits program**;
- 4.2.4. Failure of any investment plan to perform as represented by an **Insured**; or
- 4.2.5. Any advice given by an **Insured** to an **employee** to participate or not to participate in any investment plan.

### 4.3. EXTENDED REPORTING PERIOD

If this Policy is cancelled or not renewed for any reason except non-payment of the premium, we will provide an automatic extended reporting period of sixty (60) days for insurance provided under this Extension of Coverage.

A claim first made during the extended reporting period will be deemed to have been made on the last day of the **policy period** provided that the claim occurred before the end of the **policy period** and that we are notified not later than sixty (60) days after the end of the **policy period**.

### 4.4. DEFINITIONS

For the purposes of this Extension of Coverage:

#### 4.4.1. Administration means:

- 4.4.1.1. Application of rules determining eligibility for participation to the **employee benefit programs**;
- 4.4.1.2. Calculation of service and compensation credits for benefits;
- 4.4.1.3. Preparation of **employee** communications material;
- 4.4.1.4. Maintenance of participants' service and employment records;
- 4.4.1.5. Preparation of reports required by government agencies;
- 4.4.1.6. Calculation of benefits;
- 4.4.1.7. Orientation of new participants and advising participants of their rights and options with respect to the **employee benefit programs**;
- 4.4.1.8. Interpreting the **employee benefit programs**;
- 4.4.1.9. Collection of contributions and application of contributions as provided in the **employee benefit programs** and book keeping;
- 4.4.1.10. Preparation of reports concerning participants' benefits; and
- 4.4.1.11. Processing of claims, effecting enrollment, termination or cancellation of **employees** under the **employee benefit programs**; provided all such acts are authorized by you.

4.4.2. **Employee** means your officer or your employee, whether actively employed, disabled or retired.

4.4.3. **Employee benefit programs** means one or more of the following types of insurance or plans maintained by you solely for the benefit of **employees**:

- 4.4.3.1. Group life insurance, group accident or health insurance, profit sharing plans, pension plans and stock subscription plans, investment plans, unemployment insurance, social security benefits, workers' compensation and disability benefits insurance; or
- 4.4.3.2. Any other similar **employee benefit programs** sponsored by you.

4.4.4. **Insured** means:

4.4.4.1. The Named Insured described in the Declaration Page(s); and

4.4.4.2. Each executive officer or any person employed by you and who is authorized to administer your **employee benefit programs**.

4.4.5. **Loss** means any event which gives rise to one or more claims.

4.4.6. **Wrongful act** means any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or other act done or wrongfully attempted by an **Insured** or any matter claimed, against an **Insured**, by reason of or in connection with the **administration** of the **employee benefit programs**.

**5. EMPLOYERS LIABILITY – VOLUNTARY COMPENSATION**

**5.1. INSURING AGREEMENT**

If Employers Liability Coverage is provided under the Commercial General Liability Max form, we will pay, voluntarily, the benefits set out below either to or on behalf of an **employee** of the Insured on account of **bodily injury**, accidentally suffered by such **employee** and arising out of and in the course of his employment by the Insured, whether or not such **bodily injury** could give rise to liability imposed by law upon the Insured;

Provided that:

5.1.1. 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 sub-paragraph, then we will be permitted, at any time in our discretion and without notice, to withdraw such offer to pay the said benefits, under which circumstances we 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 our agreement to pay such voluntary compensation benefits. In such event our obligation as expressed in other parts of the Policy having reference thereto will be available to the Insured and will be and remain our obligation as fully and completely as if this Extension of Coverage had not been written;

5.1.2. The benefits provided under this Extension of Coverage will 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 Declaration Page(s);

5.1.3. 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 we will be subrogated in any rights of such **employee** or person (excluding all services available under any *Hospital Insurance Act* or any other similar law) against anyone other than the Insured and/or that such rights be transferred to us;

5.1.4. We shall in no event be liable under this Extension of Coverage for any claims arising from hernia, however caused.

**5.2. SCHEDULE OF BENEFITS**

**5.2.1. 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 we will pay:

5.2.1.1. To dependants of the **employee** who were wholly dependent upon such **employee**, 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;

5.2.1.2. The actual funeral expenses not exceeding, however, the sum of \$500.

**5.2.2. 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, we 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.

**5.2.3. 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 us, we will pay, in addition to the benefits provided under Section II, **weekly indemnity** for a further period of one hundred (100) weeks.

**5.2.4. 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, we 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
<i>Loss or total irrecoverable loss of use of:</i>		<i>Loss or total irrecoverable loss of use of:</i>	
Arm: (a) at or above elbow; or (b) below elbow	100 80	Leg: (a) at or above knee; or (b) below knee	100 75
Hand at wrist	80	Foot at ankle	75
*Thumb: (a) at or above the second phalangeal joint; or (b) below the second phalangeal joint involving a portion of the second phalange	25 18	+ Great toe: (a) at or above the second phalangeal joint; or (b) below the second phalangeal joint involving a portion of the second phalange	15 8
* Index Finger: (a) at or above the second phalangeal joint; or (b) at or above the third phalangeal joint; or (c) below the third phalangeal joint, involving a portion of the third phalange	25 18 12	+ Any other toe: (a) at or above the second phalangeal joint; or (b) at or above the third phalangeal joint; or (c) below the third phalangeal joint, involving a portion of the third phalange	10 5 3
* Any other finger: (a) at or above the second phalangeal joint; or (b) at or above the third phalangeal joint; or (c) below the third phalangeal joint, involving a portion of the third phalange	15 8 5	Sight of one eye Sight of two eyes Hearing of one ear Hearing of both ears	50 100 25 100

\* 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**.

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

If such **bodily injury** necessitates medical or surgical treatment or confinement to hospital, we will pay in addition to all other benefits provided by this Form:

5.2.5.1. 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

5.2.5.2. 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.

5.3. SPECIAL CONDITION

We 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. This Special Condition will not be held to vary, waive or extend any of the terms, conditions, exclusions, stipulations and provisions applicable to the Policy, other than as stated above.

5.4. DEFINITION

For the purposes of this Extension of 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.

6. EMPLOYMENT PRACTICES LIABILITY

6.1. INSURING AGREEMENT

6.1.1. We will pay those sums that the Insured becomes legally obligated to pay as **compensatory damages** because of a **wrongful act** related to **employment practices** committed during the **policy period**.

6.1.2. For the purpose of determining the applicability of this insurance, all **wrongful acts** related to **employment practices** involving the same Insured, regardless of the number or type of **wrongful acts**, shall be deemed to have occurred on the date of the first **wrongful act**.

6.2. DEDUCTIBLE

Our obligation to pay **compensatory damages** on the Insured's behalf applies only to the amount of **compensatory damages** in excess of the \$1,000 deductible applicable to this Extension of Coverage.

6.3. EXCLUSIONS

**This insurance does not apply to:**

6.3.1. **Losses**, other than defence costs, which constitute:

6.3.1.1. **Benefits** due, or to become due, or the equivalent value of such **benefits** except where such **loss** is based upon a claim or **action** for actual or alleged wrongful dismissal, discharge or termination of employment;

6.3.1.2. Salary, wages, **benefits** or any other cost or expense you shall incur or be required to pay as economic relief if you are ordered, pursuant to a judgment or final adjudication, but fail to reinstate the claimant as an **employee**;

6.3.1.3. The costs of compliance with or the satisfaction or remedy of an undertaking, a direction, an order, a violation, a determination or a certificate negotiated, issued, made or committed under the *Employment Equity Act* of Canada, or any costs associated with any accommodation or affirmative action programme required by, pursuant to or ordered under the *Canadian Human Rights Act*; or

6.3.1.4. The costs of compliance with any order for or grant of or agreement to provide injunctive or non-pecuniary relief;

6.3.2. Claims or **actions** arising out of any violation of an obligation imposed by any act or regulation related to pay equity, workers' compensation, industrial accidents and occupational disease, occupational health and safety, employment insurance, welfare and social welfare, social security or old age security, retirement benefits or pension plan benefits, or disability benefits. However, this exclusion shall not apply to any claim or **action**:

6.3.2.1. For actual or alleged discrimination or employment-related; or

6.3.2.2. Arising out of any actual or alleged retaliatory treatment against the claimant by you on account of the claimant's exercise of rights pursuant to any such law;

6.3.3. Claims or **actions** arising out of any arrangement or plan related to the value of the stock, shares or security of the Insured including any stock purchase, stock-based awards, stock option plans, phantom stock, stock appreciation rights or any stock-based compensation plan;

6.3.4. Claims or **actions** arising out of any act committed by or at the direction of an Insured with the intent of contravening any law or any governmental or administrative rider or regulation;

6.3.5. Claims or **actions** arising out of the assumption of liability by you in an oral or written contract, but this exclusion does not apply to liability that you would have in the absence of the contract;

6.3.6. Claims or **actions** for bodily injury (except mental anguish and emotional distress) or damage to or destruction of any tangible property, including loss of use;

6.3.7. Claims or **actions** based upon, arising out of any lock-out, strike, picket line, replacement workers, actual or alleged unfair practices or other similar actions resulting from labour disputes or labour negotiations;

6.3.8. Claims or **actions** arising out of:

6.3.8.1. Your **insolvency**;

6.3.8.2. The closure of a business operation or location by you; or

6.3.8.3. Any re-organization of employees which results, within any sixty-day period, in the termination of the employment of twenty-five percent (25%) or more of your total workforce; or

6.3.9. Claims made or **actions** brought by relatives of an **employee** or by members of the household of an **employee**.

6.4. COVERAGE TERRITORY

This Extension of Coverage shall only cover claims made or **actions** brought in Canada in respect of **wrongful acts** committed in Canada and based on Canadian law.

6.5. OTHER INSURANCE

Notwithstanding what is provided for in any General Conditions form applicable to this Policy, if the Insured has other valid insurance against **compensatory damages** covered by this Extension of Coverage, the coverage that applies most specifically to the claim or the **action** shall be primary and the other coverage shall be excess.

## 6.6. DEFINITIONS

For the purposes of this Extension of Coverage:

- 6.6.1. **Action** means a civil proceeding in which damages because of **employment practices** to which this insurance applies are alleged. **Action** includes an arbitration proceeding to which you must submit or do submit with our consent.
- 6.6.2. **Benefits** means perquisites, fringe benefits, payments in connection with an **employee benefit plan** and any other payment, other than salary or wages, to or for the benefit of an **employee** arising out of the employment relationship.
- 6.6.3. **Employee** means an individual who was, now is, or shall be employed by you.
- 6.6.4. **Employee benefit plan** means any retirement, pension, supplemental pension, savings, retirement saving, profit sharing, deferred compensation, change of control, insurance, medical, hospital, dental, vision care, drug, sick leave, short term or long term disability, salary continuation, vacation pay or other employee benefit, plan, program, arrangement, policy or practice whether written or oral, formal or informal, funded or unfunded, registered or unregistered that is maintained or otherwise contributed to, or required to be contributed to for the benefit of an **employee**.
- 6.6.5. **Employment practices** means:
- 6.6.5.1. Wrongful dismissal, discharge or termination of employment;
  - 6.6.5.2. Breach of any oral or written employment contract;
  - 6.6.5.3. Violation of any law concerning discrimination in employment;
  - 6.6.5.4. Employment-related harassment, including sexual harassment or other harassment in the workplace;
  - 6.6.5.5. Wrongful deprivation of employment or promotion;
  - 6.6.5.6. Wrongful discipline;
  - 6.6.5.7. Employment-related invasion of privacy;
  - 6.6.5.8. Employment-related defamation;
  - 6.6.5.9. Employment-related wrongful infliction of emotional distress; and
  - 6.6.5.10. Employment-related misrepresentation.
- 6.6.6. **Insolvency** means:
- 6.6.6.1. The financial position of the Insured as a debtor as that term is defined and used within the provisions of the *Bankruptcy and Insolvency Act*, R.S.C. (1985), c. B-3 and, without limiting the generality of the foregoing, shall occur when any receiver, conservator, liquidator, trustee, sequestrator, court or similar provincial or federal official or a creditor takes control of, supervises, manages or liquidates the Insured; or
  - 6.6.6.2. A reorganization proceeding of the Insured under the *Companies' Creditors Arrangement Act*, R.S.C. (1985), c. C-36.
- 6.6.7. **Loss means compensatory damages** which you become legally obligated to pay on account of any claims made or **actions** brought against you for a **wrongful act**.
- 6.6.8. **Wrongful act** means any negligent act, error, omission, negligence, breach of duty or misleading statement related to **employment practices** actually or allegedly committed or commenced by you.

## 7. FINANCIAL LOSS COVERAGE

### 7.1. INSURING AGREEMENT

We will pay the amount that the Insured becomes legally obligated to pay as **compensatory damages** for any financial loss arising from:

- 7.1.1. A latent defect in **your product** or **your work**; or
- 7.1.2. An error made in instructions for use of **your product** or **your work**.

### 7.2. EXCLUSIONS

**This insurance does not apply to:**

- 7.2.1. Loss or damage arising out of any **bodily injury** or **property damage**;
- 7.2.2. Loss or damage arising out of any action based on the performance of a contract made by the Insured; or
- 7.2.3. Loss or damage caused by a delay in delivery.

## 8. HOIST, ELEVATOR, ESCALATOR OR LIFT COLLISION COVERAGE

### 8.1. INSURING AGREEMENT

- 8.1.1. We will pay the Insured for damage caused to any **elevator** or to **property insured** carried on such **elevators** caused by an accidental collision of the **elevator** with another object.
- 8.1.2. Property covered under this Extension of Coverage will be valued on an actual cash value basis at the time the damage occurs.

### 8.2. LIMIT OF INSURANCE

In addition to the provisions contained in Paragraph 1. of the Limits of Insurance section shown in this Form, the following provision applies to this Extension of Coverage:

The Limit of Insurance shown in the Summary of Coverages for this Extension of Coverage is a per occurrence limit and is the most we will pay under this Extension of Coverage for all damages arising out of any one collision.

### 8.3. ADDITIONAL EXCLUSIONS

**This insurance does not apply to:**

- 8.3.1. Loss of use of property owned by the Insured;
- 8.3.2. **Property damage** resulting directly or indirectly from the breaking, burning out or disrupting of any electrical machine not located within the **elevator**; or
- 8.3.3. **Property damage** resulting directly or indirectly from fire, however caused.

### 8.4. DEFINITIONS

For the purposes of this Extension of Coverage:

- 8.4.1. **Elevator** means:
- 8.4.1.1. Any hoisting or lowering device to connect floors or landings, whether or not in service, and all accessories of such hoisting or lowering devices, including any elevator car, platform, shaft, hoistway, stairway, runway, power equipment and machinery, but shall not include:
    - 8.4.1.1.1. Any bearing platform not exceeding nine square feet used exclusively for carrying property;
    - 8.4.1.1.2. Hod or material hoists used in connection with alterations, construction or demolition operations; or
    - 8.4.1.1.3. Inclined conveyers used exclusively for carrying property.
  - 8.4.1.2. Any hoist used for raising or lowering **automobiles** for lubricating and servicing; which is owned, rented, occupied, or used by you or is in your care, custody or control.



8.4.2. **Property insured** means property carried on an **elevator**, other than any hydraulic or mechanical hoist used for raising or lowering **automobiles** for lubricating or servicing, which is owned, leased or used by you or in your care, custody or control.

## 9. LIMITED COVERAGE FOR FAILURE OF PRODUCT OR WORK TO MEET WRITTEN SPECIFICATIONS

### 9.1. INSURING AGREEMENT

We will pay those sums that the Insured become legally obligated to pay as **compensatory damages** because of an **error** committed in the course of your **business operations** to which this insurance applies only if:

9.1.1. The **error** takes place in the **coverage territory**;

9.1.2. The **error** occurs during the **policy period**; and

9.1.3. Prior to the **policy period**, no Insured listed under Paragraph 1. of **SECTION II – WHO IS AN INSURED** of the Commercial General Liability Max form and no **employee** authorized by you to give or receive notice of an **occurrence** or claim, knew that the **error** had occurred.

### 9.2. DEDUCTIBLE

Our obligation to pay **compensatory damages** on the Insured's behalf applies only to the amount of **compensatory damages** in excess of the \$1,000 deductible applicable to this Extension of Coverage.

### 9.3. EXCLUSIONS

**This insurance does not apply to:**

9.3.1. Any claim arising out of or relating to **bodily injury, personal injury or advertising injury**;

9.3.2. Any claim arising out of or relating to **property damage** unless otherwise covered by this Extension of Coverage. This exclusion does not apply to loss of use of tangible property that is not physically damaged if the loss of use results from the failure of **your product or your work** to meet the **written specifications**;

9.3.3. Any claim arising out of **written specifications** that were not provided by the person or organization to whom the manufactured goods or products are sold;

9.3.4. Any claim arising out of any defect, deficiency or mistake in **written specifications**;

9.3.5. Any claim for costs or expenses incurred by any Insured for the repair or replacement of defective materials or workmanship in **your work**;

9.3.6. Any claim for an amount in excess of the cost for repair or replacement of **your product or your work** or the price at which **your product or your work** was sold to the customer, whichever is less;

9.3.7. Any claim arising out of or relating to cost guarantees, cost estimates or estimates of probable costs being exceeded;

9.3.8. Any claim for the return of all or any part of payments made to you by your customers for **your product or your work**;

9.3.9. Any liability assumed by any Insured under any written or verbal contract or agreement. This exclusion does not apply to a representation or warranty that **your product or your work** will substantially conform to the **written specifications**;

9.3.10. Any loss, cost or expense incurred by you or others arising out of or relating to the withdrawal or recall of **your work or your product or impaired property**, if such work or product or property is withdrawn or recalled from the market or from use by any person or organization because of a known defect, deficiency, inadequacy or dangerous condition in it;

9.3.11. Any dishonest, fraudulent, criminal or malicious act by or on behalf of any Insured or any person or organization for which the Insured is legally responsible;

9.3.12. Any **error** that occurred prior to the effective date of this Policy if any Insured at the effective date knew or could have reasonably foreseen that such an **error** might result in a claim or **action**;

9.3.13. Any **error** expected or intended by any Insured;

9.3.14. Any claim resulting from the actual or alleged violation of any anti-trust, restraint of trade, unfair trade practice, securities or other consumer protection law by an Insured;

9.3.15. Any **error** related to or arising from any actual or alleged liability for any legal remedy of any kind whatsoever (including 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 **error**.

#### 9.3.16.

9.3.16.1. Any **error** 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, clean up, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of **fungi or spores**;

9.3.16.2. Any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with sub-paragraph 9.3.16.1. above; or

9.3.16.3. Any obligation to pay damages, share damages with or repay someone else who must pay damages because of such **error** referred to in sub-paragraph 9.3.16.1. or 9.3.16.2. above.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the **error**.

#### 9.3.17.

9.3.17.1. Liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof;

9.3.17.2. Any **error** with respect to which an Insured under this Policy is also insured under a contract of nuclear energy liability insurance (whether the Insured is unnamed in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an Insured under any such policy but for its termination upon exhaustion of its limit of liability;

9.3.17.3. Any **error** resulting directly or indirectly from the **nuclear energy hazard** arising from:

9.3.17.3.1. The ownership, maintenance, operation or use of a **nuclear facility** by or on behalf of an Insured;

9.3.17.3.2. The furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility**; or

9.3.17.3.3. The possession, consumption, use, handling, disposal or transportation of **fissionable substances**, or of other **radioactive material** (except radioactive isotopes, away from a **nuclear facility**, which have reached the final stage of fabrication so as to be useable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an Insured.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the **error**.

9.3.18.

9.3.18.1. Any **error** arising out of the actual, alleged or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants**;

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

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

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

9.3.19. Any **error** due to the rendering of or failure to render by you or on your behalf of any **professional services** for others, or any error or omission, malpractice or mistake in providing those services. This exclusion does not apply to coverage provided by this Form because of an **error** committed in the course of your **business operations** to which this insurance applies;

9.3.20. Any **error** arising out of or related to the provision of consulting, advice, opinions, design or any other services in connection with any provincial Building Code(s) Regulation or Legislation;

9.3.21. Any **error** 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 **error**.

9.3.22. Any **error** 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 **error**.

9.4. DEFINITIONS

For the purposes of this Extension of Coverage:

9.4.1. **Business operations** means your operations described in the Declaration Page(s).

9.4.2. **Error** means any error, omission or negligent act by or on behalf of any Insured which results in the failure of **your product** or **your work** to meet the specifications described in **written specifications**, after final acceptance of **your product** or **your work** by your customer.

9.4.3. **Written specifications** means written specifications as to the nature and content of **your product** or **your work** purchased from the Insured, which are provided in advance by an Insured to the customer to whom **your product** or **your work** is being offered for sale.

10. LIMITED POLLUTION LIABILITY COVERAGE (120 HOURS)

Exclusion 4. POLLUTION under COMMON EXCLUSIONS – COVERAGES A, B, C AND D of SECTION I - COVERAGES from the Commercial General Liability Max form, is deleted and replaced by the following:

This insurance does not apply to:

4. POLLUTION

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

4.1.1. At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any Insured. However, this sub-paragraph does not apply to:

4.1.1.1. **Bodily injury** if sustained within a building and caused by smoke, fumes, vapour or soot from equipment used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

4.1.1.2. **Bodily injury or property damage** for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional Insured with respect to your ongoing operations performed for that additional Insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any Insured, other than that additional Insured;

4.1.1.3. **Bodily injury or property damage** arising out of heat, smoke or fumes from, or fire extinguishing substances used to fight, a **hostile fire**; or

4.1.1.4. **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**:

4.1.1.4.1. Results in the injurious presence of **pollutants** in or upon land, the atmosphere, drainage or sewage system, watercourse or body of water; and

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

4.1.1.4.3. Is reported to us within 120 hours of the detection of such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape; and

4.1.1.4.4. 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;

4.1.2. At or from any premises, site or location which is or was at any time used by or for any Insured or others for the handling, storage, disposal, processing or treatment of waste;

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

4.1.3.1. Any Insured; or

4.1.3.2. Any person or organization for whom you may be legally responsible; or

4.1.4. At or from any premises, site or location on which any Insured or any contractors or subcontractors working directly or indirectly on any Insured's behalf are performing operations if the **pollutants** are brought on or to the premises, site or location in connection with such operations by such Insured, contractor or subcontractor. However, this sub-paragraph does not apply to:

4.1.4.1. **Bodily injury or property damage** arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment or its parts, if such fuels, lubricants or other operating fluids escape from a permanent and integral mobile equipment part designed to hold, store or receive them. This exception does not apply if the **bodily injury or property damage** arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such Insured, contractor or subcontractor;

4.1.4.2. **Bodily injury or property damage** sustained within a building and caused by the release of gases, fumes or vapours from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor;

4.1.4.3. **Bodily injury or property damage** arising out of heat, smoke or fumes from, or fire extinguishing substances used to fight, a **hostile fire**; or

- 4.1.4.4. **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**:
- 4.1.4.4.1. Results in the injurious presence of **pollutants** in or upon land, the atmosphere, drainage or sewage system, watercourse or body of water; and
- 4.1.4.4.2. Is detected within 120 hours after the commencement of such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape; and
- 4.1.4.4.3. Is reported to us within 120 hours of the detection of such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape; and
- 4.1.4.4.4. 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; or
- 4.1.5. At or from any premises, site or location on which any Insured or any contractors or subcontractors working directly or indirectly on any Insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify, decontaminate, stabilize, remediate or neutralize, or in any way respond to, or assess the effect of **pollutants**.
- 4.2. Any loss, cost or expense arising out of any:
- 4.2.1. Request, demand, order or statutory or regulatory requirement that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify, decontaminate, stabilize, remediate or neutralize, or in any way respond to, or assess the effects of, **pollutants**; or
- 4.2.2. Claim or **action** by or on behalf of a governmental authority for **compensatory damages** because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, decontaminating, stabilizing, remediating or neutralizing, or in any way responding to, or assessing the effects of, **pollutants**.
- However, this Section 4.2. does not apply to liability for **compensatory damages** because of **property damage** that the Insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or **action** by or on behalf of a governmental authority.
- 4.3. DEDUCTIBLE
- 4.3.1. Our obligation to pay **compensatory damages** for **bodily injury or property damage** and loss, cost or expense for **clean up** under this Extension of Coverage applies only to the amount in excess of the \$1,000 deductible applicable to this Extension of Coverage.
- 4.3.2. 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**.
- 4.4. ADDITIONAL DEFINITIONS
- For the purposes of this Extension of Coverage:
- 4.4.1. **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**.
- 4.4.2. **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.

## 11. PENAL DEFENCE COSTS COVERAGE

### 11.1. INSURING AGREEMENT

We will pay for **legal costs** incurred by the Insured in the course of your **business operations**, in the defence of charges of a penal nature against the Insured under any law, provided that:

- 11.1.1. The Insured involved notifies us while this Policy is in force that they are the object of an inquiry or a charge has been laid against them or that they are compelled to stand trial or appear before a court of law; and
- 11.1.2. The Insured involved is not, in the end result, found guilty of an offence in respect of the charges laid or that such charges are withdrawn.

### 11.2. LIMITS OF INSURANCE

In addition to the provisions contained in the Limits of Insurance section shown in this Form, the following provisions apply to this Extension of Coverage:

- 11.2.1. The Per Offence Limit of Insurance shown in the Summary of Coverages in this Form is the most we will pay for the sum of **legal costs** under this Extension of Coverage arising out of any one offence. More than one offence involving the same charges or interrelated charges will be deemed to constitute a single offence.
- 11.2.2. The Aggregate Limit of Insurance shown in the Summary of Coverages in this Form is the most we will pay under this Extension of Coverage during the **policy period** for the sum of **legal costs** arising out of all offences.
- 11.2.3. The Per Offence Limit of Insurance applicable to this Extension of Coverage is a part of, and not in addition to, the Aggregate Limit of Insurance applicable to this Extension of Coverage.

### 11.3. EXCLUSION

This insurance does not apply to **legal costs** incurred in connection with any fact or circumstance known to the Insured prior to the effective date of this Policy (or of the initial policy issued by us if this Policy forms part of a continuous series of renewals).

### 11.4. SPECIAL CONDITIONS

In the event a single offence includes more than one charge, the reimbursement shall be prorated in the proportion that the number of charges for which you are found not guilty or which are withdrawn bears to the total number of charges.

### 11.5. DEFINITIONS

For the purposes of this Extension of Coverage:

- 11.5.1. **Business operations** means your operations described in the Declaration Page(s).
- 11.5.2. **Legal costs** means:
- 11.5.2.1. Attorneys' fees, subject to a maximum hourly rate of \$250;
- 11.5.2.2. Extrajudicial costs; and
- 11.5.2.3. Experts' fees, subject to a maximum of \$5,000.

## 12. PRODUCT RECALL EXPENSES

### 12.1. INSURING AGREEMENT

We will pay recall **expenses** if **your product** is withdrawn because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it, provided that:

- 12.1.1. The recall takes place in the **coverage territory** and begins during the **policy period**;
- 12.1.2. The **expenses** are incurred and reported to us within twelve (12) months of the date on which the recall began;
- 12.1.3. The recall is necessary to avoid **bodily injury, property damage, personal injury or advertising injury**; and
- 12.1.4. The recall has been ordered by either the manufacturer, a government entity, a legislative authority or arises out of a determination by you.

### 12.2. DEDUCTIBLE

Our obligation under this Extension of Coverage to pay **expenses** applies only to the amount of product recall **expenses** in excess of the \$1,000 deductible applicable to this Extension of Coverage.

### 12.3. EXCLUSIONS

**This insurance does not apply to expenses incurred for the recall or withdrawal of your product by reason of:**

- 12.3.1. Loss of customer confidence or any **expenses** incurred to regain customer confidence or other consequential loss;
- 12.3.2. Prior knowledge of the Insured at the inception of this Policy of any defect, deficiency, inadequacy or dangerous condition in **your product** known to you when such products were still in your possession, or the cost of rectifying said defect, deficiency, inadequacy or dangerous condition in **your product**.

### 12.4. SPECIAL CONDITIONS

12.4.1. You must, as soon as a recall is believed to be necessary or notified that **your product** must be withdrawn:

- 12.4.1.1. Notify us in writing immediately without delay; and
- 12.4.1.2. Assist us and any experts appointed by us in the investigation of any matter relative to the Insuring Agreement and Exclusions of this Extension of Coverage.

### 12.5. DEFINITIONS

For the purposes of this Extension of Coverage:

12.5.1. **Expenses** means the reasonable and necessary costs incurred:

- 12.5.1.1. For communications, including radio and television announcements and printed advertisements;
- 12.5.1.2. For telephone communications, stationery, envelopes, producing and printing announcements and postage;
- 12.5.1.3. For rental expenses for the shipping of, and additional warehouse space for, **your product**;
- 12.5.1.4. For cost to hire extra personnel or specialists on a temporary basis;
- 12.5.1.5. For overtime pay for regular **employees**;
- 12.5.1.6. By **employees**, including transportation or accommodation;
- 12.5.1.7. For reasonable legal fees incurred by you;
- 12.5.1.8. For destruction of **your product**, if such action is deemed to be absolutely essential; and
- 12.5.1.9. For inspection of the recalled product on the customer's premises or at the nearest appropriate place by you or on your behalf; but only when such **expenses** are incurred exclusively for the purpose of recalling or withdrawing **your product**.

## 13. TRADEMARK INFRINGEMENT

### 13.1. INSURING AGREEMENT

13.1.1. Notwithstanding any contrary provision contained under the Commercial General Liability Max form, we will pay those sums that the Insured becomes legally obligated to pay as **compensatory damages** because of **trademark infringement** to which this insurance applies.

13.1.2. This Extension of Coverage applies to **trademark infringement** caused by an offence committed in your **advertisement** but only if the offence was committed in the **coverage territory** during the **policy period**. We will consider any series of related or similar offences to be one offence.

### 13.2. ADDITIONAL EXCLUSIONS

**This insurance does not apply to trademark infringement:**

- 13.2.1. Arising out of publication of material, if done by or at the direction of the Insured with knowledge of its falsity;
- 13.2.2. Arising out of publication of material whose first publication took place before the beginning of the **policy period**;
- 13.2.3. Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the Insured;
- 13.2.4. For which the Insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for **compensatory damages** that the Insured would have in the absence of the contract or agreement;
- 13.2.5. Arising out of a failure of performance of contract, but this exclusion does not apply to the unauthorized appropriation of ideas based upon alleged breach of implied contract;
- 13.2.6. Arising out of an infringement of patent by use thereof on or in connection with goods, products, or services sold, offered for sale or advertised;
- 13.2.7. Arising out of an incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised; or
- 13.2.8. Arising out of any offence committed by any Insured whose business is:
  - 13.2.8.1. Advertising, broadcasting, publishing or telecasting;
  - 13.2.8.2. Designing or determining content of web-sites for others; or
  - 13.2.8.3. An Internet search, access, content or service provider.However, this exclusion 13.2.8. does not apply to:
  - 13.2.8.4. False arrest, detention or imprisonment;
  - 13.2.8.5. Malicious prosecution;
  - 13.2.8.6. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;

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

13.3. DEFINITIONS

For the purposes of this Extension of Coverage:

**Trademark infringement** means injury other than **bodily injury, property damage, personal injury** or **advertising injury** arising out of one or more of the following offences committed in the course of advertising of your goods, products or services:

Infringement of:

- 13.3.1. Trademark;
- 13.3.2. Service mark;
- 13.3.3. Trade secret;
- 13.3.4. Trade name;
- 13.3.5. Trade dress;
- 13.3.6. Title;
- 13.3.7. Slogan; or
- 13.3.8. Internet domain name.

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

SPECIMEN ONLY

## COMMERCIAL GENERAL LIABILITY COVERAGE

# ABUSE EXCLUSION ENDORSEMENT

This Endorsement Changes the Policy. Please Read It Carefully.

Certain words and phrases that appear in bold have special meaning as defined below or in the Form to which this Endorsement is attached.

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

This Endorsement is attached to the Commercial General Liability Max Form and is subject to all terms, conditions, limitations and exclusions of such Form.

Notwithstanding any contrary provisions contained in this Policy, the Commercial General Liability Max Form is amended by the addition of the following exclusion under section 2. **EXCLUSIONS of SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY:**

This Insurance does not apply to:

### 2.24. Abuse

- 2.24.1. directly or indirectly arising out of, or on account of, resulting from or relating to any actual or threatened **abuse** committed or alleged to have been committed by an Insured, including the transmission of disease arising out of any act of **abuse**;
- 2.24.2. based on your practices for **employee** hiring, for acceptance of **volunteer workers**, for supervision of **employees** and **volunteer workers** or based on your retention of any person alleged to have committed **abuse**;
- 2.24.3. alleging knowledge by an Insured of the alleged **abuse**;
- 2.24.4. when you have failed to report the actual, suspected or alleged **abuse**, although you had a statutory or regulatory obligation to do so, to the police and to other appropriate authorities.

All other terms and conditions of the Policy remain unchanged.

# COMMERCIAL GENERAL LIABILITY MAX

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

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

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

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

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

## SECTION I – COVERAGES

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

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

#### 1. INSURING AGREEMENT

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

#### 2. EXCLUSIONS

**This insurance does not apply to:**

- 2.1. Expected or Intended Injury or Damage

**Bodily injury** or **property damage** expected or intended from the standpoint of the Insured. This exclusion does not apply to **bodily injury** or **property damage** resulting from the use of reasonable force to protect persons or property.
- 2.2. Contractual Liability

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

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

- 2.3. Workers' Compensation and Similar Laws

Any obligation of the Insured under a workers' compensation, disability benefits or unemployment or employment compensation law or any similar law.
- 2.4. Employer's Liability

**Bodily injury** to:

  - 2.4.1. An **employee** of the Insured arising out of and in the course of:
    - 2.4.1.1. Employment by the Insured; or
    - 2.4.1.2. Performing duties related to the conduct of the Insured's business; or
  - 2.4.2. The spouse, child, parent, brother or sister of that **employee** as a consequence of sub-paragraph 2.4.1. above.

This exclusion applies:

2.4.3. Whether the Insured may be liable as an employer or in any other capacity; and

2.4.4. To any obligation to share **compensatory damages** with or repay someone else who must pay **compensatory damages** because of the injury.

**This exclusion does not apply to:**

2.4.5. Liability assumed by the Insured under an **insured contract** but only with respect to a Canadian resident **employee**; or

2.4.6. A claim made or an **action** brought by a Canadian resident **employee**, because of **bodily injury** sustained in the course of employment or while performing duties on your behalf.

2.5. Watercraft

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

**This exclusion does not apply to:**

2.5.2. A watercraft while ashore on premises that are owned by, rented to or controlled by you;

2.5.3. Sub-paragraph 2.5.1. does not apply to **bodily injury** sustained by any of your **employees** while acting on your behalf.

2.6. Aircraft

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

2.6.1.1. The ownership, maintenance, use, operation or entrustment to others, by or on behalf of the Insured of any aircraft or any air cushion vehicle;

2.6.1.2. The ownership, use, operation or entrustment to others by or on behalf of the Insured of any premises for the purpose of an airport or an aircraft landing area;

2.6.1.3. All operations that are necessary or incidental to sub-paragraph 2.6.1.1. or 2.6.1.2. above;

2.6.1.4. Use includes **loading** or **unloading**;

2.6.1.5. Work or operations conducted by or on behalf of the Insured at airport premises or airport property (including but not limited to any runway, hangar, taxiway, apron, or air traffic control facility), but this exclusion shall not apply to such work or operations in Canada that are conducted solely within an area that is not designated by Transport Canada (or other airport regulatory authority) as a restricted area.

2.7. Automobile

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

2.7.2. This exclusion also applies to any:

2.7.2.1. Motorized snow vehicle or its trailers, except when being used for your business; or

2.7.2.2. Vehicle while being used in any speed or demolition contest or in any stunting activity or in **practice** or preparation for any such contest or activity.

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

**This exclusion does not apply to:**

2.7.4. **Bodily injury** to an **employee** of the Insured on whose behalf contributions are made by or required to be made by the Insured under the provisions of any Canadian provincial or territorial workers' compensation law;

2.7.5. **Bodily injury** or **property damage** arising out of a defective condition in, or improper maintenance of, any **automobile** that is owned by the Insured while leased to others for a period of thirty (30) days or more provided the lessee is obligated under contract to ensure that the **automobile** is insured;

2.7.6. **Bodily injury** or **property damage** liability imposed by law upon the Insured for loss or damage arising out of the ownership, maintenance, use or operation of machinery or apparatus (including its equipment), mounted on or attached to any **automobile** at the site of the use or operation of such machinery or apparatus and provided the Insured is not insured for liability arising out of the ownership, use or operation of such mounted or attached machinery or apparatus under any automobile policy.

2.8. Damage to Property

**Property damage** to:

2.8.1. Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

2.8.2. Premises you sell, give away or abandon, if the **property damage** arises out of any part of those premises;

2.8.3. Property loaned to you;

2.8.4. Personal property in your care, custody or control, including but not limited to:

2.8.4.1. Property held by you for sale or entrusted to you for storage or safekeeping;

2.8.4.2. Property being on premises that is owned or rented by you for the purpose of having operations performed on such property by the Insured;

2.8.5. That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the **property damage** arises out of those operations; or

2.8.6. That particular part of any property that must be restored, repaired or replaced because **your work** was incorrectly performed on it.

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

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

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

2.9. Damage to Your Product

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

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

2.10. Damage to Your Work

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

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

- 2.11. Damage to Impaired Property or Property not Physically Injured  
**Property damage to impaired property** or property that has not been physically injured, arising out of:  
 2.11.1. A defect, deficiency, inadequacy or dangerous condition in **your product** or **your work**; or  
 2.11.2. A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.  
 This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to **your product** or **your work** after it has been put to its intended use.
- 2.12. Recall of Products, Work or Impaired Property  
**Compensatory damages** claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:  
 2.12.1. **Your product**;  
 2.12.2. **Your work**; or  
 2.12.3. **Impaired property**;  
 if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.
- 2.13. Electronic Data  
**Compensatory damages** arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate **electronic data**.
- 2.14. Access to or Disclosure of Confidential or Personal Information (Privacy Breach)  
**Compensatory damages** arising out of any access to or disclosure of any person's or organization's confidential or personal information, including but not limited to patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information.
- 2.15. Personal Injury and Advertising Injury  
**Bodily injury** arising out of **personal injury** or **advertising injury**.
- 2.16. Professional Services  
**Bodily injury** (other than **incidental medical malpractice injury**), or **property damage** due to the rendering of or failure to render by you or on your behalf of any **professional services** for others, or any error or omission, malpractice or mistake in providing those services.
- 2.17. Asbestos - see Common Exclusions.  
 2.18. Fungi or Spores - see Common Exclusions.  
 2.19. Nuclear Energy Liability - see Common Exclusions.  
 2.20. Pollution - see Common Exclusions.  
 2.21. Terrorism - see Common Exclusions.  
 2.22. War Risks - see Common Exclusions.  
 2.23. Unsolicited Communication - see Common Exclusions.

## COVERAGE B - PERSONAL INJURY AND ADVERTISING INJURY LIABILITY

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

### 1. INSURING AGREEMENT

- 1.1. We will pay those sums that the Insured becomes legally obligated to pay as **compensatory damages** because of **personal injury** or **advertising injury** to which this insurance applies. We will have the right and duty to defend the Insured against any **action** seeking those **compensatory damages**. However, we will have no duty to defend the Insured against any **action** seeking **compensatory damages** for **personal injury** or **advertising injury** to which this insurance does not apply. We may, at our discretion, investigate any offence and settle any claim or action that may result. But:
- 1.1.1. The amount we will pay for **compensatory damages** is limited as described in Section III - Limits of Insurance and Deductibles; and  
 1.1.2. Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical payments under Coverage C.
- No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A, B and D.
- 1.2. This insurance applies to **personal injury** and **advertising injury** caused by an offence arising out of your business but only if the offence was committed in the **coverage territory** during the **policy period**.

### 2. EXCLUSIONS

**This insurance does not apply to:**

- 2.1. Knowing Violation of Rights of Another  
**Personal injury** or **advertising injury** caused by or at the direction of the Insured with the knowledge that the act would violate the rights of another and would inflict **personal injury** or **advertising injury**.
- 2.2. Material Published with Knowledge of Falsity  
**Personal injury** or **advertising injury** arising out of oral or written publication of material, if done by or at the direction of the Insured with knowledge of its falsity.
- 2.3. Material Published Prior to Policy Period  
**Personal injury** or **advertising injury** arising out of oral or written publication of material whose first publication took place before the beginning of the **policy period**.
- 2.4. Criminal Acts  
**Personal injury** or **advertising injury** arising out of a criminal act committed by or at the direction of the Insured.
- 2.5. Contractual Liability  
**Advertising injury** for which the Insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for **compensatory damages** that the Insured would have in the absence of the contract or agreement.
- 2.6. Breach of Contract  
**Advertising injury** arising out of a breach of contract, except an implied contract to use another's advertising idea in your **advertisement**.

- 2.7. Quality or Performance of Goods - Failure to Conform to Statements  
**Advertising injury** arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your **advertisement**.
- 2.8. Wrong Description of Prices  
**Advertising injury** arising out of the wrong description of the price of goods, products or services stated in your **advertisement**.
- 2.9. Infringement of Copyright, Patent, Trademark or Trade Secret  
**Personal injury** and **advertising injury** arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. However, this exclusion does not apply to infringement, in your **advertisement**, of copyright, trade dress or slogan.
- 2.10. Insureds in Media and Internet Type Businesses  
**Personal injury** or **advertising injury** committed by an Insured whose business is:  
 2.10.1. Advertising, broadcasting, publishing or telecasting;  
 2.10.2. Designing or determining content of web-sites for others; or  
 2.10.3. An Internet search, access, content or service provider.  
**However, this exclusion does not apply to:**  
 2.10.4. False arrest, detention or imprisonment;  
 2.10.5. Malicious prosecution;  
 2.10.6. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor.  
 For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.
- 2.11. Interactive Websites, Electronic Chatrooms, Interactive Forums or Bulletin Boards  
**Personal injury** or **advertising injury** arising out of an electronic interactive website, a chatroom, an interactive forum or a bulletin board the Insured hosts, owns, or over which the Insured exercises control.
- 2.12. Unauthorized Use of Another's Name or Product  
**Advertising injury** arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.
- 2.13. Access to or Disclosure of Confidential or Personal Information (Privacy Breach)  
**Personal injury** or **advertising injury** arising out of any access to or disclosure of any person's or organization's confidential or personal information, including but not limited to patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information.
- 2.14. Asbestos - see Common Exclusions.  
 2.15. Fungi or Spores - see Common Exclusions.  
 2.16. Nuclear Energy Liability - see Common Exclusions.  
 2.17. Pollution - see Common Exclusions.  
 2.18. Terrorism - see Common Exclusions.  
 2.19. War Risks - see Common Exclusions.  
 2.20. Unsolicited Communication - see Common Exclusions.

## COVERAGE C - MEDICAL PAYMENTS

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

### 1. INSURING AGREEMENT

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

### 2. EXCLUSIONS

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

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

2.4. Workers' Compensation and Similar Laws

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

2.5. Athletics Activities

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

2.6. Products-Completed Operations Hazard

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

2.7. Coverage A Exclusions

Excluded under Coverage A.

## COVERAGE D - TENANTS' LEGAL LIABILITY

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

### 1. INSURING AGREEMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

### 2. EXCLUSIONS

This insurance does not apply to:

2.1. Expected or Intended Damage

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

2.2. Contractual Liability

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

2.3. Asbestos - see Common Exclusions.

2.4. Fungi or Spores - see Common Exclusions.

2.5. Nuclear Energy Liability - see Common Exclusions.

2.6. Pollution - see Common Exclusions.

2.7. Terrorism - see Common Exclusions.

2.8. War Risks - see Common Exclusions.

2.9. Unsolicited Communication - see Common Exclusions.

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

This insurance does not apply to:

### 1. ASBESTOS

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

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

### 2. FUNGI OR SPORES

2.1. **Bodily injury, property damage or personal injury** or any other cost, loss or expense incurred by others, arising directly or indirectly from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any **fungi or spores** however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of **fungi or spores**;

- 2.2. Any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with 2.1. above; or
- 2.3. Any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in 2.1. or 2.2. above.

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

For the purpose of the following exception:

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

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

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

#### LIMITED COVERAGE

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

### 3. NUCLEAR ENERGY LIABILITY

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

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

### 4. POLLUTION

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

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

## 5. TERRORISM

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

## 6. WAR RISKS

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

## 7. UNSOLICITED COMMUNICATION

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

# SUPPLEMENTARY PAYMENTS - COVERAGES A, B and D

1. We will pay, with respect to any claim we investigate or settle, or any **action** against an Insured we defend:

- 1.1. All expenses we incur;
- 1.2. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds;
- 1.3. All costs to protect you against any levy of execution arising from a judgment;
- 1.4. All reasonable expenses you incur at our request to assist us in the investigation or defence of the claim or **action**, including actual loss of earnings because of time off from work;
- 1.5. All costs assessed or awarded against you in the **action**;
- 1.6. Any interest accruing after entry of judgment upon that part of the judgment which is within the applicable limit of insurance and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

If we are prevented by law or otherwise from defending the Insured, we will reimburse the Insured for defence costs and expenses that are incurred with our consent.

These payments will not reduce the limits of insurance.

2. If we defend an Insured against an **action** and an indemnitee of the Insured is also named as a party to the **action**, we will defend that indemnitee if all of the following conditions are met:

- 2.1. The **action** against the indemnitee seeks **compensatory damages** for which the Insured has assumed the liability of the indemnitee in a contract or agreement that is an **insured contract**;
- 2.2. This insurance applies to such liability assumed by the Insured;
- 2.3. The obligation to defend, or the cost of the defence of, that indemnitee, has also been assumed by the Insured in the same **insured contract**;
- 2.4. The allegations in the **action** and the information we know about the **occurrence** are such that no conflict appears to exist between the interests of the Insured and the interests of the indemnitee;
- 2.5. The indemnitee and the Insured ask us to conduct and control the defence of that indemnitee against such **action** and agree that we can assign the same counsel to defend the Insured and the indemnitee; and
- 2.6. The indemnitee:
  - 2.6.1. Agrees in writing to:
    - 2.6.1.1. Cooperate with us in the investigation, settlement or defence of the **action**;
    - 2.6.1.2. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the **action**;
    - 2.6.1.3. Notify any other insurer whose coverage is available to the indemnitee; and
    - 2.6.1.4. Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
  - 2.6.2. Provides us with written authorization to:
    - 2.6.2.1. Obtain records and other information related to the **action**; and
    - 2.6.2.2. Conduct and control the defence of the indemnitee in such **action**.

So long as the above conditions are met, legal fees incurred by us in the defence of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of sub-paragraph 2.2.2. of Section I - Coverage A - Bodily Injury and Property Damage Liability, such payments will not be deemed to be **compensatory damages** for **bodily injury and property damage** and will not reduce the limits of insurance.

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

- 2.7. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- 2.8. The conditions set forth above, or the terms of the agreement described in sub-paragraph 2.6. above, are no longer met.

## SECTION II - WHO IS AN INSURED

1. IF YOU ARE DESIGNATED IN THE DECLARATION PAGE(S) AS:

- 1.1. An individual, you and your spouse are Insureds, but only with respect to the conduct of a business of which you are the sole owner.
- 1.2. A partnership, limited liability partnership or joint venture, you are an Insured. Your members, your partners, and their spouses are also Insureds, but only with respect to the conduct of your business.
- 1.3. A limited liability company, you are an Insured. Your members are also Insureds, but only with respect to the conduct of your business. Your managers are Insureds, but only with respect to their duties as your managers.
- 1.4. An organization other than a partnership, limited liability partnership, joint venture or limited liability company, you are an Insured. Your **executive officers** and directors are Insureds, but only with respect to their duties as your officers or directors. Your shareholders are also Insureds, but only with respect to their liability as shareholders.
- 1.5. A trust, you are an Insured. Your trustees are also Insureds, but only with respect to their duties as trustees.



- 1.6. An incorporated association, each member of the incorporated association is an Insured but solely in respect of the liability arising out of his actions as a member and his participation in the activities of the incorporated association. This insurance shall only apply as excess coverage to the extent of any amount not paid due to the exhaustion of the personal General Liability policy of a member. This insurance does not apply to loss, damage or injury to a member caused by another member of the incorporated association.
- 2. EACH OF THE FOLLOWING IS ALSO AN INSURED:**
- 2.1. Your **volunteer workers** only while performing duties related to the conduct of your business, or **employees**, other than either your **executive officers** (if you are an organization other than a partnership, limited liability partnership, joint venture or limited liability company), or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these **employees** or **volunteer workers** are Insureds for:
- 2.1.1. **Bodily injury, personal injury or advertising injury:**
- 2.1.1.1. To you, to your partners or members (if you are a partnership, limited liability partnership or joint venture), to your members (if you are a limited liability company), to a co-**employee** while in the course of his or her employment or performing duties on your behalf, or to your other **volunteer workers** while performing duties related to the conduct of your business, except with respect to **incidental medical malpractice injury**;
- 2.1.1.2. To the spouse, child, parent, brother or sister of that co-**employee** or **volunteer worker** as a consequence of sub-paragraph 2.1.1.1. above;
- 2.1.1.3. For which there is any obligation to share **compensatory damages** with or repay someone else who must pay **compensatory damages** because of the injury described in sub-paragraphs 2.1.1.1. or 2.1.1.2. above;
- 2.1.1.4. Arising out of his or her providing or failing to provide professional health care services; or
- 2.1.1.5. To any person who at the time of injury is entitled to benefits under any workers' compensation or disability benefits law or a similar law.
- 2.1.2. **Property damage** to property that is:
- 2.1.2.1. Owned or occupied by; or
- 2.1.2.2. Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose.
- By you, any of your **employees, volunteer workers**, any partner or member (if you are a partnership, limited liability partnership or joint venture) or any member (if you are a limited liability company).
- 2.2. Any person (other than your **employee** or **volunteer worker**), or any organization while acting as your real estate manager.
- 2.3. Any person or organization having proper temporary custody of your property if you die, but only:
- 2.3.1. With respect to liability arising out of the maintenance or use of that property; and
- 2.3.2. Until your legal representative has been appointed.
- 2.4. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Form.
- 2.5. Your unit or strata lot owners and any tenants, but only with respect to the conduct of the corporation for liability arising out of the common property, excluding liability arising out of the owner's or tenant's possession, occupation or use of property designated for exclusive use.
- 2.6. Any Canadian domiciled person or organization under your management control and for which you are responsible for arranging insurance, but only with respect to your premises, your operations, **your product** or **your work**.
- 2.7. Any person, firm or organization for whom you have contracted to provide liability insurance. Coverage under this provision is afforded as per the present policy terms, limits and conditions and only with respect to your premises, **your product** or **your work**. However, this sub-paragraph does not apply to any person, firm or organization who is added to this Policy as an Additional Insured by endorsement.
- 2.8. **Agents** acting on your behalf but solely in respect of any liability arising out of the performance of their duties on your behalf.
- For the purpose of this sub-paragraph only, **agent** means any person who solicits and procures business from potential clients on your behalf, and who receives a commission in return for the performance of their duties.
3. Any organization you newly acquire or form, other than a partnership, limited liability partnership or joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- 3.1. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the **policy period**, whichever is earlier;
- 3.2. Coverage A and D do not apply to **bodily injury** or **property damage** that occurred before you acquired or formed the organization; and
- 3.3. Coverage B does not apply to **personal injury** or **advertising injury** arising out of an offence committed before you acquired or formed the organization.
- No person or organization is an Insured with respect to the conduct of any current or past partnership, limited liability partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declaration Page(s).

## SECTION III - LIMITS OF INSURANCE AND DEDUCTIBLES

1. The Limits of Insurance shown in the Declaration Page(s), subject to the rules below, are the most we will pay regardless of the number of:
- 1.1. Insureds;
- 1.2. Claims made or **actions** brought; or
- 1.3. Persons or organizations making claims or bringing **actions**.
2. The Abuse Aggregate Limit is the most we will pay under Coverage A for **compensatory damages** because of **bodily injury** arising out of **abuse**.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for **compensatory damages** because of **bodily injury** and **property damage** included in the **products-completed operations hazard**.
4. Subject to Paragraphs 2. and 3. above, the Each Occurrence Limit is the most we will pay for the sum of:
- 4.1. **Compensatory damages** under Coverage A; and
- 4.2. Medical payments under Coverage C;
- because of all **bodily injury** and **property damage** arising out of any one **occurrence**.
5. The Personal Injury and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all **compensatory damages** because of all **personal injury** and **advertising injury** sustained by any number of person(s) or organization(s) in the Aggregate.
6. The Tenants' Legal Liability Limit is the most we will pay under Coverage D for **compensatory damages** because of **property damage** to any one premises.
7. Subject to Paragraph 4. above, the Medical Payments Limit is the most we will pay under Coverage C for all medical payments because of **bodily injury** sustained by any one person.
8. The Limits of Insurance of this Policy apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the **policy period** shown in the Declaration Page(s), unless the **policy period** is extended after issuance for an additional period of less than twelve (12) months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

## 9. DEDUCTIBLES

- 9.1. Our obligation under Property Damage Liability and Tenants' Legal Liability to pay **compensatory damages** on your behalf applies only to the amount of **compensatory damages** in excess of any deductible amounts stated in the Declaration Page(s) as applicable to such coverages, and the limits of insurance applicable to each **occurrence** for Property Damage Liability and any one premises for Tenants' Legal Liability will be reduced by the amount of such deductible.
- 9.2. The deductible amounts apply as follows:
- 9.2.1. Coverage A  
Under Coverage A: To all **compensatory damages** because of **property damage** as the result of any one **occurrence**, regardless of the number of persons or organizations who sustain **compensatory damages** because of that **occurrence**.
- 9.2.2. Coverage D  
Under Coverage D: To all **compensatory damages** because of **property damage** as the result of any one **occurrence**, regardless of the number of persons or organizations who sustain **compensatory damages** because of that **occurrence**. However, this deductible shall not be applied to claims arising out of the perils of fire, explosion, smoke and sprinkler leakage.
- 9.3. The terms of this insurance, including those in respect to:
- 9.3.1. Our right and duty to defend any **action** seeking those **compensatory damages**; and
- 9.3.2. Your duties in the event of an **occurrence**, claim or **action**;  
apply irrespective of the application of the deductible amount.
- 9.4. We may pay any part or all of the deductible amount to effect settlement of any claim or **action** and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

## SECTION IV - DEFINITIONS

1. **Abuse** means, but is not limited to, any act or threat involving molestation, harassment, corporal punishment, assault or battery or any other form of sexual, physical, mental, psychological or emotional abuse.
2. **Action** means a civil proceeding in which **compensatory damages** because of **bodily injury, property damage, personal injury** or **advertising injury** to which this insurance applies are alleged. **Action** includes:
- 2.1. An arbitration proceeding in which such **compensatory damages** are claimed and to which the Insured must submit or does submit with our consent; or
- 2.2. Any other alternative dispute resolution proceeding in which such **compensatory damages** are claimed and to which the Insured submits with our consent.
3. **Advertisement** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
- 3.1. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
- 3.2. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an **advertisement**.
4. **Advertising injury** means injury arising out of one or more of the following offences:
- 4.1. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
- 4.2. Oral or written publication, in any manner, of material that violates a person's right of privacy; or
- 4.3. The use of another's advertising idea in your **advertisement**; or
- 4.4. Infringing upon another's copyright, trade dress or slogan in your **advertisement**.
5. **Automobile** means a self-propelled land motor vehicle, trailer or semitrailer that is required by law to be insured under a contract evidenced by a motor vehicle liability policy, or any vehicle insured under such a contract, including any machinery or equipment attached to such automobile.
6. **Bodily injury** means bodily or mental injury, sickness, disease, disability or shock sustained by a person, including death resulting at any time.
7. **Compensatory damages** means damages (including prejudgment interest) due or awarded in payment for actual injury or economic loss. **Compensatory damages** does not include punitive or exemplary damages or the multiple portion of any multiplied damage award.
8. **Coverage territory** means any part of the world:
- 8.1. Provided the Insured's responsibility to pay **compensatory damages** is determined in an **action** on the merits in Canada or the United States of America (including their territories and possessions) or in an out-of-court settlement to which we have agreed; or
- 8.2. If the loss, damage or injury arises out of the Insured's use of space intended for commercial representation purposes related to the Insured's business, such as sales offices, showrooms, or during trade shows, exhibitions, fairs or conferences. For the purpose of this sub-paragraph 8.2., any loss, damage or injury arising from the **products-completed operations hazard**, is covered only to the extent described in sub-paragraph 8.1.
9. **Electronic data** means information, facts or programs in any form or representations of information or concepts in any form stored as or on, created or used on, or transmitted to or from computer or data processing software (including systems and application software), memory devices, data processing devices or any other media that are used with electronically controlled equipment.
10. **Employee** includes a **leased worker** and a **temporary worker**.
11. **Executive officer** means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document or any person designated as an officer by you.
12. **Fissionable substance** means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
13. **Fungi** includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any **fungi** or **spores** or resultant mycotoxins, allergens or pathogens.
14. **Hostile fire** means a fire that becomes uncontrollable or breaks out from where it was intended to be.
15. **Impaired property** means tangible property, other than **your product** or **your work**, that cannot be used or is less useful because:
- 15.1. It incorporates **your product** or **your work** that is known or thought to be defective, deficient, inadequate or dangerous; or
- 15.2. You have failed to fulfill the terms of a contract or agreement;  
if such property can be restored to use by:
- 15.3. The repair, replacement, adjustment or removal of **your product** or **your work**; or
- 15.4. Your fulfilling the terms of the contract or agreement.

- 16. Incidental medical malpractice injury** means **bodily injury** arising out of the rendering of or failure to render, during the **policy period**, the following services:
- 16.1. Medical, surgical, dental, x-ray or nursing services or treatment or the furnishing of food or beverages in connection therewith; or
  - 16.2. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
- by any Insured or any indemnitee causing the **incidental medical malpractice injury** who is not engaged in the business or occupation of providing any of the services described in sub-paragraphs 16.1. and 16.2. above.
- 17. Insured contract** means:
- 17.1. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage to premises while rented to you or temporarily occupied by you with permission of the owner is not an **insured contract**;
  - 17.2. A sidetrack agreement;
  - 17.3. An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
  - 17.4. Any other easement agreement;
  - 17.5. An obligation, as required by ordinance or bylaw, to indemnify a municipality, except in connection with work for a municipality;
  - 17.6. An elevator maintenance agreement;
  - 17.7. A declaration of co-ownership;
  - 17.8. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for **compensatory damages** because of **bodily injury** or **property damage** to a third person or organization, provided the **bodily injury** or **property damage** is caused, in whole or in part, by you or by those acting on your behalf and provided that such **bodily injury** or **property damage** arises from **your work**. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
- Sub-paragraph 17.8. does not include that part of any contract or agreement:
- 17.8.1. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - 17.8.1.1. Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
    - 17.8.1.2. Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
  - 17.8.2. Under which the Insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the Insured's rendering or failure to render **professional services**, including those listed in 17.8.1. above and supervisory, inspection, architectural or engineering activities.
- 18. Leased worker** means a person leased to you by a labour leasing firm under an agreement between you and the labour leasing firm, to perform duties related to the conduct of your business. **Leased worker** does not include a **temporary worker**.
- 19. Loading or unloading** means the handling of property:
- 19.1. After it is moved from the place where it is accepted for movement into or onto an aircraft;
  - 19.2. While it is in or on an aircraft; or
  - 19.3. While it is being moved from an aircraft to the place where it is finally delivered;
- but **loading or unloading** does not include the movement of property by means of a mechanical device that is not attached to the aircraft.
- 20. Nuclear energy hazard** means the radioactive, toxic, explosive, or other hazardous properties of **radioactive material**.
- 21. Nuclear facility** means:
- 21.1. Any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
  - 21.2. Any equipment or device designed or used for:
    - 21.2.1. Separating the isotopes of plutonium, thorium and uranium or any one or more of them; or
    - 21.2.2. Processing or packaging waste;
  - 21.3. Any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the Insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
  - 21.4. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste **radioactive material**;
- and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.
- 22. Occurrence** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- 23. Personal injury** means injury, including consequential **bodily injury**, arising out of one or more of the following offences:
- 23.1. False arrest, detention or imprisonment;
  - 23.2. Malicious prosecution;
  - 23.3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  - 23.4. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - 23.5. Oral or written publication, in any manner, of material that violates a person's right of privacy;
  - 23.6. Discrimination, (except in such jurisdictions where by legislation, court decisions or administrative ruling, such insurance is prohibited or held to violate the law or public policy of any such jurisdiction) sustained by any person or persons during the **policy period**.
- 24. Policy period** means each consecutive period of twelve (12) months included in the **policy period** shown on the Declaration Page(s). The first twelve-month period starts on the inception date of the policy and the subsequent period starts at the expiry of the first twelve-month period.
- 25. Pollutants** mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, odour, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 26. Products-completed operations hazard**
- 26.1. Includes all **bodily injury** and **property damage** occurring away from premises you own or rent and arising out of **your product** or **your work** except:
    - 26.1.1. Products that are still in your physical possession; or
    - 26.1.2. Work that has not yet been completed or abandoned. However, **your work** will be deemed completed at the earliest of the following times:
      - 26.1.2.1. When all of the work called for in your contract has been completed;
      - 26.1.2.2. When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site;
      - 26.1.2.3. When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

26.2. Does not include **bodily injury** or **property damage** arising out of the existence of tools, uninstalled equipment or abandoned or unused materials.

**27. Professional services** means, without limitation:

- 27.1. Medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection with such service or treatment;
- 27.2. Service or treatment conducive to health;
- 27.3. Professional services of a pharmacist;
- 27.4. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
- 27.5. The handling or treatment of deceased human bodies including autopsies, organ donations or other procedures;
- 27.6. Cosmetic, body piercing, hairdressing, massage, physiotherapy, chiroprody, hearing aid, optical or optometric services or treatments;
- 27.7. The preparation or approval of maps, plans, opinions, reports, surveys, field orders, change orders or drawings and specifications;
- 27.8. Supervisory, inspection, architectural, design or engineering services;
- 27.9. Professional advice or activities of accountants, advertisers, notaries (Quebec), public notaries, paralegals, lawyers, real estate brokers or agents, insurance brokers or agents, travel agents, financial institutions, or consultants;
- 27.10. Computer programming or re-programming, consulting, advisory or related services; or
- 27.11. Claim, investigation, adjusting of claims, appraisal, survey or audit services.

**28. Property damage** means:

- 28.1. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- 28.2. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the **occurrence** that caused it.

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

**29. Radioactive material** means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances which may be designated by any nuclear liability act, law or statute, or any law amendatory thereof, as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy.

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

**31. Temporary worker** means a person who is furnished to you to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.

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

**33. Unsolicited communication** means communication in any form sent to any person or organization, without their prior consent.

**34. Volunteer worker** means a person who is not your **employee**, and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

**35. Your product**

35.1. Means:

- 35.1.1. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - 35.1.1.1. You;
  - 35.1.1.2. Others trading under your name; or
  - 35.1.1.3. A person or organization whose business or assets you have acquired; and
- 35.1.2. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

35.2. Includes:

- 35.2.1. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your product**; and
- 35.2.2. The providing of or failure to provide warnings or instructions.

35.3. Does not include vending machines or other property rented to or located for the use of others but not sold.

**36. Your work**

36.1. Means:

- 36.1.1. Work or operations performed by you or on your behalf; and
- 36.1.2. Materials, parts or equipment furnished in connection with such work or operations.

36.2. Includes:

- 36.2.1. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your work**; and
- 36.2.2. The providing of or failure to provide warnings or instructions.

## COMMERCIAL GENERAL LIABILITY COVERAGE

# LIMITATION OF COVERAGE DESIGNATED PREMISES AND OPERATIONS

This Endorsement changes the Policy. Please Read It Carefully.

Certain words and phrases that appear in bold have special meaning as defined below or in the Form to which this Endorsement is attached.

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

This Endorsement is attached to the Commercial General Liability Max Form and is subject to all terms, conditions, limitations and exclusions of such Form.

It is agreed that this insurance applies only to:

1. The premises shown in the Declaration Page(s) and operations necessary or incidental to those premises and if so stated, only to the operations specified in the Declaration Page(s);
2. Any change in the described operations and any premises of which you acquire the custody or control during the policy period, but only for a period of 30 days from the change, or until the end of the policy period, whichever comes first.

All other terms and conditions of the Policy 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		
<i>The advance premium is subject to adjustment at the end of the policy period as provided in the policy.</i>												
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		
<i>The advance premium is subject to adjustment at the end of the policy period as provided in the policy.</i>												
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.											Combined Premiums	
Insuring Agreement						Section A Third Party Liability						
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.								
Endorsements						As per Declarations						
Minimum Retained Premium						\$ As per Declarations			<b>Total Premium</b>			\$ 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. <span style="float: right;">NO</span>												
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 INSURED

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

#### 2. TERRITORY

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

#### 3. HIRED AUTOMOBILES DEFINED

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

#### 4. AUTOMOBILES OPERATED UNDER CONTRACT DEFINED

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

#### 5. TWO OR MORE AUTOMOBILES

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

#### 6. PREMIUM ADJUSTMENT

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

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

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



The Insurer shall have the right and opportunity, whenever the Insurer so desires, to examine the books and records of the Insured to the extent they relate to the premium 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 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
  - (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.*

# LEGAL LIABILITY FOR DAMAGE TO HIRED AUTOMOBILES

## Applicable to Non-Owned Automobile Liability

In consideration of the premium herein stated, the Policy to which this endorsement is attached is extended, subject always to the condition that the Insurer shall be liable under the subsection or subsections as specified in the Declarations.

## Legal Liability for Damage to Hired Automobiles

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

Subsection 1 – **All Perils** – from all perils;

Subsection 2 – **Collision or Upset** – caused by collision with another object or by upset;

Subsection 3 – **Comprehensive** – from any peril other than by collision with another object or by upset;

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

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

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

## Deductible Clause

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

## Two or More Automobiles

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

The Insurer shall not be liable:

- (1) for loss or damage to any automobile while personally driven by the Insured if the Insured is an individual; or
- (2) under any subsection hereof for loss or damage
  - (a) To tires or consisting of or caused by mechanism fracture or breakdown of any part of an automobile or by rusting, corrosion, wear and tear, freezing or explosion within the combustion chamber, unless the loss or damage is coincident with other loss or damage covered by such subsection or is caused by fire, theft or malicious mischief covered by each subsection; or
  - (b) to any automobile while being used without the consent of the owner thereof; or
  - (c) caused directly or indirectly by contamination by radioactive material; or
  - (d) to contents of trailers or to rugs or robes; or
  - (e) to tapes and equipment for use with a tape recorder when detached therefrom; or
  - (f) caused directly or indirectly by bombardment, invasion, civil war, insurrection, rebellion, revolution, military or usurped power, or by the operation of armed forces while engaged in hostilities whether war be declared or not; or
  - (g) for any amount in excess of the limit stated in the applicable subsection hereof and expenditures provided for in the Additional Agreements of the policy to which this endorsement is attached; or
  - (h) under subsections 3 (Comprehensive), 4 (Specified Perils) for a collision loss or damage occurring after theft by any person or persons residing in the same dwelling premises as the Insured, or by any employee of the Insured engaged in the operation, maintenance or repair of the automobile whether the theft occurs during the hours of such service or employment or not unless the policy provides insurance under subsections 1 or 2.

## Additional Agreement

The Insurer further agrees to pay general average, salvage and fire department charges and custom duties of Canada or of the United States of America for which the Insured is legally liable.

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

**FOR ATTACHMENT ONLY TO A NON-OWNED POLICY S.P.F. NO. 6**

**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 in this endorsement all terms and conditions of this policy shall remain unchanged.**

SPECIMEN ONLY

Q.P.F. No. 6 – QUÉBEC AUTOMOBILE INSURANCE POLICY

NON-OWNED FORM

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Words and phrases in bold have special meaning as defined in Definitions Section.

## INSURING AGREEMENT

Now, therefore, subject to the limits, terms and conditions, provisions, definitions and exclusions herein stated.

### SECTION A – CIVIL LIABILITY

The Insurer agrees to indemnify the Insured, the Insured's succession or legal representatives against the pecuniary consequences of civil liability the Insured may incur for loss or damage arising from the use or operation in the business described in the Declarations of any automobile not owned (in whole or in part) by or registered in the name of the Insured, and resulting from bodily injury to or death of others or damage to property of others not in the care, custody or control of the Insured. However, where the loss exceeds the amounts of insurance, the indemnity shall be applied first to the pecuniary consequences of civil liability incurred by the Named Insured.

#### EXCLUSIONS

The Insurer shall not be liable under this section:

- (1) except where the *Automobile Insurance Act* does not apply, for bodily injury or death covered under the said Act, the *Act respecting industrial accidents and occupational diseases* or the *Crime Victims Compensation Act*;
- (2) 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;
- (3) for any liability imposed by any workmen's compensation law upon any person insured by this section;
- (4) for loss or damage sustained by the Insured or any employee, shareholder, officer, member, partner or mandatary of the Insured while engaged in the business of the Insured, except as provided under a Direct Compensation Agreement established in accordance with the aforementioned *Automobile Insurance Act*;
- (5) for any liability assumed voluntarily by any person insured by this section under any contract or agreement except for private passenger vehicles rented or leased by an Insured for a period of less than thirty (30) days;
- (6) for loss or damage to property carried in or upon an automobile personally driven by any person insured by this section or to any property owned or rented by, or in the care, custody or control of any such person;
- (7) for any sum in excess of the amount stated in the Declarations, and expenditures provided for in the Additional Agreements of this section, irrespective of the number of persons or interests insured;
- (8) for any loss or damage resulting from bodily injury to or death of any person or damage to property arising out of a **nuclear energy hazard** and in excess of the compulsory amount of liability insurance prescribed by the *Automobile Insurance Act* or the *Act respecting off-highway vehicles*, depending on the type of vehicle involved.

See also General Provisions, Definitions, Exclusions and Conditions.

#### ADDITIONAL AGREEMENTS

Where indemnity is provided by this section the Insurer further agrees:

- (a) immediately upon receipt of notice of loss to serve any person insured by this section by such investigation thereof, or by such transactions with the claimant, or by such settlement of any resulting claims, as may be deemed expedient by the Insurer;
- (b) to take up the interest of any person entitled to the benefit of the insurance and assume his defense in any action which may be brought against him;
- (c) bear, over and above the proceeds of the insurance, costs and expenses resulting from actions against the Insured, including those of the defense, and interest on the proceeds of the insurance;
- (d) if the injury is to a person, to reimburse any person insured by this section for expenses incurred for such medical aid as may be immediately necessary at the time of such injury;
- (e) to be liable up to the minimum amount(s) of liability insurance prescribed by any legislation respecting Automobile Insurance and applying in that province or territory of Canada or in that State of the United States of America in which the accident occurred, if that amount(s) is higher than the amount(s) stated in the Declarations;
- (f) not to set up any defense to a claim that might not be set up if the policy were a motor vehicle liability policy issued in the province or territory of Canada or in the state of the United States of America in which the accident occurred.

#### AGREEMENTS OF INSURED

Where indemnity is provided by this section, every person insured:

- (a) empowers the Insurer as their representative to appear and defend in any province or territory of Canada or in any State of the United States of America 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) renounces his right to unilaterally revoke such mandate;
- (c) 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 section.

## GENERAL PROVISIONS, DEFINITIONS AND EXCLUSIONS

### 1. TERRITORY

Unless extended by endorsement, insurance provided by this contract applies only within Canada, the United States of America and upon a vessel and/or aircraft serving ports of airports of those countries.

### 2. PERSONNEL OF OTHER GARAGES EXCLUDED

No person who is engaged in a **garage business**, shall be entitled to indemnity or payment under this contract for any loss, damage, injury or death sustained while using, operating or working upon the automobile in the course of that business or while so engaged is an occupant of or enters or gets onto or alights from such automobile, unless the person is the Insured or the Insured's employee, shareholder, member, partner or mandatary or is actually driving the automobile in Québec.

### 3. DEFINITIONS

In this policy:

- (a) The term **garage business** includes any business involving the custody, selling, equipping, repairing, maintaining, storing, parking, moving or servicing of automobiles;
- (b) The term **hired automobiles** means automobiles hired or leased from others with or without drivers, used under the control of the Insured in the business stated in the Declarations but shall not include any automobile owned in whole or in part by or registered in the name of the Named Insured or any employee, shareholder, officer, member, partner or mandatary of the Insured;
- (c) The term **automobiles operated under contract** shall mean automobiles operated in the business of the Insured stated in the Declarations 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 registered in the name of the Named Insured or any employee, shareholder, officer, member, partner or mandatary of the Insured;
- (d) The words **nuclear energy hazard** mean the radioactive, toxic, explosive or other hazardous properties of prescribed substances under the *Atomic Energy Control Act* (Canada).

### 4. TWO OR MORE AUTOMOBILES

- (a) When two or more automobiles are insured hereunder the terms of this contract shall apply separately to each, but a motor vehicle and one or more trailer or trailers or semi-trailers attached thereto shall be held to be one automobile with respect to the amounts of insurance under Section A. Where two or more automobiles are insured under one or more contracts issued by the same insurer, only one amount of insurance, the highest, shall apply in the event of loss under section A;
- (b) If section B is included in this policy through endorsement Q.E.F. No. 6-94, Civil Liability for damage to hired automobiles and/or automobiles operated under contract, such automobiles shall be held to be separate automobiles with respect to the amount(s) of insurance, including any deductible provisions, under section B;
- (c) Section A shall apply to the Insured's liability for damage caused to a non-owned trailer, other than a trailer designed or used to carry passengers or for demonstration, sale, office or dwelling purposes, while:
  - attached to an **automobile of the private passenger type** insured under said section;
  - not attached to any other vehicle, provided such trailer is generally attached to an **automobile of the private passenger type** insured under said section.

**Automobile of the private passenger type** : commercial vehicles of 4 500 kg (10 000 lb) gross vehicle weight or less while used for private or pleasure purpose shall be deemed to be of the private passenger type.

### 5. ADDITIONAL INSUREDS

This contract also insures every employee, shareholder, officer, member, partner or mandatary of the Named Insured, who, with the consent of the owner of the automobile involved:

- (a) and in the business of the Named Insured stated in the Declarations, personally drives any automobile not owned in whole or in part by or registered in the name of (1) the Named Insured, or (2) such additional insured person, or (3) any person having the same domicile as the Named Insured or such additional insured person;
- (b) any automobile rented or hired in the name of the Named Insured and not owned in whole or in part by or registered in the name of such additional insured person.

### 6. PREMIUM ADJUSTMENT

The advance premiums stated in the Declarations and in Q.E.F. No. 6-94, if applicable, are computed on the estimated total "cost of hire" or "contract cost", as the case may be, for the contract period. The words "cost for 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 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 contract period when the Insured shall deliver to the Insurer a written statement of the total amounts expended for "cost of hire" and "contract cost" during the contract period based on the provisions contained in Q.E.F. No. 6-100, Final adjustment of premium computation statement.

### 7. AUDIT

Provided the Insured has authorized the Insurer in writing, the Insurer may at any time during regular business hours and upon fourteen (14) days' prior notice examine the books and records of the Insured insofar as they relate to the subject matter of the contract.

### 8. CROSS LIABILITY

Every Named Insured sustaining loss or damage because of another Named Insured shall, in respect of such loss or damage, be deemed to be a third party under this contract; provided that this provision shall not operate to increase the limit of the Insurer's liability.

### 9. EXCLUDED USES

Unless coverage is indicated in the Declarations or expressly given by an endorsement, the Insurer shall not be liable under this contract while:

- (a) the automobile is rented or leased to another;
- (b) the automobile is used to carry explosives, or to carry radioactive material for research, education, development or industrial purposes, or for purposes incidental thereto;
- (c) the automobile is used as a taxicab, bus, livery or sightseeing conveyance.

## CONDITIONS

This contract is subject to the *Civil Code of Québec*, the *Code of Civil Procedure of Québec*, the *Automobile Insurance Act* and its regulations and the *Act respecting off-highway vehicles* if applicable.

### 1. REPRESENTATION OF RISK

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

The client means the person submitting an insurance application.

### 2. MATERIAL CHANGE IN RISK

The Insured shall promptly notify the Insurer of any change that increases the risks stipulated in the policy and that results from events within his control if it is likely to materially influence an insurer in setting the rate of the premium, appraising the risk or deciding to continue to insure it.

On being notified of any material change in the risk, the Insurer may, under Condition 21., 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.

If the Insurer continues to accept the premiums or if he pays an indemnity after a loss, he is deemed to have acquiesced in the change notified to him.

### 3. MISREPRESENTATIONS OR CONCEALMENT

Section A of the policy may be nullified at the instance of the Insurer where the Insured or the client has misrepresented or concealed relevant facts mentioned in Condition 1. and in the first paragraph of Condition 2. which are likely to materially influence a reasonable insurer in the decision to cover the risk. Unless such misrepresentation or concealment is established, 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.

Sections B of endorsement Q.E.F. No. 6-94 may be nullified at the instance of the Insurer where the Insured or the client has misrepresented or concealed relevant facts mentioned in Condition 1. and in the first paragraph of Condition 2. which are likely to materially influence a reasonable insurer, even in respect of losses not connected with the risk so misrepresented or concealed. Unless the bad faith of the Insured or the client is established or unless it is established that the Insurer would not have covered the risk if he had known the true facts, the Insurer remains liable towards the Insured for such proportion of the indemnity as the premium he collected bears to the premium he should have collected.

### 4. BREACH OF WARRANTY

A breach of warranty aggravating the risk suspends the coverage. The suspension ceases upon the acquiescence of the Insurer or the remedy of the breach.

### 5. PROHIBITED USE

The Insured shall not drive or operate the automobile nor permit the use of the automobile by others:

- (a) unless the driver is for the time being authorized by law or qualified to drive or operate the automobile, or while he is under sixteen (16) years of age or under such other age as is prescribed by law to drive an automobile;
- (b) for any illicit trade or transportation;
- (c) in any race or speed test.

### 6. INSPECTION OF AUTOMOBILE

The Insurer shall be permitted at all reasonable times to inspect the automobile and its equipment.

### 7. NOTICE OF LOSS

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

The failure to fulfil the obligation set out in the preceding paragraph entails forfeiture of the right to indemnity where such failure has caused prejudice to the Insurer.

### 8. INFORMATION TO BE PROVIDED

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

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

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

### 9. DECEITFUL REPRESENTATION

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

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

### 10. ABANDONMENT, SAFEGUARDING AND EXAMINATION OF PROPERTY

The Insured may not abandon the damaged property if there is no agreement to that effect with the Insurer.

The Insured shall facilitate the salvage and inspection of the insured property by the Insurer. He shall, in particular, permit the Insurer and his representatives to visit the premises and examine the insured automobile and its equipment.

In addition, the Insured shall at the expense of the Insurer, and as far as reasonably possible, protect the automobile from further loss or damage, and any such further loss or damage accruing directly or indirectly from a failure to protect shall not be recoverable hereunder. No repairs shall be undertaken or any physical evidence of the loss or damage removed without the written consent of the Insurer, except such repairs as are immediately necessary for the protection of the automobile from further loss or damage, or until the Insurer has had a reasonable time to make the examination provided for in Condition 6.

### 11. ADMISSION OF LIABILITY AND COOPERATION

No transaction made without the consent of the Insurer may be set up against him.

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

The Insured shall cooperate with the Insurer in the processing of all claims.

### 12. VALUATION AND MANNER OF PAYMENT

The Insurer shall not be liable beyond 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 with proper deduction for depreciation, however caused, and shall in no event exceed what it would cost to repair or replace the automobile or any part thereof with material of like kind and quality provided that in the event of any part of the automobile being obsolete and out of stock, the liability of the Insurer in respect thereof shall be limited to the value of original equipment manufacturer parts at the time of loss or damage not exceeding the manufacturer's latest list price.

For the purpose of the above coverage, the value of damages caused to the automobile shall be based on original equipment manufacturer parts where the age of the automobile and mileage are less than two (2) years and forty thousand (40 000) kilometres, or less than one (1) year in the case of an automobile used for commercial purposes. Where the age and mileage are greater, such value may be based on similar automobile parts. However, the Insured may opt for original equipment manufacturer, if available, by communicating such option to the Insurer at the time of the notice of loss. The Insurer shall then specify the applicable conditions and additional costs that the Insured shall assume as a result of such option.

In the event of a total or constructive total loss, the Insurer agrees, at the option of the Insured and subject to supporting evidence, to cover reasonable expenses incurred to restore the automobile to the same condition as it was before the loss.

Except where an arbitration has been made and subject to the rights of preferred and hypothecary creditors, the Insurer, instead to making payment may, within a reasonable time, repair, rebuild or replace the property damaged or lost with other of like kind and quality, giving written notice of its intention so to do within seven (7) days after the receipt of the proofs of loss.

In all cases, the salvage, if any, shall revert to the Insurer.

### 13. ARBITRATION

Arbitration may take place in the event of a disagreement as to the nature, extent or amount of the loss or damage, or the adequacy of the repairs or the replacement and independently of all other questions respecting the validity of the contract.

The party seeking arbitration must notify the other party of his intention in writing, specifying the matter in dispute. The Insured's request for arbitration must be granted. The Insurer's request for arbitration may be granted subject to the Insured's consent.

If the Insured requests arbitration, the Insurer must send the Insured an acknowledgement of receipt no later than fifteen (15) clear days after receipt of this notice. If the Insurer so requests, the Insured must confirm acceptance or refusal within the same amount of time.



Each party shall name an expert and the two (2) experts shall work jointly to estimate damage (establishing the actual cash value and the damage separately) or to assess the adequacy of the repairs or the replacement. Failing to agree, they shall submit their differences to a disinterested arbitrator they have appointed.

If either party fails to appoint an expert within thirty (30) clear days of the date of the notice or if the experts fail to agree upon an arbitrator within fifteen (15) days of their appointment, or if an expert or the arbitrator refuses to act or is unavailable, the vacancy thus created must be filled, on the request of one of the parties, by a court with jurisdiction in the place of the arbitration.

Notwithstanding the arbitration procedure and if the validity or application of the contract is not being contested, the Insurer shall pay the uncontested portion of the damage amount. This payment must be made not later than sixty (60) days after receipt of notice of loss or receipt of the information or supporting documents required by the Insurer.

Subject to this clause, the arbitration shall follow the procedure in sections 940 to 951.2 of the *Code of Civil Procedure of Québec*, taking into account any required modifications. In accordance with section 944.1 of this Code, the arbitration may proceed according to a procedure determined by the arbitrator, insofar as this procedure does not contravene the above sections. The arbitration proceedings shall be held at a place in accordance with the domicile of the Insured.

The arbitrator shall settle the dispute in accordance with the applicable laws in the province of Québec. The arbitrator and the parties may use the language of their choice during the arbitration proceedings. Measures must be taken to ensure that all the participants understand the language used.

The arbitration award shall be made in writing by the arbitrator. It must indicate the date and place where it has been made. It must state the reasons on which it is based and be signed by the arbitrator, then sent to the parties within thirty (30) days of the date on which it has been made.

Each party shall pay the expenses and fees of its expert and half the fees and expenses of the arbitration proceedings. The arbitrator is authorized to award the fees and expenses of the arbitration if he deems that the sharing method established by this clause is not justified or fair for each of the parties in the circumstances.

#### 14. NON-WAIVER

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

#### 15. TIME OF PAYMENT

Claims under Section B shall be paid within sixty (60) days after receipt of notice of loss or of information or proof of loss required by the Insurer or, where an arbitration is held, within fifteen (15) days after award is accepted by the Insured.

#### 16. CONTINUATION OF COVERAGE

Coverage is maintained after a loss.

#### 17. PRESCRIPTION

Every action against the Insurer under this contract is prescribed by three (3) years from the date the right of action has arisen.

#### 18. SUBROGATION

The Insurer shall be subrogated to the extent of the amount paid under this contract to the rights of the Insured against persons responsible for the loss except when they are members of the Insured's household.

The Insurer may be fully or partly released from his obligation towards the Insured where, owing to any act of the Insured, he cannot be so subrogated.

#### 19. OTHER LIABILITY INSURANCE

Insurance under a contract evidenced by a valid owner's policy is, in respect of liability arising from or occurring in connection with the ownership, use or operation of an automobile owned by the Insured named in the policy and within the description or definition thereof in the policy, a first loss insurance, and insurance attaching under any other valid motor vehicle liability policy is excess insurance only.

However, insurance evidenced by a valid garage policy, not describing the specific automobile(s) insured, shall in respect to non-owned or customers' automobiles while being used, operated or worked upon in the course of the policyholder's business as a garage be a first loss insurance and insurance attaching under any other valid motor vehicle policy shall be excess insurance only.

#### 20. RENEWAL OF CONTRACT

This contract shall be renewed of right, for the same premium and for the same period, at expiry, unless notice to the contrary is given by the Insurer or the Insured; if given by the Insurer, the notice of non-renewal or of a change in the premium must be sent to the Insured, at his last known address, not later than the thirty (30) days preceding the date of expiry, counting that date.

Where the Insured deals through a broker, the notice provided for in the first paragraph is sent by the Insurer to the broker, the latter being entrusted to remit it to the Insured.

#### 21. CANCELLATION

This contract may be cancelled at any time:

(a) by each of the Named Insureds giving mere written notice to the Insurer. Cancellation takes effect upon receipt of the notice by the Insurer and the Insured shall therefore be entitled to a refund of the excess of the **premium actually paid** over the premium earned for the time the contract has been in force, on the basis of the Cancellation Table herein;

(b) within sixty (60) days after its coming into force, by the Insurer giving written notice to each Named Insured. Cancellation takes effect fifteen (15) days following receipt of such notice by the Named Insured at his last known address.

At the expiry of such period of sixty (60) days, the contract shall not be cancelled by the Insurer except in the case of an aggravation of risk which is likely to materially influence a reasonable insurer in the decision to continue to insure, or when the premium has not been paid. The Insurer so wishing to cancel the contract shall notify each Named Insured in writing; cancellation takes effect thirty (30) days following receipt of such notice by the Named Insured at his last known address or, if the Described Automobile, with the exception of a school bus, is an automobile contemplated in Title VIII.1 of the *Highway Safety Code*, fifteen (15) days after receipt of the notice.

The Insurer shall refund the excess of the **premium actually paid** over the earned premium computed on a day to day basis.

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

In this Condition, the words **premium actually paid** mean the premium actually paid by the Insured to the Insurer or its agent, but do not include any premium or part thereof paid to the Insurer by an agent unless actually paid to the agent by the Insured.

#### 22. NOTICE

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

# CRIME 1.0

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## SUMMARY OF COVERAGES

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

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

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

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

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

### Coverage 1. – Employee Dishonesty

1. The Insurer will pay the Insured for the loss of **money, securities and other property** which:
  - 1.1. the Insured sustains, directly resulting from one or more **fraudulent or dishonest acts** committed by an **employee**, acting alone or in collusion with others;
  - 1.2. the Insured's **client** sustains, directly resulting from one or more **fraudulent or dishonest acts** committed by an **employee**, acting alone or in collusion with others.
    - 1.2.1. However, in the event of collusion between the Insured's **employee** and the Insured's **client's** employee, there will be no coverage provided to the Insured under this insurance.

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

2. The Insurer will pay the Insured for:
  - 2.1. loss of, or damage to, **money or securities**, by their actual destruction, disappearance or theft;
  - 2.2. loss of, or damage to, **other property**, by actual or attempted **safe burglary or robbery**; which the Insured sustains from any of the following locations:
    - a. within the **premises**, bank or similar place of safe deposit;
    - b. while being carried by an armoured motor vehicle company or **messenger**;  
However, the Insurer will only pay for the amount of loss or damage the Insured cannot recover:
      - i. under a contract with the armoured motor vehicle company; and
      - ii. from any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.
    - c. within the living quarters of a **messenger**.
  - 2.3. loss of, or damage to, **other property**, by theft while within the living quarters of a **messenger**;
  - 2.4. damage to the **premises** or its exterior, directly resulting from, an actual or attempted theft, **robbery or safe burglary**, or by the unlawful entry or attempted unlawful entry into the **premises**, if the Insured is the owner of the **premises** or is liable for damage to the **premises**.

### Coverage 3. – Fraud

#### 3.1. Money Orders or Counterfeit Money

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

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

### 3.2. Forgery or Alteration Coverage

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

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

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

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

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

### 3.3. Computer Fraud

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

### 3.4. Funds Transfer Fraud

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

## Coverage 4. – Expenses

### 4.1. Professional Fees

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

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

### 4.2. Theft, Robbery or Burglary Reward

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

### 4.3. Medical Expenses

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

This Form covers the following expenses:

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

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

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

4.3.4. mental health and counselling services; and

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

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

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

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

### 4.4. Computer Data Restoration Expenses

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

## EXCLUSIONS

This Form does not apply:

### 1. INVENTORY COMPUTATION

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

### 2. MONEY DEVICES

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

### 3. GIFT CARDS

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

### 4. ACT BY EMPLOYEE

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

## 5. WAR AND INVASION

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

## 6. ACCOUNTING

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

## 7. NUCLEAR

To loss or damage caused directly or indirectly:

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

## 8. CRIMINAL ACTS

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

## 9. FIRE

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

## 10. THREAT TO BODILY HARM OR DAMAGES

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

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

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

## 11. DEFENSE OF LEGAL ACTION

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

## 12. POTENTIAL INCOME

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

## 13. LEGAL LIABILITY OF INSURED

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

## 14. TERRORISM

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

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

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

## 15. DATA

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

## 16. SOCIAL ENGINEERING FRAUD

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

## 17. CONFIDENTIAL OR PERSONAL INFORMATION

To loss or damage resulting from:

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

## 18. GOVERNMENT AUTHORITY

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

# GENERAL AGREEMENTS

## 1. CONSOLIDATION, MERGER OR PURCHASE

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

## 2. JOINT INSURED

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

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

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

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

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

### 3. TERRITORY

This Form insures acts committed or events occurring:

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

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

With respect to loss or damage which occurs:

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

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

### 5. LOSS COVERED UNDER PRIOR INSURANCE

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

### 6. LOSS OR DAMAGE SUSTAINED

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

### 7. EXTENDED PERIOD TO DISCOVER LOSS

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

### 8. LOSS CAUSED BY UNIDENTIFIABLE EMPLOYEES

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

### 9. OWNERSHIP OF PROPERTY; INTERESTS COVERED

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

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

### 10. RECORDS

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

### 11. PRIOR FRAUD, DISHONESTY OR CANCELLATION

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

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

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

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

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

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

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

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

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

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

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

#### 13.1. Loss of money:

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

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

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

#### 13.2. Loss of Securities

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

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

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

13.3.1. the actual cash value of such property; or

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

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

### 14. RECOVERIES

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

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

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

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

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

### 15. AMOUNT OF INSURANCE

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

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

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

### 16. OTHER INSURANCE

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

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

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

#### 16.2. Insurance Issued by Another Insurer

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

### 17. SUBROGATION

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

### 18. CANCELLATION AS TO ANY EMPLOYEE

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

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

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

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

### 19. NO BENEFIT TO BAILEE

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

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

### 20. DEDUCTIBLE

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



# DEFINITIONS

Wherever used in this Form:

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

- 14. Messenger** means the Insured or a partner of the Insured or any **employee** who is duly authorized by the Insured to have the care and custody of the property insured under this Form located outside or within the **premises**. **Messenger** does not include any person acting as a watchman, porter or janitor.
- 15. Money** means:
- 15.1. Currency, coins, bank notes and bullion; and
  - 15.2. Travellers' cheques, registered cheques and money orders, held for sale to the public.
- Money** does not include **virtual currency**.
- 16. Occurrence** means:
- 16.1. As with respect to Coverage 1. – Employee Dishonesty, all loss or damage caused by, or involving, one or more **employees**, whether the result of a single act or series of acts;
  - 16.2. As with respect to Coverage 3.2. Forgery or Alteration, all loss caused by any person or in which that person is involved, whether the loss or damage involves one or more instruments;
  - 16.3. As respects all other Coverages:
    - 16.3.1. An act or event, or series of related acts or events, involving one or more persons; or
    - 16.3.2. An act or event, or a series of related acts or events, not involving any person.
- 17. Other property** means any tangible property, other than **money** and **securities**, that has an intrinsic value.
- Other Property** does not include:
- 17.1. Intangible property such as computer programs or electronic data;
  - 17.2. Any Insured's or another entity's or person's confidential or personal information;
  - 17.3. Any property excluded under this Form; or
  - 17.4. **Virtual currency**.
- 18. Policy period** means each consecutive period of twelve (12) months included in the policy period shown on the Declaration Page(s). The first twelve-month period starts on the inception date of the policy and the subsequent period starts at the expiry of the first twelve-month period.
- 19. Premises** means:
- 19.1. The interior of that portion of any building; or
  - 19.2. Any temporary booth or similar location;
- Which is occupied by the Insured in conducting its business.
- For **robbery** only, the **premises** also include the space immediately surrounding such **premises**.
- 20. Robbery** means the unlawful taking of property from the care and custody of a person by someone who has:
- 20.1. Caused or threatened to cause that person bodily harm; or
  - 20.2. Committed an overt unlawful act witnessed by that person and of which that person was actually cognizant.
- 21. Safe burglary** means the unlawful taking of property from within a locked safe or vault by forcible or violent entry, as evidenced by visible marks upon its exterior, or the unlawful taking of a safe or vault from within the **premises**.
- 22. Securities** means all negotiable and non-negotiable instruments or contracts representing either **money** or **other property** and includes revenue and other stamps in current use, tokens and tickets. **Securities** does not include **money** or **virtual currency**.
- 23. Social engineering fraud** means the intentional misleading of an **employee** or the Insured (if the Insured named in the Declaration Page(s) is a natural person who is a sole proprietor), through the use of an instruction received by the **employee** or the Insured that:
- 23.1. Causes such **employee** or such Insured to transfer, pay, or deliver **money, securities** or **other property**;
  - 23.2. Contains a misrepresentation of a material fact; and
  - 23.3. is relied upon by such **employee** or such Insured, believing the material fact to be true.
- 24. Terrorism** means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.
- 25. Third party** means a natural person, other than:
- 25.1. An **employee**; or
  - 25.2. A natural person acting in collusion with an **employee**.
- 26. Transfer account** means an account maintained by the Insured at a **financial institution** from which the Insured can initiate the transfer, payment or delivery of **money** or **securities** by means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system, or by means of written instructions establishing the conditions under which such transfers are to be initiated by such **financial institution** through an electronic funds transfer system.
- 27. Virtual currency** means a digital or electronic medium of exchange that is used and accepted as a means of payment, but that is not issued by, or guaranteed by, a central bank, government or public authority.

## COMMERCIAL GENERAL LIABILITY COVERAGE

# PYRITE OR PYRRHOTITE EXCLUSION

This Endorsement changes the Policy. Please Read It Carefully.

The following exclusion is added to the COMMON EXCLUSIONS COVERAGES A, B, C and D section contained under the Commercial General Liability Max Form.

Other words and phrases that appear in bold have special meaning. Refer to Section IV – Definitions of the Commercial General Liability Max Form.

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

This insurance does not apply to:

### 8. PYRITE OR PYRRHOTITE

**Bodily injury, property damage or personal injury** arising directly or indirectly, in whole or in part, from any reactive aggregate or granular substance, including those containing pyrite, pyrrhotite, ferrous sulfide or any materials containing such reactive aggregates or granular substances, in any form or in any 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**.

All other terms and conditions of the Policy remain unchanged.

## **Q.E.F. No. 6-96 – CONTRACTUAL LIABILITY ENDORSEMENT**

**This Endorsement changes the Policy. Please Read It Carefully.**

It is agreed that exclusion (5) of section A of Form 094.9e, Q.P.F. No. 6, Québec Automobile Insurance Policy – Non-owned Form, is deleted.

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

**SPECIMEN ONLY**

## Q.E.F. No. 6-99 – EXCLUDING LONG TERM LEASED VEHICLE ENDORSEMENT

**This Endorsement changes the Policy. Please Read It Carefully.**

It is agreed that item (c) of section 3. DEFINITIONS of the GENERAL PROVISIONS, DEFINITIONS AND EXCLUSIONS of the Form 094.9e, Q.P.F. No. 6, Québec Automobile Insurance Policy – Non-owned Form, is deleted and replaced by the following:

- (c) The term **hired automobiles** means:
- (1) automobiles hired or leased from others with drivers;
  - (2) hired or leased by the Named Insured from others without driver for periods not exceeding thirty (30) days, used under the control of the Insured in the business stated in the Declarations but shall not include any automobile owned in whole or in part by or registered in the name of the Insured or any employee, shareholder, officer, member, partner or mandatory of the Insured.

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

## COMMERCIAL GENERAL LIABILITY COVERAGE

# AMENDED DEDUCTIBLE ENDORSEMENT – BODILY INJURY AND PROPERTY DAMAGE COMBINED

This Endorsement Changes the Policy. Please Read It Carefully.

Certain words and phrases in bold font or quotation marks have special meaning as defined below or in the Form to which this Endorsement is attached.

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

This Endorsement is attached to Commercial General Liability Max Form and is subject to all terms, conditions, limitations and exclusions of such Form:

Sub-paragraph 9.2.1. under **SECTION III – LIMITS OF INSURANCE AND DEDUCTIBLES** in the Commercial General Liability Max form is deleted and replaced by the following:

9.2. The deductible amounts apply as follows:

9.2.1. Coverage A

Under Coverage A: To all **compensatory damages** because of **bodily injury** and **property damage** as the result of any one **occurrence**, regardless of the number of persons or organizations who sustain **compensatory damages** because of that **occurrence**.

All other terms and conditions of the Policy remain unchanged.

## PROPERTY COVERAGE

# EARTHQUAKE SHOCK ENDORSEMENT

This endorsement changes the policy. Please read it carefully.

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

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

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

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

### 1. INSURED PERIL

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

### 2. DEDUCTIBLE

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

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

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

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

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

### 3. EXCLUSIONS

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

- 3.1. fire, explosion, or smoke;
- 3.2. **leakage from fire protective equipment**;
- 3.3. theft, vandalism, or **malicious acts**;
- 3.4. flood, including **surface water**, waves, tides, tidal waves, tsunamis, or the breaking out or overflow of any natural or artificial body of water, waterborne objects or ice.

### 4. EXTENSION OF COVERAGE

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

### 5. DEFINITIONS

- 5.1. **Earthquake** includes snowslide, landslide, or other earth movements occurring concurrently with and directly resulting from an earthquake shock.
- 5.2. **Earthquake occurrence** means all earthquake shocks which occur within 168 consecutive hours, commencing during the policy period on or after the effective date of this endorsement. The expiration of this policy will not reduce the 168 hour period.
- 5.3. **Surface water** means water or natural precipitation temporarily diffused over the surface of the ground.

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

## PROPERTY COVERAGE

# FLOOD ENDORSEMENT

This endorsement changes the policy. Please read it carefully.

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

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

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

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

### 1. INSURED PERIL

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

### 2. DEDUCTIBLE

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

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

### 3. EXCLUSIONS

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

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

### 4. EXTENSION OF COVERAGE

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

### 5. DEFINITIONS

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

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



## PROPERTY COVERAGE

# SEWER BACK UP ENDORSEMENT

This endorsement changes the policy. Please read it carefully.

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

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

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

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

### 1. INSURED PERIL

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

### 2. DEDUCTIBLE

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

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

### 3. LIMIT OF INSURANCE

If an amount of insurance is specified on the Declaration Page(s) for this endorsement, the Insurer shall not be liable for more than that amount.

### 4. DEFINITION

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

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

# EQUIPMENT BREAKDOWN MAX

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SPECIMEN ONLY

## SUMMARY OF COVERAGES

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

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

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

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

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

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

### INSURING AGREEMENT

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

### EXCLUSIONS

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

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

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

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

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

However, we shall pay for loss that ensues solely from the **breakdown** of any other **equipment**;
  7. in whole or in part, by **terrorism** or by any activity or decision of a government agency or other entity to prevent, respond to or terminate **terrorism**; This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage. If any portion of this exclusion is found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect;
- This Form does not insure:**
8. specific to sub-paragraph 1.3. under the **INSURING AGREEMENT** section:
    - 8.1. to loss occurring any time during which business could not or would not have been carried out if the **breakdown** had not occurred;
    - 8.2. to loss resulting from your failure to use due diligence and dispatch to resume, as soon as possible, complete or partial operations of the business;
    - 8.3. to fines or damages for breach of contract or for late or non-completion of orders; or
    - 8.4. to any penalties of whatever nature.
  9. loss from any indirect result of a **breakdown** except as provided under Sections 1.2. and 1.3. of Insuring Agreement.

## EXTENSIONS OF COVERAGE

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

### 1. HAZARDOUS SUBSTANCES

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

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

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

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

### 2. AMMONIA CONTAMINATION

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

### 3. EQUIPMENT UPGRADE

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

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

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

### 4. LOSS OF DATA

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

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

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

## 5. ERRORS OR OMISSIONS IN STATEMENTS OF VALUES

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

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

## 6. LIBERALIZATION CLAUSE

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

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

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

## 7. BRANDS AND LABELS

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

## 8. ENVIRONMENTAL "GREEN" IMPROVEMENTS

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

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

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

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

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

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

## 9. OFF-PREMISES MOBILE EQUIPMENT

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

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

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

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

## 10. PUBLIC RELATIONS

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

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

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

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

## 11. CONTINGENT BUSINESS INTERRUPTION

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

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

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

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

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

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

## 12. EXPEDITING EXPENSES

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

## 13. BY-LAWS

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

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

## 14. PROFESSIONAL FEES/AUDITORS FEES

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

## 15. NEW ACQUISITIONS

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

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

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

## 16. SERVICE INTERRUPTION

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

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

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

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

## 17. INTERRUPTION BY CIVIL AUTHORITY

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

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

## 18. SPARES MITIGATION

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

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

## 19. SELLING PRICE

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

# SPECIAL CONDITIONS

## 1. AMOUNTS OF INSURANCE

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

## 2. BASIS OF SETTLEMENT

### 2.1. Property damage

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

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

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

**We shall not be liable:**

- 2.1.6. for the cost of repairing or replacing any part or parts of a piece of **equipment** which is greater than the cost of repairing or replacing the entire piece of **equipment**;
  - 2.1.7. for more than the cost to replace the property with other property of like kind, capacity, size, quality and function;
  - 2.1.8. for loss or damage to any **insured property** which is useless or obsolete to you.
- 2.2. Spoilage  
We will pay, under sub-paragraph 1.2. of the **INSURING AGREEMENT** section, the amount that is spent to replace perishable **insured property** which spoils solely as a result of the **breakdown** of **equipment**. If the **insured property** is not replaced, we shall only pay for the **actual cash value** of the property.
- 2.3. Business Interruption/Extra Expense  
Under sub-paragraph 1.3. of the **INSURING AGREEMENT** section, we will pay until the earlier of:
- 2.3.1. the date the revenue and operations of the business return to normal; or
  - 2.3.2. twelve (12) months from the date of the **breakdown**.

**3. INDEMNITY PERIOD**

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

**4. DEDUCTIBLE**

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

**5. INSPECTION AND SUSPENSION**

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

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

**6. REFILLABLE TANKS**

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

**7. HEAT TRANSFER MEDIUM**

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

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

**8. OTHER INSURANCE**

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

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

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

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

whichever is later.

**10. SUBROGATION**

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

**11. OTHER DUTIES AND RESPONSIBILITIES**

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

**12. ACTION AGAINST INSURER**

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

**13. ASSIGNMENT - BANKRUPTCY**

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

**14. CANCELLATION**

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



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

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

#### 15. CHANGES

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

#### 16. MORTGAGE INTEREST

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

#### 17. ADDITIONAL INSURED

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

#### 18. CANADIAN CURRENCY CLAUSE

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

#### 19. DISPUTED LOSSES

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

## DEFINITIONS

#### Whenever used in this Form:

1. **Actual cash value** means the cost of replacing the damaged property with property of similar kind, capacity, size, quality and function less depreciation however caused. We consider such items as the age, condition and normal life expectancy of the damaged property in determining depreciation.
2. **Actual Loss Sustained** means the sum of:
  - 2.1. the loss of **net profit** on the business prevented; and
  - 2.2. that part of the following fixed charges and expenses which the business did not incur because of a **breakdown**, but which the business would have earned had the **breakdown** not occurred:
    - 2.2.1. salaries and wages of officers, executives, department managers, employees under contract and other essential employees; and
    - 2.2.2. manufacturing, selling, administrative expenses and any other items contributing to the overhead expenses of the Insured but due consideration shall be given to the experience of the business before the **breakdown** and probable experience thereafter.
3. **Any one breakdown**  
If either the **breakdown** of **equipment** causes the **breakdown** of other **equipment** or a series of **breakdowns** occur at the same time as a result of the same cause, they will all be considered as **any one breakdown**.
4. **Breakdown** means a sudden and accidental failure of **equipment** resulting in physical damage which requires the repair or replacement of the **equipment** or a part of the **equipment**.  
**Breakdown** does not mean:
  - 4.1. depletion, deterioration, corrosion or erosion of material;
  - 4.2. wear and tear;
  - 4.3. the functioning of any safety device or protective device.
5. **Business Interruption** means:
  - 5.1. either the business interruption coverages offered and showing in the Declaration Page(s) under the Property Policy that are also applicable to a business interruption resulting from a **breakdown** (follow form); or
  - 5.2. either:
    - 5.2.1. the **actual loss sustained** if Actual Loss Sustained is shown in the Declaration Page(s);
    - 5.2.2. the **loss of profits** if Loss of Profits is shown in the Declaration Page(s);
    - 5.2.3. the **gross rents** if Gross Rents is shown in the Declaration Page(s); or
    - 5.2.4. the **gross earnings** if Gross Earnings is shown in the Declaration Page(s).
6. **Data** means facts, concepts and information which is converted to a form useable for computer equipment and includes programs, software, interpretation and coded instructions for the processing and manipulation of data and the electromechanical data processing, and also includes data arising from electronically controlled **equipment**.
7. **Equipment** means any **equipment** owned, leased, operated or for which you have, care, custody or control as described below:
  - 7.1. any boiler, fired or unfired pressure vessel normally subject to vacuum or internal pressure other than static pressure of contents, any piping connected thereto or any other piping and its accessory **equipment**, any heat exchanger that forms part of forced air heating **equipment**, but not including any:
    - 7.1.1. boiler setting, any refractory or insulating material,
    - 7.1.2. part of a boiler or fired pressure vessel that does not contain steam or water; or
    - 7.1.3. any drainage piping, any sprinkler piping and its accessory **equipment**;
    - 7.1.4. **equipment** (including piping) which is not in a conduit beneath the surface of the ground and that requires the removal, excavation or demolition of materials in order to inspect, remove, repair or replace such **equipment** or such piping; However, this exclusion doesn't apply to **geothermal heating systems**.

- 7.2. any mechanical or electrical **equipment** used for the generation, transmission or utilization of mechanical or electrical power, but not including:
- 7.2.1. any vehicle, power shovel, excavator dragline or other mobile **equipment**, floating vessel, locomotive or aircraft, but not excluding any electrical **equipment** and/or pressure vessel used with such machine or apparatus;
- 7.2.2. any lifting or safety cables, anchorages, car buffers or counterweight buffers which forms part of an elevator system;
- 7.3. any electronic **equipment** or fibre optic cable, used for research, diagnosis, treatment, communication, word processing, data processing, duplicating, monitoring or scanning, but **equipment** shall not include:
- 7.3.1. any anode tube, x-ray tube, video amplifier tube or klystron tube; nor
- 7.3.2. any laser cartridge.
8. **Extra Expense** means the reasonable and necessary extra expenses incurred by yourselves in order to either resume or continue the normal operation of your business.
9. **Fungi** includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any **fungi** or **spores** or resultant mycotoxins, allergens, or pathogens.
10. **Finished stock** means the stock manufactured by you, in the ordinary course of your business, which is ready for packing, shipment or sale.
11. **Geothermal heating systems** means underground piping as a means of heat transfer.
12. **Goods** means goods kept for sale by you which are not the product of manufacturing operations conducted by you.
13. **Green** means products, materials, methods and processes certified by a **green authority** that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.
14. **Green Authority** means an authority on building products, materials, methods or processes certified and accepted by industry associations or government as supporting environmental sustainability and/or energy conservation. These entities include but are not limited to: leadership in energy and Design (LEED), Green Building Initiative (Green Globes), Energy Star, Building Owners and Managers Association (BOMA) BEST, any applicable Canadian Standards Association guideline (CSA), ISO Standards or any other environmental sustainability or energy conservation rating or certification system recognised by us.
15. **Gross earnings** means the sum of:
- 15.1. total net sales value of production;
- 15.2. total net sales of **goods**;
- 15.3. other earnings derived from operations of the business;
- Less the cost of:
- 15.4. **raw stock** from which such production is derived;
- 15.5. supplies consisting of materials consumed directly in the conversion of such **raw stock** into **finished stock** or in supplying the service(s) sold by you at the **premises**;
- 15.6. **goods** sold, including packaging materials thereof;
- 15.7. services purchased from outsiders (not your employees) for resale which do not continue under contract;
- 15.8. your **ordinary payroll** expense.
- No other costs are deducted in determining **gross earnings**. In determining **gross earnings**, due consideration will be given to the experience of the business before the **breakdown** and the probable experience thereafter had no **breakdown** occurred.
16. **Gross rents** means the sum of:
- 16.1. the **gross rents** for one year of the part or parts of the **premises** occupied;
- 16.2. the estimated annual rental value of the part or parts of the **premises** not occupied; and
- 16.3. the reasonable rental value, as the case may be, of the part or parts of the **premises** occupied by you.
- (\* In determining the **gross rents**, due consideration is given to the experience of your business before the **breakdown** and the probable experience thereafter had no **breakdown** occurred.
17. **Hazardous Substance** means:
- 17.1. any pollutant, contaminant or other substance declared by a government authority to be hazardous to health or the environment; or
- 17.2. any **fungi**, **spores** or toxins created or produced by or emanating from such **fungi** or **spores** whether or not allergenic, pathogenic or toxigenic.
18. **Insured property** means:
- 18.1. Your property; or
- 18.2. Property of others in your care, custody or control and for which you are legally liable.
19. **Indemnity period** means the period beginning with the occurrence of the **breakdown** and ending no later than twelve (12) months thereafter, during which the results of the business shall be affected in consequence of the **breakdown**.
20. **Insured standing charges** means all standing charges are insured unless otherwise specified in the Declaration Page(s), in which case only those standing charges so specified are insured. The following shall in no event be deemed to be standing charges:
- 20.1. Depreciation of stock;
- 20.2. Bad debts;
- 20.3. Wages and salaries other than salaries to permanent staff and wages to foremen and important employees whose services would not be dispensed with should the business be interfered with or interrupted.
21. **Loss of profit** means the sum produced by adding to the **net profit** the amount of the **insured standing charges** or if there is no **net profit** the amount of the **insured standing charges** less such a proportion of any net trading loss as the amount of the **insured standing charges** bears to all standing charges of the business.
22. **Media** means tangible material or virtual support on which **data** is recorded.
23. **Net profit** means the net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured at the **premises** specified in the Declaration Page(s) after due provision has been made for all standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.
24. **Ordinary payroll** means the entire payroll for all your employees, except salaries and wages to:
- 24.1. officers;
- 24.2. executives;
- 24.3. department managers;
- 24.4. employees under contract; and
- 24.5. other essential or important employees.

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

SPECIMEN ONLY

# BUSINESS INTERRUPTION INSURANCE

## PROFITS

### 1. INDEMNITY AGREEMENT

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

### 2. MEASURE OF RECOVERY

This Form, subject to the limit of insurance specified in the Declaration Page(s), is limited to the Insured's interest in loss of **gross profit** due to 2.1.– Reduction in Turnover and 2.2. – Increase in Cost of Working and the amount payable shall be:

#### 2.1. 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**;

#### 2.2. In respect of Increase in Cost of Working:

The additional expenditure (subject to Special Provisions Clause 3.2.) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **turnover** suffered during the **indemnity period** in consequence of the destruction or damage by a peril insured against, but not exceeding the sum produced by applying the **rate of gross profit** to the amount of the reduction thereby avoided;

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

provided that, if the amount of insurance be less than the sum produced by applying the **rate of gross profit** to the **annual turnover**, the amount payable shall be proportionately reduced.

### 3. SPECIAL PROVISIONS

3.1. 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**.

3.2. If any standing charges of the business are 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.

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

### 4. SPECIAL EXCLUSION

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

### 5. INTERRUPTION BY CIVIL AUTHORITY

This Form is extended to include the actual loss as insured hereunder during the period of time, not exceeding 30 days, while access to the **premises** is prohibited by order of civil authority, but only when such order is given as a direct result of direct physical loss or direct physical damage to neighbouring premises by a peril insured against under this policy.

### 6. BUILDING BY-LAWS

In case of loss or damage by a peril insured against, this Form is extended to cover any increase in loss resulting from, or contributed to by, the operation of any by-law, ordinance or law which regulates zoning or the demolition, repair or construction of damaged buildings or structures, but shall in no way operate to extend the **indemnity period** or to increase the amount of insurance.

### 7. WAIVER OF TERM OR CONDITION

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

### 8. PREMIUM ADJUSTMENT

If within 12 months after the expiration of this policy the Insured shall file with the Insurer a premium adjustment application form showing:

8.1. the total amount of insurance carried under this and all other policies insuring **gross profit** during the annual term of this policy and that such amount of insurance was not decreased during the said annual term or period; and

8.2. that the **gross profit** certified by the Insured's auditors as earned during the Insured's financial year most nearly concurrent with the annual term of this policy was less than the total amount of insurance carried thereon;

then the Insurer will allow in respect of its pro rata proportion of the difference a return of premium not exceeding 50% of the premium paid by the Insured under this insurance.

In the event of loss originating within the term of this policy, the premium for the full term of this insurance on the full amount paid or payable for such loss shall be regarded as earned and no return premium shall be allowed in respect thereof.

The Insurer reserves the right to inspect the Insured's books, records and such policies as relate to this insurance for verification of any statement filed for the purpose of adjusting the premium of this insurance.

## 9. DEFINITIONS

Wherever used in this Form:

- 9.1. **Annual Turnover** means the **turnover** during the twelve (12) months or to a proportionately increased multiple thereof where the maximum **indemnity period** exceeds twelve (12) months, immediately before the date of the destruction or damage by perils 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.
- 9.2. **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.
- 9.3. **Indemnity Period** means the period beginning with the occurrence of a peril insured against and ending no later than the period of time (in months) specified in the Declaration Page(s) or if no period of indemnity is stated therein, 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.
- 9.4. **Insured Standing Charges** means all standing charges unless otherwise specified in the Declaration Page(s) in which case only those standing charges so specified are insured.
- In no event shall the following be deemed to be standing charges:
- 9.4.1. depreciation of stock;
- 9.4.2. bad debts.
- 9.4.3. Wages and salaries other than salaries to permanent staff and wages to foremen and important employees whose services would not be dispensed with should the business be interfered with or interrupted.
- 9.5. **Net Profit** means the net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured at the **premises** after due provision has been made for all standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.
- 9.6. **Premises** means the entire area within the property lines at the location(s) specified in the Declaration Page(s), or at any newly acquired location, including:
- 9.6.1. areas under adjoining sidewalks and driveways;
- 9.6.2. in or on vehicles within 100 metres (328 feet) of such property lines described in 9.6;
- 9.6.3. in the open within 305 metres (1000 feet) of such property lines described in 9.6.
- 9.7. **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.
- 9.8. **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.
- 9.9. **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**.

# BUSINESS INTERRUPTION EXTENSION 1.0

## SUMMARY OF COVERAGES

Item	Extensions of Coverage	Amount of Insurance per occurrence (\$)
1.	Contingent Loss of Income – Contributing/Recipient Property	25,000
2.	Contingent Loss of Income – Neighbouring premises	25,000 or 60 days (highest amount)
3.	Extra Expenses	25,000
4.	Fines, Damages or penalties for Breach of Contract	10,000
5.	Interruption by Civil Authority	30 days
6.	Mortgage Rate Guarantee	10,000
7.	Newly Acquired Property	90 days
8.	Off-Premises Service Interruption	15,000
9.	Professional Fees	5,000
10.	Tenant's Leasehold Interest – Rents	10,000

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

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

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

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

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

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

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

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

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

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

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

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

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

### 3. Extra Expenses

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

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

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

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

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

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

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

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

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

### 5. Interruption by Civil Authority

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

### 6. Mortgage Rate Guarantee

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

The new mortgage must be the same term, amortization, and interest rate option of the previous mortgage.

Indemnity shall be based on the difference between the mortgage rate in effect on the date of the loss and the new mortgage rate, based on the outstanding mortgage balance.

This Extension will continue:

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

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

### 7. Newly Acquired Property

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

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

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

whichever occurs first.

### 8. Off-Premises Service Interruption

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

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

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

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

### 9. Professional Fees

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

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

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

**10. Tenant's Leasehold Interest – Rents**

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

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

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

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## BUSINESS INTERRUPTION INSURANCE

### ORDINARY PAYROLL COVERAGE

**Applicable only when an amount is shown in the Declarations.**

The Insured's entire ordinary payroll expense is insured for a period of time not in excess of 90 consecutive days immediately following the date of loss, which may continue during a total or partial suspension of business, insuring only to the extent necessary to resume the **normal** business of the Insured with the same quality of service which existed immediately preceding the destruction or damage by perils insured against and which would have been earned had no destruction or damage by the perils insured against occurred.

This item does not insure any portion of salaries described under **Insured standing charges**.

The Insurer shall not be liable, in the event of loss, for a greater proportion of the loss under this item than the amount hereby insured under the said item bears to 80% of the Insured's entire ordinary payroll expense, excluding only salaries described under **standing charges**, that would have been earned (had no destruction or damage by a peril insured against occurred) during the 90 consecutive days immediately following the date of damage to or destruction of the described property.

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

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# GENERAL CONDITIONS

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SPECIMEN ONLY

This policy is subject to the Civil Code of the Province of Quebec.

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

By accepting this policy, the Insured agrees that:

- The statements in the Declarations are accurate and complete and correspond to those statements made to the Insurer; and
- The policy was issued in reliance upon those statements.

For all coverages except where inapplicable. If the conditions contained in this form are also found in the wording to which it is attached, the latter take precedence.

## STATEMENTS

### 1. REPRESENTATION OF RISK (Article 2408)

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

The client means the person submitting an insurance application.

### 2. MATERIAL CHANGE IN RISK (Articles 2466 and 2467)

The Insured shall promptly notify the Insurer of any change that increases the risks stipulated in the policy and that results from events within his control if it is likely to materially influence an insurer in setting the rate of the premium, appraising the risk or deciding to continue to insure it.

On being notified of any material change in the risk, the Insurer may cancel the contract or propose, in writing, a new rate of premium. Unless the new premium is accepted and paid by the Insured within 30 days of the proposal, the policy ceases to be in force.

### 3. MISREPRESENTATION OR CONCEALMENT (Articles 2410, 2411 and 2466)

Any misrepresentation or concealment of relevant facts mentioned in section 1 and in the first paragraph of section 2 by the client or the Insured nullifies the contract at the instance of the Insurer, even in respect of losses not connected with the risk so misrepresented or concealed.

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

### 4. WARRANTIES (Article 2412)

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

## GENERAL PROVISIONS

### 5. INSURABLE INTEREST (Articles 2481 and 2484)

(applicable only to property insurance)

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

### 6. CHANGES (Article 2405)

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

### 7. ASSIGNMENT (Articles 2475 and 2476)

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

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

### 8. BOOKS AND RECORDS

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

### 9. INSPECTION

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

### 10. CURRENCY

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

### 11. AUTOMATIC REINSTATEMENT

(applicable only to property insurance)

Unless specified otherwise in this policy, losses hereunder shall not reduce the amount of insurance of this policy.

### 12. PREMIUM AUDIT

The Insurer will compute all premiums for this policy in accordance with his rules and rates.

Where the premium shown in this policy is a deposit premium, the Insurer will compute the earned premium for that period at the close of each audit 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 term is greater than the earned premium, the Insurer will return the excess to the first Named Insured subject to the retention of the minimum premium shown in the Declarations of this policy.

### 13. TRADE AND ECONOMIC SANCTIONS

The Insurer shall not provide any coverage or be liable to provide any indemnity or payment or other benefit under this Policy if and to the extent that doing so would breach any **Prohibition**.

For the purposes of this Clause:

13.1. **Insurer** means the company providing this insurance.

13.2. **Prohibition** means any prohibition or restriction imposed by law or regulation including but not limited to:

13.2.1. trade and/or economic sanctions laws and/or regulations of Canada, the United Kingdom, or any other jurisdiction or authority relevant to the parties; and

13.2.2. any activities that would be subject to a license requirement under those laws and/or regulations in respect of transit and/or export control, unless such license has been obtained prior to the activity commencing and the **Insurer** has approved the provision of insurance for the activity.

## LOSS OR DAMAGE

### 14. DUTIES OF THE INSURED IN THE EVENT OF LOSS OR DAMAGE (Articles 2470, 2471, 2495 and 2504)

#### 14.1. Notice of loss or damage

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

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

#### 14.2. In the event of loss or damage to the insured property, the Insured:

14.2.1. shall inform the Insurer as soon as possible of all the circumstances surrounding the loss or damage, including its probable cause, the nature and extent of the damage, the location of the insured property, the rights of third persons, and any concurrent insurance;

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

14.2.3. at the expense of the Insurer, must take all reasonable steps to prevent further loss or damage to the insured property and any further loss or damage resulting directly or indirectly from the Insured's failure to take such action shall not be recoverable. The Insured may not abandon the damaged property if there is no agreement to that effect;

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

14.2.5. shall submit to examination under oath or warrant to the truth and shall produce all documents required by the Insurer and shall permit copies thereof to be made;

14.2.6. shall furnish the Insurer with vouchers and swear or warrant to the truth of the information and that the loss or damage did not occur through his wilful act or neglect or his connivance.

#### 14.3. In the event of loss or damage to third parties, the Insured shall:

14.3.1. inform the Insurer as soon as possible of all the circumstances involving loss or damage to third parties, and of any claim resulting therefrom, including the probable cause of the loss or damage, the nature and extent of the damage, and any concurrent insurance;

14.3.2. forthwith send to the Insurer a copy of any notice, letter, subpoena or writ or document received in connection with a claim;

14.3.3. not admit any liability nor settle or attempt to settle any claim, except at his own cost. No transaction made without the consent of the Insurer may be set up against him;

14.3.4. cooperate with the Insurer in the processing of all claims;

#### 14.4. Insured's incapacity

Where, for a serious reason, the Insured is unable to fulfil the obligations stated in sections 14.2. and 14.3., he is entitled to a reasonable time in which to do so.

If the Insured fails to fulfil the said obligations, any interested person may do so on his behalf.

#### 14.5. Separation of Insureds, cross liability (applicable to liability insurance only)

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:

14.5.1. As if each Named Insured were the only Named Insured; and

14.5.2. Separately to each Insured against whom claim is made or **action** is brought.

### 15. FALSE REPRESENTATION (Article 2472)

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

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

### 16. INTENTIONAL FAULT (Article 2464)

The Insurer is never liable to compensate for injury resulting from the Insured's intentional fault.

Where there is more than one Insured, the obligation of coverage remains in respect of those Insureds who have not committed an intentional fault.

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

### 17. RIGHT OF ACTION (Article 2502)

(applicable to liability insurance only)

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

## COMPENSATION AND SETTLEMENT

### 18. BASIS OF SETTLEMENT (Articles 2490, 2491 and 2493)

(applicable to property insurance only)

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

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

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

### 19. PAIR AND SET

(applicable to property insurance only)

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

### 20. PARTS

(applicable to property insurance only)

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

**21. RIGHT OF THE INSURER TO REPAIR OR REPLACE (Article 2494)**

(applicable to property insurance only)

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

**22. TIME OF PAYMENT (Articles 2469 and 2473)**

The Insurer shall pay the indemnity within 60 days after receiving the notice of loss or, at his request, all relevant information and vouchers.

Any outstanding premium may be deducted from the indemnity payable.

**23. PROPERTY OF OTHERS**

(applicable to property insurance only)

Where a claim is made as a result of loss of or damage to property not owned by the Insured, the Insurer reserves the right to pay the indemnity to the Insured or to the owner of the property and to deal directly with such owner, in which event the Insurer's obligation to the Insured hereunder shall be fully met.

The Insured must notify the Insurer of any claim or suit for loss or damage to property of others and the Insurer may, at his option, direct the Insured's defense.

**24. WAIVER**

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

**25. LIMITATION OF ACTIONS (Article 2925)**

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

**26. SUBROGATION (Article 2474)**

Unless otherwise provided, the Insurer shall be subrogated to the extent of the amount paid or the liability assumed therefor under this policy to all rights of recovery of the Insured against third parties except corporations, firms, individuals or other interests with respect to which insurance is provided by this policy. The Insured must do nothing after loss to impair those rights to us and help us enforce them. The Insurer may be fully or partly released from his obligation towards the Insured where, owing to any act of the Insured, he cannot be so subrogated.

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

**Additional provisions applicable to condominiums**

Except with respect to criminal act or intentional acts or vehicle impact, the Insurer agrees with the Insured to waive its right of subrogation as to any claim against:

- the **Condominium Corporation**, its Directors, Property Managers, agents and employees; and
- the owner of a **unit** and, if residents of the household of the owner of a **unit**, his or her spouse, the relatives of either and any other person under the age of 21 in the care of an owner of a **unit** or his or her spouse. Spouse means a person who is married to or has entered into a civil union with another person of the opposite or the same sex and is living with that person for at least three years or for at least one year if a child was born or adopted of their union.

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

## OTHER INSURANCE

**27. PROPERTY INSURANCE (Article 2496)**

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

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

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

**28. LIABILITY INSURANCE**

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

**28.1. Primary Insurance**

This insurance is primary except when 27.2. and 27.3. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in 27.4. below.

**28.2. Excess Insurance (Occurrence Form)**

This insurance is excess over:

28.2.1. Any of the other insurance, whether primary, excess, contingent or on any other basis:

28.2.1.1. That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for your work;

28.2.1.2. That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

28.2.1.3. If the loss arises out of the maintenance or use of watercraft or automobile to the extent not subject to either Exclusion 2.5. or 2.6. of Section I - Coverage A - Bodily Injury and Property Damage Liability.

28.2.2. Any other primary insurance available to you covering liability for compensatory damages arising out of the premises or operations or products-completed operations for which you have been added as an additional insured by attachment of an endorsement.

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

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

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

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

**28.3. 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 personal injury or property damage on other than a claims-made basis.

When this insurance is excess, the Insurer will have no duty to defend any claim or action that any other insurer has a duty to defend. If no other insurer defends, the Insurer will undertake to do so, but he will be entitled to all the Insured's rights against all those other insurers.

28.4. Contribution by equal share:

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

## CANCELLATION (Articles 83, 2477 and 2479)

### 29. THIS POLICY MAY BE CANCELLED AT ANY TIME:

- 29.1. By any of the Named Insureds giving written notice. Termination takes effect upon receipt of the notice and the Insured shall therefore be entitled to a refund of the excess of the premium actually paid over the short-term rate for the expired time.
- 29.2. By the Insurer giving written notice to each of the Named Insured, at their last known address, at least 15 days before the effective date of cancellation by reason of non payment of premium or 30 days before the effective date of cancellation by any other reason. Cancellation takes effect 15 or 30 days after receipt of the written notice, depending upon the reason for cancellation. The Named Insured is entitled to a refund of the excess premium actually paid over the prorata premium for the expired time. If the premium is subject to adjustment or determination as to amount, the refund shall be made as soon as practicable.

Where there are more than one Named Insured and exclusively in respect of the receipt of the notices sent by the Insurer as provided by this condition, it is understood and agreed that all and each of the Named Insureds elect domicile at the address of the Named Insured whose name is shown first in the Declarations.

Where one or more of the Named Insureds have been mandated to receive or send the notices provided for under paragraph 28.1 or 28.2 above, notices sent or received by them shall be deemed to have been sent or received by all Named Insureds.

In this Condition, the words "premium actually paid" mean the premium actually paid by the 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.

#### Special provisions applicable to condominiums

The time period for notice of termination by the Insurer is extended to 60 days except when the termination is for:

- Non-payment of, or any part of, the premium due under the contract or of any charge due under any agreement ancillary to the contract; or
- False description of the risk, misrepresentation or fraudulent omission to communicate any circumstances that is material to be made known to the Insurer; or
- Change material to the risk;

In those jurisdictions where statute prescribes different policy termination conditions, such prescribed conditions shall apply.

## NOTICE

### 30. NOTICE

Any notice to the Insurer may be sent by any recognized means of communication to the Insurer or its authorized representative. Notice may be given to the Named Insured by letter personally delivered to him or by mail addressed to him at his last known address. It is incumbent upon the sender to prove that such notice was received.

## ADDITIONAL CONDITIONS (Property insurance)

### 31. FIRES OR EXPLOSIONS CAUSED BY VOLCANIC ERUPTION, EARTHQUAKE OR OTHER CATAclysm (Article 2486)

Where coverage provided by this policy insures property against the perils of fire or explosion, it is understood and agreed that, notwithstanding the provisions of article 2486 of the Civil Code of the Province of Québec, the Insurer is liable for damage due to fires or explosions caused by volcanic eruption, earthquake or any other natural disaster.

### 32. PERMISSIONS

The Insurer grants permission:

- 32.1. to make alterations, additions or repairs to the buildings; the Insured shall notify the Insurer at the beginning of the work if the risk is protected by automatic sprinklers;
- 32.2. 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;
- 32.3. for other insurance concurrent with this form.

### 33. BREACH OF CONDITIONS

Where a loss occurs and there has been a breach of condition relating to a matter before the happening of the loss, which breach would otherwise disentitle the Insured from recovery under this Form, the breach shall not disentitle the Insured from recovery if the Insured establishes that the loss was not caused or contributed to by the breach of condition or if the breach of condition occurred in any portion of the premises over which the Insured has no control.

#### Special provisions applicable to condominiums

If the Condominium Corporation does not comply with a condition of this insurance, any claim for subsequent loss or damage is not recoverable. The Insurer will not deny a claim for this reason if the Condominium Corporation proves that the non-compliance neither caused nor worsened the loss or damage.

Coverage will not be affected:

- if the Condominium Corporation fails to comply with a condition in part of the premises over which the Condominium Corporation has no control, or
- if the breach is committed by an owner of a unit or occupant without the knowledge or consent of the Condominium Corporation.

### 34. PROPERTY PROTECTION SYSTEMS

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

- 34.1. sprinkler or other fire extinguishing system; or
- 34.2. fire detection system; or
- 34.3. intrusion detection system;

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

## DEFINITIONS

1. **CONDOMINIUM CORPORATION** means:

a corporation constituted under provincial legislation relating to condominiums or co-ownership by declaration. It refers to a syndicate in Québec.

2. **PREMISES** means:

2.1. the entire area within the property lines at the location(s) described in the Declaration Page(s) or at any newly acquired location, including:

2.1.1. areas under adjoining sidewalks and driveways;

2.1.2. in or on vehicles within 100 metres (328 feet) of such property lines described in 2.1;

2.2. in the open within 305 metres (1000 feet) of such property lines described in 2.1.

3. **UNIT** means:

the unit as defined in the declaration, description or bylaws of the **Condominium Corporation** or provincial or territorial legislation relating to condominiums or divided co-ownership. It refers to a private portion in Quebec.

SPECIMEN ONLY



# GENERAL CONDITIONS – ONTARIO – ATLANTIC REGION

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Throughout this Form the word "Insured" refers to the Named Insured shown in the Declaration Page(s). The word "Insurer" refers to the company providing this insurance.

Other words and phrases that appear in bold have special meaning. Refer to either this Form or to the DEFINITIONS of Liability Coverage forms or the Property Coverage forms attached to this Policy.

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

The following Conditions, as modified or supplemented by the attached forms or endorsements, apply to all perils insured by this Policy under a Property Coverage form (including fire) or a Liability Coverage. If any portion of these conditions are found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect.

The following General Conditions are only applicable to the provinces of Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.

## SECTION I – PROPERTY COVERAGE STATUTORY CONDITIONS

### 1. MISREPRESENTATION

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

### 2. PROPERTY OF OTHERS

Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured in such property is stated in the contract.

### 3. CHANGE OF INTEREST

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

### 4. MATERIAL CHANGE

Any change material to the risk and within the control and knowledge of the Insured voids the contract as to the part affected by the change, unless the change is promptly notified in writing to the Insurer or its local agent. The Insurer, when so notified, may return the unearned portion, if any, of the premium paid and cancel the contract. Alternatively, the Insurer may notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within fifteen (15) days of the receipt of the notice, pay to the Insurer an additional premium. In default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

### 5. TERMINATION

5.1. This contract may be terminated,

5.1.1. by the Insurer giving to the Insured written notice of termination at least:

5.1.1.1. five (5) days before the effective date of termination if personally delivered;

5.1.1.2. fifteen (15) days before the effective date of termination if the contract is terminated by registered mail for nonpayment of premium; or

5.1.1.3. thirty (30) days before the effective date of termination if the contract is terminated by registered mail for any other reason.

5.1.2. by the Insured at any time on request.

5.2. When this contract is terminated by the Insurer,

5.2.1. the Insurer shall refund the excess of premium actually paid by the Insured over the proportionate premium for the expired time, subject to any minimum retained premium specified; and

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

5.3. When this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.

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

5.5. The fifteen (15) and thirty (30) days mentioned in clauses 5.1.1.2. and 5.1.1.3. of this condition commence to run on the day following the receipt of the registered letter at the post office to which it is addressed.

#### Special condition applicable to Condominium Corporations:

In those jurisdictions where provincial legislation under which the **Condominium Corporation** is constituted prescribes different policy termination conditions from those contained in the Statutory Conditions or General Conditions of this Policy as the case may be, such prescribed conditions shall apply.

### 6. REQUIREMENTS AFTER LOSS

6.1. Upon the occurrence of any loss or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11,

6.1.1. immediately give notice of the loss or damage in writing to the Insurer;

6.1.2. deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration,

6.1.2.1. giving a complete inventory of the lost or damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed,

6.1.2.2. stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes,

6.1.2.3. stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the Insured,

6.1.2.4. showing the amount of other insurances and the names of other Insurers,

6.1.2.5. showing the interest of the Insured and of all others in the property with particulars of all mortgages, liens, encumbrances and other charges upon the property,

6.1.2.6. showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract,

6.1.2.7. showing the place where the insured property was located at the time of loss or damage;

6.1.3. if required, give a complete inventory of undamaged property, showing in detail quantities, cost, actual cash value;

6.1.4. if required and if practicable, produce accounts, warehouse receipts, stock lists, invoices and other pertinent records, verified by statutory declaration, as well as any relevant contracts or agreements with others.

6.2. The evidence furnished under clauses 6.1.3. and 6.1.4. of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

#### 7. FRAUD

Any fraud or willfully false statement in a statutory declaration in relation to any of the above particulars, vitiates the claim of the person making the declaration.

#### 8. WHO MAY GIVE NOTICE AND PROOF

In case of absence or inability of the Insured to give notice of loss or make proof of loss, notice of loss may be given and proof of loss may be made by the agent of the Insured. If the Insured fails to give notice immediately, the notice of loss may be given and the proof of loss may be made by a person to whom any part of the insurance money is payable.

#### 9. SALVAGE

9.1. The Insured, in the event of any loss or damage to any insured property, shall take all reasonable steps to prevent further damage to such property and to prevent damage to other insured property, including, if necessary, removal to a secure location.

9.2. The Insurer shall contribute proportionately, according to the respective interests of the parties, towards any reasonable and proper expenses in connection with steps taken by the Insured and required under subsection 9.1. of this condition.

#### 10. ENTRY, CONTROL, ABANDONMENT

After loss or damage to insured property, the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage. After the Insured has secured the property, the Insurer has a further right of access and entry sufficient to enable its agents to make appraisal or particular estimate of the loss or damage. The Insurer is not entitled to the control or possession of the insured property. There can be no abandonment of insured property to the Insurer without the Insurer's consent.

#### 11. APPRAISAL

In the event of disagreement as to the value of the insured property or the value of the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under the Insurance Act before there can be any recovery under this contract, whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand for one is made in writing and until proof of loss has been delivered.

#### 12. WHEN LOSS PAYABLE

The loss is payable within sixty (60) days after completion of the proof of loss, unless the contract provides for a shorter period.

#### 13. REPLACEMENT

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

13.2. In that event, the Insurer shall commence to repair, rebuild, or replace the property within forty-five (45) days after receipt of the proof of loss, and shall proceed with all due diligence to completion of the work.

#### 14. ACTION

Every action or proceeding against the Insurer for the recovery of any claim shall be absolutely barred unless commenced within one (1) year after the loss or damage occurs.

#### 15. NOTICE

Any written notice to the Insurer may be sent by **registered** mail or delivered to the chief agency or any office of the Insurer in Canada. Written notice may be given to the Insured by letter personally delivered to the Insured or by **registered** mail addressed to the Insured at the Insured's latest post office address as notified to the Insurer. In this condition, the expression **registered** means registered in or outside Canada.

## ADDITIONAL CONDITIONS (Property Coverage)

#### 1. NOTICE TO AUTHORITIES

Where the loss is due to malicious mischief, burglary, robbery, theft, or attempt thereof, or is suspected to be so due, the Insured shall give immediate notice thereof to the police or other authorities having jurisdiction.

#### 2. SUE AND LABOUR

It is the duty of the Insured in the event that any property insured hereunder is lost to take all reasonable steps in and about the recovery of such property. The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with the foregoing according to the respective interests of the parties.

#### 3. BASIS OF SETTLEMENT

Unless otherwise provided, the Insurer is not liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality.

#### 4. SUBROGATION

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

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

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

#### Special condition applicable to Condominium Corporations

Except with respect to criminal act or intentional acts or vehicle impact, the Insurer agrees with the Insured to waive its right of subrogation as to any claim against:

- the **Condominium Corporation**, its Directors, Property Managers, agents and employees; and
- the owner of a unit and, if residents of the household of the owner of a unit, his or her **spouse**, the relatives of either and any other person under the age of 21 in the care of an owner of a unit or his or her spouse. **Spouse** means a person who is married to or has entered into a civil union with another person of the opposite or the same sex and is living with that person for at least three years or for at least one year if a child was born or adopted of their union.

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

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

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

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

#### 5. EXAMINATION UNDER OATH

In the event of loss or damage to the insured property, the Insured shall submit to examination under oath or warrant to the truth and shall produce all documents required by the Insurer and shall permit copies thereof to be made.

#### 6. CANADIAN CURRENCY CLAUSE

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

#### 7. CONTRIBUTION

If, on the happening of any loss or damage to property in consequences of which a claim is or may be made under this Policy, there is in force more than one contract covering the same interest, the liability of the Insurer under this Policy shall be limited to its proportionate share of such claim.

#### 8. VERIFICATION OF VALUES

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

#### 9. BREACH OF CONDITION

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

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

9.2. Special condition applicable to Condominium Corporations:

Where a loss occurs and there has been a breach of condition relating to a matter before the happening of the loss, which breach would otherwise disentitle the Insured from recovery under this Policy, the breach shall not disentitle the Insured from recovery if the Insured establishes that the loss was not caused or contributed to by the breach of condition.

It is further agreed that this insurance shall not be prejudiced by:

9.2.1. any act or neglect of any occupants or owners of the **building** or any part thereof when such act or neglect is not within the control of the **Condominium Corporation**, or

9.2.2. failure of the **Condominium Corporation** to comply with any warranty or condition herein with regard to any portion of the **premises** over which the **Condominium Corporation** has no control.

#### 10. REINSTATEMENT

Unless specified otherwise in this Policy, losses hereunder shall not reduce the amount of insurance of this Policy.

#### 11. LOSS PAYABLE

Special clause applicable to Condominium Corporations

Loss, if any, shall be payable in accordance with the provisions of the provincial legislation under which the **Condominium Corporation** is constituted. If the legislation has no such provisions, loss, if any, shall be payable as stated on the Declaration Page(s).

#### 12. PROPERTY OF OTHERS – CONDOMINIUMS

Special condition applicable to Condominium Corporations

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

## GENERAL INSURING AGREEMENT APPLICABLE TO THIS POLICY

1. In consideration of the premium specified and the statements contained in the Declaration Page(s) and the conditions, stipulations and declarations contained in the Forms and Endorsements, the Insurer agrees to insure the Insured named in the Declaration Page(s) to the extent provided by the Forms and Endorsements for the policy period.

By acceptance of this Policy, the Insured acknowledges the cancellation from the effective date of this Policy, of any previous policy (or the renewal thereof) which is stated in the Declaration Page(s) as replaced.

#### 2. TERMINATION

Notwithstanding anything contained to the contrary in the Conditions specifically applying to each section of this Policy, the Termination condition of the Commercial Property Policy Conditions of this Policy may at the Insurer's option be applied to the contract entirely.

#### 3. DEFINITION

Wherever the word "policy", "contract" (meaning the insurance contract) or "insurance" (meaning the insurance contract) is used in the Conditions applicable to this Policy or in the Forms and Endorsements forming part thereof, such word shall be held to apply only to the specific cover provided by that Section and by the Forms and Endorsements forming part thereof.

# STANDARD MORTGAGE CLAUSE (Approved By The Insurance Bureau of Canada)

It is hereby provided and agreed that:

- 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.

- 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.
- 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.
- 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.
- 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.
- 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)

- 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.

- SUBROGATION** – À concurrence des indemnités versées par lui aux créanciers hypothécaires, l'Assureur est subrogé dans les droits de ces derniers contre les débiteurs ou propriétaires auxquels il se croit justifié d'opposer un motif de non-garantie, les créanciers hypothécaires n'en demeurant pas moins en droit de recouvrer le solde de leurs créances avant que la subrogation ci-dessus puisse être exercée. L'Assureur se réserve cependant le droit d'acquitter les créances intégralement, auquel cas il a droit au transfert de celles-ci et de toutes les sûretés les garantissant.
- 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.
- 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 par 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.
- 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.
- SAISIE** – Si les créanciers hypothécaires ou leurs ayants droit acquièrent, par saisie ou autrement, les titres ou les droits de propriété des biens assurés, ils ont droit dès lors au bénéfice de la présente assurance tant qu'elle demeure en vigueur.

Aux conditions ci-dessus (lesquelles doivent par ailleurs prévaloir en ce qui concerne les intérêts des créanciers hypothécaires contre toutes celles du contrat en conflit avec elles), les sinistres sont payables directement aux créanciers hypothécaires ou à leurs ayants droit.

### Cancellation Agreement

This is to certify that the undersigned insured and other interested parties, where applicable, named in this Policy acknowledge the termination of the insurance coverage provided under this Policy effective \_\_\_\_\_ 20 \_\_\_\_ at 12:01 a.m. Standard Time at the postal address of the named insured.

Signature of Insured: \_\_\_\_\_

### Résiliation

Ceci est pour attester que l'assuré, et la personne ayant droit à toute partie du montant de garantie où applicable, nommé, dans le contrat accuse réception que le présent contrat est résilié à partir de \_\_\_\_\_ 20 \_\_\_\_ à 0h 01 heure normale à l'adresse du proposant.

Signature de l'Assuré: \_\_\_\_\_

## SECTION II – LIABILITY CONDITIONS

If similar liability conditions are contained in the liability forms forming part of this Policy, those conditions prevail over the following provisions.

### 1. BANKRUPTCY

Bankruptcy or insolvency of the Insured or of the Insured's estate will not relieve the Insurer of the Insurer's obligation under this Policy.

### 2. CANADIAN CURRENCY CLAUSE

All limits of insurance, premiums and other amounts are in Canadian currency.

### 3. CHANGES

This Policy contains all the agreements between the Named Insured and the Insurer concerning the insurance afforded. The first Named Insured shown in the Declaration Page(s) is authorized to make changes in the terms of this Policy with the Insurer's consent. This Policy's terms can be amended or waived only by endorsement issued by the Insurer and made a part of this Policy.

### 4. DUTIES IN THE EVENT OF OCCURRENCE, OFFENCE, CLAIM OR ACTION

4.1. The Named Insured must see to it that the Insurer is notified as soon as practicable of an **occurrence** or an offence which may result in a claim. To the extent possible, notice should include:

- 4.1.1. How, when and where the **occurrence** or offence took place;
- 4.1.2. The names and addresses of any injured persons and witnesses; and
- 4.1.3. The nature and location of any injury or damage arising out of the **occurrence** or offence.

4.2. If a claim is made or **action** is brought against any Insured, the Named Insured must:

- 4.2.1. Immediately record the specifics of the claim or **action** and the date received; and
- 4.2.2. Notify the Insurer as soon as practicable.

The Named Insured must see to it that the Insurer receives written notice of the claim or **action** as soon as practicable.

4.3. The Named Insured and any other involved Insured must:

- 4.3.1. Immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with the claim or **action**;
- 4.3.2. Authorize the Insurer to obtain records and other information;
- 4.3.3. Cooperate with the Insurer in the investigation or settlement of the claim or defence against the **action**; and
- 4.3.4. Assist the Insurer, upon the Insurer's request, in the enforcement of any right against any person or organization which may be liable to the Insured because of injury or damage to which this insurance may also apply.

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

### 5. EXAMINATION OF THE NAMED INSURED'S BOOKS AND RECORDS

The Insurer may examine and audit the Named Insured's books and records as they relate to this Policy at any time during the **policy period** and up to three (3) years afterward.

### 6. INSPECTIONS AND SURVEYS

6.1. The Insurer has the right to:

- 6.1.1. Make inspections and surveys at any time;
- 6.1.2. Give the Named Insured reports on the conditions the Insurer finds; and
- 6.1.3. Recommend changes.

6.2. The Insurer is not obligated to make any inspections, surveys, reports or recommendations and any such actions the Insurer does undertake relate only to insurability and the premiums to be charged. The Insurer does not make safety inspections. The Insurer does not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And the Insurer does not warrant that conditions:

- 6.2.1. Are safe or healthful; or
- 6.2.2. Comply with laws, regulations, codes or standards.

6.3. Sub-paragraphs 6.1. and 6.2. of this condition apply not only to the Insurer, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

6.4. Sub-paragraph 6.2. of this condition does not apply to any inspections, surveys, reports or recommendations the Insurer may make relative to certification, under provincial or municipal statutes, ordinances, by-laws or regulations, of boilers, pressure vessels or elevators.

### 7. LEGAL ACTION AGAINST THE INSURER

No person or organization has a right under this Policy:

- 7.1. To join the Insurer as a party or otherwise bring the Insurer into an **action** asking for **compensatory damages** from an Insured; or
- 7.2. To sue the Insurer on this Policy unless all of its terms have been fully complied with.

A person or organization may sue the Insurer to recover on an agreed settlement or on a final judgment against an Insured; but the Insurer will not be liable for **compensatory damages** that are not payable under the terms of this Policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by the Insurer, the Insured and the claimant or the claimant's legal representative.

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

### 8. OTHER INSURANCE

If other valid and collectible insurance is available to the Insured for a loss the Insurer covers by this Policy, the Insurer's obligations are limited as follows:

#### 8.1. Primary Insurance

This insurance is primary except when sub-paragraph 8.2. below applies. If this insurance is primary, the Insurer's obligations are not affected unless any of the other insurance is also primary. Then, the Insurer will share with all that other insurance by the method described in sub-paragraph 8.3. below.

#### 8.2. Excess Insurance

This insurance is excess over:

- 8.2.1. any of the other insurance, whether primary, excess, contingent or on any other basis:
  - 8.2.1.1. that is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for **your work**;
  - 8.2.1.2. that is Fire insurance for premises rented to the Named Insured or temporarily occupied by the Named Insured with permission of the owner;
  - 8.2.1.3. If the loss arises out of the maintenance or use of watercraft or **automobile** not otherwise excluded under this Policy.

8.2.2. any other primary insurance available to the Named Insured covering liability for **compensatory damages** arising out of the premises or operations or **products-completed operations hazard** for which the Named Insured has been added as an additional insured by attachment of an Endorsement.

8.2.3. Excess Insurance (Claims Made Form)

If this Policy provides claims-made coverage, this insurance is excess over any of the other insurance (whether primary, excess, contingent or on any other basis) that is effective prior to the beginning of the **policy period** shown in the Declaration Page(s) of this insurance and applies to **bodily injury, property damage, personal injury or advertising injury** on other than a claims-made basis.

When this insurance is excess, the Insurer will have no duty to defend the Insured against any **action** if any other insurer has a duty to defend the Insured against that **action**. If no other insurer defends, the Insurer will undertake to do so, but the Insurer will be entitled to the Insured's rights against all those other insurers.

When this insurance is excess over other insurance, the Insurer will pay only the Insured's share of the amount of the loss, if any, that exceeds the sum of:

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

8.2.5. the total of all deductible and self-insured amounts under all that other insurance.

The Insurer will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declaration Page(s) of this Policy.

8.3. Method of Sharing

If all of the other insurance permits contribution by equal shares, the Insurer will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, the Insurer will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

**9. PREMIUM AUDIT**

9.1. The Insurer will compute all premiums for this Policy in accordance with the Insurer's rules and rates.

9.2. Premium shown in this Policy as advance premium is a deposit premium only. At the close of each audit period the Insurer will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the **policy period** is greater than the earned premium, the Insurer will return the excess to the first Named Insured subject to the retention of the minimum retained premium shown in the Declaration Page(s) of this Policy.

9.3. The first Named Insured must keep records of the information the Insurer needs for premium computation, and send the Insurer copies at such times as the Insurer may request.

**10. PREMIUMS**

The first Named Insured shown in the Declaration Page(s):

10.1. Is responsible for the payment of all premiums; and

10.2. Will be the payee for any return premiums the Insurer pays.

**11. REPRESENTATIONS**

By accepting this Policy, the Named Insured agrees:

11.1. The statements in the Declaration Page(s) are accurate and complete;

11.2. Those statements are based upon representations the Named Insured made to the Insurer; and

11.3. The Insurer has issued this Policy in reliance upon the Named Insured's representations.

**12. SEPARATION OF INSUREDS, CROSS LIABILITY**

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

12.1. As if each Named Insured were the only Named Insured; and

12.2. Separately to each Insured against whom claim is made or **action** is brought.

**13. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO THE INSURER**

If the Insured has rights to recover all or part of any payment the Insurer has made under this Policy, those rights are transferred to the Insurer. The Insured must do nothing after loss to impair them. At the Insurer's request, the Insured will bring **action** or transfer those rights to the Insurer and help the Insurer enforce them.

**14. TRANSFER OF THE NAMED INSURED'S RIGHTS AND DUTIES UNDER THIS POLICY**

The Named Insured's rights and duties under this Policy may not be transferred without the Insurer's written consent except in the case of death of an individual Named Insured.

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

**15. PROVISIONAL PREMIUM**

If the premium shown in this Policy is a provisional premium, the Insurer will, at the end of each audit period, compute the earned premium for that period. Audit premiums are due and payable on notice to the Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, the Insurer will return the excess to the Named Insured subject to the retention of the minimum premium shown in the Declarations of this Policy.

**16. TERMINATION**

16.1. The first Named Insured shown in the Declaration Page(s) may terminate this Policy by mailing or delivering to the Insurer advance written notice of termination.

16.2. The Insurer may terminate this Policy by mailing or delivering to the first Named Insured written notice of termination at least:

16.2.1. Five (5) days before the effective date of termination if personally delivered;

16.2.2. Fifteen (15) days before the effective date of termination if the Insurer terminates for non-payment of premium; or

16.2.3. Thirty (30) days before the effective date of termination if the Insurer terminates for any other reason.

16.3. The Insurer will mail or deliver the notice to the first Named Insured's last mailing address known to the Insurer.

16.4. The policy period will end on the date termination takes effect.

16.5. If this Policy is terminated, the Insurer will send the first Named Insured any premium refund due. If the Insurer terminates, the refund will be pro rata. If the first Named Insured terminates, the refund may be less than pro rata. The termination will be effective even if the Insurer has not made or offered a refund. If the premium is provisional, a premium audit will take place as per Paragraph 15. **PROVISIONAL PREMIUM**.



## ADDITIONAL CONDITIONS APPLICABLE ONLY TO THE COMMERCIAL UMBRELLA LIABILITY POLICY AND COMMERCIAL EXCESS LIABILITY POLICY

### 1. ASSIGNMENT

Assignment of interest under this Form will not bind the Insurer until its consent is evidenced by an endorsement to this Form. If, however, the Named Insured will die or be adjudged bankrupt or insolvent, this insurance, unless cancelled, will cover the Insured's legal representative as the Named Insured for the unexpired portion of such period, but only while acting within the scope of his or her duties as such.

### 2. SUBROGATION

- 2.1. In as much as insurance under this Form is excess coverage, an Insured's right of recovery against any person or other entity cannot be exclusively subrogated to the Insurer. In case of any payment hereunder, the Insurer will act in concert with all other interests (including the Insured) concerned, in the exercise of such rights of recovery.
- 2.2. The apportioning of any amounts which may be so recovered will follow the principle that any interests (including the Insured) that will have paid any amount over and above any payment hereunder, will first be reimbursed up to the amount paid by them; the Insurer is then to be reimbursed out of any balance then remaining up to the amount paid hereunder; lastly, the interests (including the Insured) of whom this coverage is in excess are entitled to claim the residue, if any, but a different apportionment may be made to effect settlement of a claim by agreement signed by all interests.
- 2.3. Expenses necessary to the recovery of any such amounts will be apportioned between the interests (including the Insured) concerned, in the ratio of their respective recoveries as finally settled.

## ADDITIONAL CONDITION APPLICABLE TO BOTH LIABILITY AND PROPERTY

### 1. TRADE AND ECONOMIC SANCTIONS

The Insurer shall not provide any coverage or be liable to provide any indemnity or payment or other benefit under this Policy if and to the extent that doing so would breach any **Prohibition**.

For the purposes of this Clause:

1. **Prohibition** means any prohibition or restriction imposed by law or regulation including but not limited to:

- 1.1. trade and/or economic sanctions laws and/or regulations of Canada, the United Kingdom, or any other jurisdiction or authority relevant to the parties; and
- 1.2. any activities that would be subject to a license requirement under those laws and/or regulations in respect of transit and/or export control, unless such license has been obtained prior to the activity commencing and the Insurer has approved the provision of insurance for the activity.

All other terms and conditions of the Policy remain unchanged.

# COMMERCIAL POLICY CONDITIONS AND STATUTORY CONDITIONS – WEST REGION

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Throughout this Form the word "Insured" refers to the Named Insured shown in the Declaration Page(s). The word "Insurer" refers to the company providing this insurance.

The following Statutory Conditions and supplementary Additional Conditions apply to all coverages insured by this Policy (including fire), except where indicated.

**Other words and phrases that appear in bold font have special meaning, as defined either in the Definitions Section of this Form or in the Liability or Property Coverage forms attached to this Policy.**

For British Columbia, Alberta and Manitoba, Statutory Conditions 1., 6., 7., 8., 9., 10., 11., 12. and 13. apply only to property insurance.

For Northwest Territories, Nunavut, Saskatchewan and Yukon, Statutory Conditions 2., 6., 7., 8., 9., 10., 11., 12., 13. and 14. apply only to property insurance.

## SECTION I – STATUTORY CONDITIONS (BRITISH COLUMBIA, ALBERTA AND MANITOBA)

### 1. MISREPRESENTATION

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

### 2. PROPERTY OF OTHERS

The Insurer is not liable for loss or damage to property owned by a person other than the Insured unless:

- 2.1. otherwise specifically stated in the contract; or
- 2.2. the interest of the Insured in that property is stated in the contract.

### 3. CHANGE OF INTEREST

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

### 4. MATERIAL CHANGE IN RISK

- 4.1. The Insured must promptly give notice in writing to the Insurer or its agent of a change that is:
  - 4.1.1. material to the risk; and
  - 4.1.2. within the control and knowledge of the Insured.
- 4.2. If an Insurer or its agent is not promptly notified of a change under sub-paragraph 4.1. of this condition, the contract is void as to the part affected by the change.
- 4.3. If an Insurer or its agent is notified of a change under sub-paragraph 4.1. of this condition, the Insurer may:
  - 4.3.1. terminate the contract in accordance with Statutory Condition 5; or
  - 4.3.2. notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within fifteen (15) days after receipt of the notice, pay to the Insurer an additional premium specified in the notice.
- 4.4. If the Insured fails to pay an additional premium when required to do so under sub-paragraph 4.3.2. of this condition, the contract is terminated at that time and Statutory Condition 5.2.1. applies in respect of the unearned portion of the premium.

### 5. TERMINATION OF INSURANCE

- 5.1. The contract may be terminated
  - 5.1.1. by the Insurer giving to the Insured fifteen (15) days' notice of termination by registered mail or 5 days' written notice of termination personally delivered; or
  - 5.1.2. by the Insured at any time on request.
- 5.2. If the contract is terminated by the Insurer,
  - 5.2.1. the Insurer must refund the excess of premium actually paid by the Insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract; and
  - 5.2.2. the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.
- 5.3. If the contract is terminated by the Insured, the Insurer must refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.
- 5.4. The fifteen (15) day period referred to in sub-paragraph 5.1.1. of this condition starts to run on the day the registered letter or notification of it is delivered to the Insured's postal address.

### 6. REQUIREMENTS AFTER LOSS

- 6.1. On the happening of any loss or damage to insured property, the Insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,
  - 6.1.1. immediately give notice in writing to the Insurer;
  - 6.1.2. deliver as soon as practicable to the Insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration;
    - 6.1.2.1. giving a complete inventory of that property and showing in detail quantities and cost of that property and particulars of the amount of loss claimed;
    - 6.1.2.2. stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes;
    - 6.1.2.3. stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the Insured;
    - 6.1.2.4. stating the amount of other insurances and the names of other Insurers;
    - 6.1.2.5. stating the interest of the Insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property;
    - 6.1.2.6. stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued; and
    - 6.1.2.7. stating the place where the insured property was at the time of loss.
  - 6.1.3. if required by the Insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property; and
  - 6.1.4. if required by the Insurer and if practicable;
    - 6.1.4.1. produce books of account and inventory lists;
    - 6.1.4.2. furnish invoices and other vouchers verified by statutory declaration; and

6.1.4.3. furnish a copy of the written portion of any other relevant contract.

6.2. The evidence given, produced or furnished under sub-paragraph 6.1.3. and 6.1.4. of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

#### 7. FRAUD

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

#### 8. WHO MAY GIVE NOTICE AND PROOF

Notice of loss under Statutory Condition 6.1.1. may be given and the proof of loss under Statutory Condition 6.1.2. may be made:

- 8.1. by the agent of the Insured; if
  - 8.1.1. the Insured is absent or unable to give the notice or make the proof; and
  - 8.1.2. the absence or inability is satisfactorily accounted for; or
- 8.2. by a person to whom any part of the insurance money is payable, if the Insured refuses to do so or in the circumstances described in clause 8.1. of this condition.

#### 9. SALVAGE

- 9.1. In the event of loss or damage to insured property, the Insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.
- 9.2. The Insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the Insured under sub-paragraph 9.1. of this condition.

#### 10. ENTRY, CONTROL, ABANDONMENT

After loss or damage to insured property, the Insurer has:

- 10.1. an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage; and
- 10.2. after the Insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage; but
  - 10.2.1. without the Insured's consent, the Insurer is not entitled to the control or possession of the insured property; and
  - 10.2.2. without the Insurer's consent, there can be no abandonment to it of the insured property.

#### 11. IN CASE OF DISAGREEMENT

- 11.1. In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the *Insurance Act*, whether or not the Insured's right to recover under the contract is disputed, and independently of all other questions.
- 11.2. There is no right to a dispute resolution process under this condition until:
  - 11.2.1. a specific demand is made for it in writing; and
  - 11.2.2. the proof of loss has been delivered to the Insurer.

#### 12. WHEN LOSS PAYABLE

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

#### 13. REPAIR OR REPLACEMENT

- 13.1. Unless a dispute resolution process has been initiated, the Insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.
- 13.2. If the Insurer gives notice under sub-paragraph 13.1. of this condition, the Insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

#### 14. NOTICE

- 14.1. Written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the Insurer in the province.
- 14.2. Written notice to the Insured may be personally delivered at, or sent by registered mail addressed to, the Insured's last known address as provided to the Insurer by the Insured.

## SECTION II – STATUTORY CONDITIONS (NORTHWEST TERRITORIES, NUNAVUT, SASKATCHEWAN AND YUKON)

#### 1. MISREPRESENTATION

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

#### 2. PROPERTY OF OTHERS

Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured therein is stated in the contract.

#### 3. CHANGE OF INTEREST

The Insurer is liable for loss or damage occurring after an authorized assignment under the *Bankruptcy Act*\* or change of title by succession, by operation of law, or by death.

\* *Bankruptcy and Insolvency Act* (Canada) applies to Saskatchewan.

#### 4. MATERIAL CHANGE

Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent, and the Insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the Insured in writing that, if he desires the contract to continue in force, he must, within fifteen (15) days of the receipt of the notice, pay to the Insurer an additional premium, and in default of such a payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

#### 5. TERMINATION

- 5.1. This contract may be terminated:
  - 5.1.1. by the Insurer giving to the Insured fifteen (15) days' notice of termination by registered mail or five (5) days' written notice of termination personally delivered;
  - 5.1.2. by the Insured at any time on request.

- 5.2. Where this contract is terminated by the Insurer:
- 5.2.1. the Insurer shall refund the excess of premium actually paid by the Insured over pro rata premium for the expired time, but, in no event, shall the pro rata premium for the expired time be deemed to be less than any minimum retained premium specified; and
- 5.2.2. the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
- 5.3. Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable, the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
- 5.4. The refund may be made by money, postal or express company money order or cheque payable at par.
- 5.5. The fifteen (15) days mentioned in clause 5.1.1. of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

## 6. REQUIREMENTS AFTER LOSS

- 6.1. Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11:
- 6.1.1. forthwith give notice thereof in writing to the Insurer;
- 6.1.2. deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration:
- 6.1.2.1. giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed;
- 6.1.2.2. stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes;
- 6.1.2.3. stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the Insured;
- 6.1.2.4. showing the amount of other insurances and the names of other Insurers;
- 6.1.2.5. showing the interest of the Insured and of all others in the property with particulars of all liens, encumbrances and other charges upon the property;
- 6.1.2.6. showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract;
- 6.1.2.7. showing the place where the property insured was at the time of loss;
- 6.1.3. if required, give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value;
- 6.1.4. if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.
- 6.2. The evidence furnished under clauses 6.1.3. and 6.1.4. of sub-paragraph 6.1. of the condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

## 7. FRAUD

Any fraud or willfully false statement in a statutory declaration in relation to any of the above particulars, vitiates the claim of the person making the declarations.

## 8. WHO MAY GIVE NOTICE AND PROOF

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

## 9. SALVAGE

- 9.1. The Insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.
- 9.2. The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with steps taken by the Insured and required under sub-paragraph 9.1. of this condition according to the respective interests of the parties.

## 10. ENTRY, CONTROL, ABANDONMENT

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

## 11. APPRAISAL

In the event of disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under the Insurance Act before there can be any recovery under this contract whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefor is made in writing and until after proof of loss has been delivered.

## 12. WHEN LOSS PAYABLE

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

## 13. REPLACEMENT

- 13.1. The Insurer, instead of making payment, may repair, rebuild or replace the property damaged or lost, giving written notice of its intention so to do within thirty (30) days after receipt of the proofs of loss.
- 13.2. In the event the Insurer shall commence to so repair, rebuild, or replace the property within 45 days after receipt of the proofs of loss and shall thereafter proceed with all due diligence to the completion thereof.

## 14. ACTION\*\*

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

\*\* 14. Action is not applicable in Saskatchewan

\*\*\* Two years in Yukon Territory.

## 15. NOTICE

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

# SECTION III – ADDITIONAL CONDITIONS (APPLICABLE ONLY TO PROPERTY INSURANCE UNLESS NOTED OTHERWISE)

## 1. NOTICE TO AUTHORITIES

Where the loss is due to malicious mischief, burglary, robbery, theft, or attempted theft, or is suspected to be so due, the Insured shall give immediate notice thereof to the police or other authorities having jurisdiction.

## 2. NO BENEFIT TO BAILEE

It is warranted by the Insured that this insurance shall in no way insure directly or indirectly to the benefit of any carrier or other bailee.

## 3. PAIR AND SET

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

## 4. PARTS

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

## 5. SUE AND LABOUR

It is the duty of the Insured in the event that any property insured hereunder is lost to take all reasonable steps in and about the recovery of such property. The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with the foregoing according to the respective interests of the parties.

## 6. BASIS OF SETTLEMENT

Unless otherwise provided, the Insurer is not liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality.

## 7. SUBROGATION (ALL LINES OF INSURANCE)

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

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

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

**Refer to Special Provisions applying to Condominium Corporations which follows.**

## 8. ACTION (EXCLUDING NORTHWEST TERRITORIES, NUNAVUT, AND YUKON)

An action or proceeding against an Insurer in relation to a contract must be commenced, where required under legislation:

- 8.1. in the case of loss or damage to insured property, not later than two years after the date the Insured knew or ought to have known the loss or damage occurred; and
- 8.2. in any other case, not later than two years after the date the cause of action against the Insurer arose.

## 9. BREACH OF CONDITIONS

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

**Refer to Special Provision applying to Condominium Corporations which follows.**

## 10. OTHER INSURANCE

The Insurer is not liable:

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

**Refer to Special Provision applying to Condominium Corporations which follows.**

## 11. PROPERTY OF OTHERS

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

## 12. REINSTATEMENT

With the exception of losses that are subject to annual aggregate limits, any loss under this Form shall not reduce the limits of insurance.

## 13. VERIFICATION OF VALUES

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

## 14. EXAMINATION UNDER OATH

In the event of loss or damage to the insured property, the Insured shall submit to examination under oath or warrant to the truth and shall produce all documents required by the Insurer and shall permit copies thereof to be made.

## 15. CANADIAN CURRENCY CLAUSE (ALL LINES OF INSURANCE)

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

## SECTION IV – SPECIAL PROVISIONS APPLICABLE TO CONDOMINIUMS

### 1. SUBROGATION

This clause replaces **Additional Conditions 7.** above.

Subrogation shall be in accordance with the provisions of the provincial or territorial legislation under which the **Condominium Corporation** is constituted. If the legislation has no such provisions, subrogation is as stated in this clause.

The Insurer, upon making any payment or assuming liability for payment under this Form, shall be subrogated to all rights of recovery of the Insured against others and may bring action in the name of the Insured to enforce such rights. The Insurer shall have the right to control such subrogation.

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

Except with respect to criminal or intentional acts or vehicle impact, the Insurer agrees with the Insured to waive its right of subrogation as to any claim against:

- 1.1. the **Condominium Corporation**, its Directors, Property Managers, agents and employees; and
- 1.2. the owner of a **unit** and, if residents of a the household of the owner of a **unit**, his or her **spouse**, the relatives of either and any other person under the age of 21 in the care of an owner of a **unit** or his or her **spouse**.

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

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

### 2. LOSS PAYABLE

Loss, if any, shall be payable in accordance with the provisions of the legislation under which the **Condominium Corporation** is constituted. If the legislation has no such provisions, loss, if any, shall be payable as stated on the Declaration Page(s).

### 3. BREACH OF CONDITION

This clause replaces **Additional Conditions 9.** above:

If the **Condominium Corporation** does not comply with a condition of this insurance, any claim for subsequent loss or damage is not recoverable. The Insurer will not deny a claim for this reason if the **Condominium Corporation** proves that the non-compliance neither caused nor worsened the loss or damage.

Coverage will not be affected:

- 3.1. if the **Condominium Corporation** fails to comply with a condition in part of the **premises** over which the **Condominium Corporation** has no control; or
- 3.2. if the breach is committed by an owner of a **unit** or occupant without the knowledge or consent of the **Condominium Corporation**.

### 4. WAIVER OF INSURER'S OPTION TO REPAIR

Where, after a loss, a valid determination is made in accordance with provincial or territorial legislation not to repair or rebuild and any relevant statutory requirements in connection with such determination have been complied with, or where, by virtue of such legislation, the court has made an order directing the application of insurance monies, the Insurer waives its option to repair and settlement of the loss shall be on an actual cash value basis.

### 5. TERMINATION

In those jurisdictions where provincial or territorial legislation under which the **Condominium Corporation** is constituted prescribes different policy termination conditions from those contained in the Statutory Conditions or Special Provisions of this Policy, such prescribed provincial or territorial conditions shall apply.

### 6. OTHER INSURANCE

This clause replaces **Additional Conditions 10.** above:

If at the time of the loss there is other insurance in the name of the **Condominium Corporation** insuring the property described in this Form (whether collectible or not), the Insurer shall be liable for no greater proportion of any loss than the amount of insurance under this Form bears to the whole amount of insurance covering such property or as in accordance with provincial or territorial legislation applicable to Other Insurance.

## SECTION V – GENERAL LIABILITY CONDITIONS

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

### 1. NOTICE OF CLAIM OR SUIT

Upon the happening of an accident or **occurrence** that may give rise to a claim under this Policy, the Insured shall give notice of such accident or **occurrence** to the Insurer as soon as practicable after notice has been received by an officer of the Insured.

Such notice shall contain all available information pertaining to such accident or **occurrence** that is obtainable at the time.

If a claim is made or suit is brought against the Insured, the Insured shall immediately forward to the Insurer every demand, notice, summons or other process received by the Insured or the Insured's representatives.

### 2. ASSISTANCE AND COOPERATION

The Insured shall cooperate with the Insurer and, upon the Insurer's request, assist in making settlements in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the Insured because of injury or damage with respect to which insurance is afforded under this Policy; and the Insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

### 3. ASSUMPTION OF LIABILITY

The Insured shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expenses other than for first aid to others at the time of accident.

### 4. ACTION AGAINST INSURER

No action shall lie against the Insurer unless, as a condition precedent, to such action there shall have been full compliance with all of the terms of this Policy. In addition, no action shall lie against the Insurer until the amount of the Insured's obligation to pay shall have been finally determined either by judgement against the Insured after actual trial, or by written agreement of the Insured, the claimant and the Insurer. The Insurer shall not be liable for **compensatory damages** that are not payable under the terms of this Policy or that are in excess of the applicable limit of insurance.

Unless another time limit is specified to the contrary in any Canadian province's Insurance Act governing this Policy, every action or proceeding against the Insurer shall be commenced within one year of the date of such judgement or written agreement and not afterwards. The sole venue for coverage legal action related to this Policy shall be a Superior Court in Canada.

Nothing contained in this Policy shall give any person or organization any right to join the Insurer as a co-defendant in any action against the Insured to determine the Insured's liability.

Bankruptcy or insolvency of the Insured or of the Insured's estate shall not relieve the Insurer of any of its obligations under this Policy.

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



## 5. PREMIUM AND ADJUSTMENT OF PREMIUMS

- 5.1. Unless indicated as "Flat rate premium", the premium stated in the Declaration Page(s) for this Form is an estimated deposit premium only. Adjustment of premium shall be made at least annually and for this purpose the premium basis and rates shown in the Declaration Page(s) for this Form as "Basis of premium adjustment" shall be used in ascertaining the earned premium.
- 5.2. In the case of any hazards existing and covered under coverage rider(s) attached but not specified in the Declaration Page(s), or in any endorsement, the earned premium shall be computed in accordance with the Insurer's rules, rates, rating plans and minimum premiums applicable to such hazards.
- 5.3. Subject to the retention by the Insurer of the amount stated in the Declaration Page(s) for this Form as "Minimum annual premium", if the earned premium for this Policy thus computed exceeds the estimated deposit premium paid, the Insured shall pay such excess to the Insurer; on the other hand, if the estimated deposit premium exceeds the earned premium, the Insurer shall return to the Named Insured such excess.
- 5.4. The Named Insured shall maintain for each hazard insured against, a record of the information necessary for premium computation on the basis stated and shall submit such record to the Insurer at the end of the Policy Period and at such other times during the Policy Period as the Insurer may direct.

## 6. INSPECTION AND AUDIT

- 6.1. The Insurer shall be permitted, but is not obligated, to inspect the Insured's property and operations. Neither the Insurer's right to inspect nor reporting based on such inspections shall constitute an undertaking on behalf of or for the benefit of the Insured or others to determine or warrant that such property or operations are safe.
- 6.2. The Insurer may examine and audit the Insured's books and records at any time during the Policy Period and extensions of the Policy Period and within three years after the final termination of this Policy, as far as they relate to the subject matter of this insurance.

## 7. OTHER INSURANCE

The Insurer shall not be liable if at the time of an accident or **occurrence** covered by this Policy there is any other insurance that would have attached if this insurance had not been effected, and this insurance shall specifically exclude losses covered by such other valid insurance. This insurance shall apply only as excess insurance and in no event as contributing insurance and then only after all such other insurance has been exhausted.

The Insurer acknowledges the existence of any Policies arranged to apply in excess of the insurance provided by this Policy and it is agreed that notwithstanding anything contained in this Condition the insurance provided by such excess Policies shall be considered as excess and non-contributing insurance insofar as the insurance provided under this Policy is concerned and shall be held to attach and cover only after the insurance under this Policy has been exhausted.

## 8. SUBROGATION

### 8.1. Applicable to underlying insurance

In the event of any payment under this Policy, the Insurer shall be subrogated to the extent of such payment to all the Insured's rights of recovery against any third party except where the amount of settlement exceeds the amount provided in aggregate by this Policy and any other valid and collectible insurance in which case the Insured shall be entitled to all recovery until such excess has been made good to the Insured. The Insured shall execute all papers required and shall do everything necessary within his power to secure such rights.

### 8.2. Applicable to umbrella insurance

All salvages, recoveries or payments recovered or received subsequent to a loss settlement under this insurance shall be applied as if recovered or received prior to such settlement. All necessary adjustments shall be made between the Insured and the Insurer, provided always that nothing in this clause shall be construed to mean that losses under this insurance are not recoverable until the Insured's **ultimate net loss** has been finally ascertained. In as much as this Policy is umbrella-type excess coverage, the Insured's right of recovery against any person or other entity cannot always be exclusively subrogated to the Insurer. It is therefore understood and agreed that, in case of any payment under this Policy, the Insurer shall act in concert with all other interests concerned (including the Insured) in the exercise of such rights of recovery. The apportioning of any amounts that may be so recovered shall follow the principle that any other insurer or the Insured that shall have paid an amount over and above any payment under this Policy shall first be reimbursed up to the amount paid by them. The Insurer shall then be reimbursed of out of any balance then remaining up to the amount paid under this Policy. Lastly, the interests of any insurer and the Insured of which this coverage is excess are entitled to claim the residue, if any. Expense necessary to the recovery of any such amounts shall be apportioned between the insurers and the Insured concerned, in the ratio of their respective recoveries as finally settled.

## 9. CANCELLATION - TERMINATION

- 9.1. This Policy may be cancelled at any time at the request of the Named Insured, and the Insurer shall, upon surrender of the Policy, refund the excess of paid premium above the earned premium computed in accordance with the customary short rate table and procedure for the time the Policy has been in force.
- 9.2. This Policy may be cancelled or terminated:
  - 9.2.1. In the event of cancellation for non-payment of premium, this Policy may be cancelled by the Insurer giving to the Insured fifteen (15) days notice in writing of cancellation by registered post, or five (5) days notice in writing of cancellation personally delivered;
  - 9.2.2. In the event of cancellation for any reason other than non-payment of premium, at any time by the Insurer giving to the Named Insured thirty (30) days notice in writing of cancellation by registered post, and refunding the excess of paid premium beyond the earned premium computed pro rata for the expired time. Repayment of excess premiums may be made by money, post office order, postal note or cheque. Such payment shall accompany the notice;
- 9.3. This Policy may be cancelled or terminated by the Named Insured at any time on written request.
- 9.4. Where the Policy is terminated by the Insurer:
  - 9.4.1. and where the premium is developed on other than an estimated basis, the Insurer will refund the excess of the paid premium for the time the Policy has been in force, calculated pro rata; or
  - 9.4.2. where the premium is developed on an estimated basis, the Insurer will refund the excess of the premium above the premium earned, when determined.
- 9.5. Where the Policy is terminated by the Named Insured:
  - 9.5.1. and where the premium is developed on other than an estimated basis, the Insurer will refund the excess of the paid premium above the short rate premium for the time the Policy has been in force calculated in accordance with the short rate premium table in use by the Insurer, subject to the retention of any minimum retained premium, provided by the Policy; or
  - 9.5.2. where the premium is developed on an estimated basis, the Insurer will refund the excess of the paid premium above the premium earned, when determined, subject to the retention of any minimum retained premium, provided by the Policy.
- 9.6. Refund of premium may be made by money, postal or express company money order or by cheque payable at par.
- 9.7. The thirty (30) days and fifteen (15) days notice of cancellation by registered post referred to in sub-paragraphs 9.2.1. and 9.2.2. commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.
- 9.8. Premium adjustment may be made at the time cancellation is effected and if not then made shall be made as soon as practicable after cancellation becomes effective but payment or tender of unearned premium is not a condition of cancellation.
- 9.9. In this condition the expression "paid premium" means premium actually paid by the Insured to the Insurer and does not include any premium or part thereof paid to the Insurer by an Agent unless actually paid to the Agent by the Insured.

#### 10. WAIVER

No notice to any Agent or knowledge possessed by any Agent or by any other person shall be held to effect a waiver or change in any part of this Policy. The terms of this Policy shall not be waived or changed except by endorsement issued to form a part of this Policy.

#### 11. ASSIGNMENT

Assignment of interest under this Policy shall not bind the Insurer until their consent is endorsed on this Policy, except through change of title by succession, death or proceedings under any bankruptcy act.

#### 12. SPECIAL STATUTES

If any condition of this Policy, relating to limitation of time for notice of accident or for instituting legal proceedings, is at variance with any specific statutory provision in the province in which the accident occurs such statutory provision shall be substituted for such condition.

#### 13. CROSS LIABILITY AND SEPARATION OF INSUREDS

The insurance as is afforded by this Policy shall apply in respect to any claim or **action** brought against any one Insured by any other Insured. The coverage shall apply in the same manner and to the same extent as though a separate Policy had been issued to each Insured.

The inclusion under this Policy of more than one Insured shall not operate to increase the Limit of Liability under this Policy.

Any breach of a condition of this Policy by any Insured shall not affect the protection given by this Policy to any other Insured who is not, or was not, a party to such breach of condition.

#### 14. DEDUCTIBLE CLAUSE

##### COVERAGE A

The Insured shall pay the amount stated in the Declaration Page(s) for this Form as Deductible or Deductible - U.S. Claims for each and every claim related to **property damage** under paragraph 1. **INSURING AGREEMENT of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY** of the Commercial General Liability Max Form. If more than one claim arises or results from a single **occurrence**, the deductible amount shall only apply once.

#### 15. REIMBURSEMENT CLAUSE

Applicable to COVERAGE A and to **personal injury** under COVERAGE B

In the event a claim payment is made by the Insurer, the Insured shall reimburse the Insurer with respect to all claims, legal fees and adjusting expenses combined in any one accident or **occurrence**, up to the Deductible amount stated in the Declaration Page(s) for this Form as **Reimbursement or Reimbursement - US Claims**, and the Insurer shall only be liable for loss, damage or expense in excess of that amount.

The terms of the Policy, including those with respect to notice of accident or **occurrence** and the Insurer's right to investigate, negotiate and settle any claim or suit, apply irrespective of the application of the reimbursement.

## SECTION VI – DEFINITIONS

1. **Condominium Corporation** means a Corporation constituted under provincial or territorial legislation relating to condominiums or co-ownership by declaration. It refers to a strata corporation in British Columbia.
2. **Premises** means:
  - 2.1. the entire area within the property lines at the location(s) described in the Declaration Page(s) or at any newly acquired location, including:
    - 2.1.1. areas under adjoining sidewalks and driveways;
    - 2.1.2. in or on vehicles within 100 metres (328 feet) of such property lines described in 2.1.;
  - 2.2. in the open within 305 metres (1000 feet) of such property lines described in 2.1.
3. **Spouse** means a person:
  - 3.1. who is married to or has entered a civil union with another person and is living with that person;
  - 3.2. who has been living with another person of the opposite or of the same sex and has been publicly represented as that person's spouse for at least three years: or in the following cases, for at least one year if:
    - 3.2.1. a child has been born or is to be born of their union;
    - 3.2.2. they have adopted a child together.
4. **Unit** means the unit as defined in the declaration, description or bylaws of the **Condominium Corporation** or provincial or territorial legislation relating to condominiums or divided co-ownership. It refers to a strata lot in British Columbia.

## SECTION VII – ADDITIONAL CONDITIONS (APPLICABLE ONLY TO BRITISH COLUMBIA, ALBERTA, MANITOBA, NORTHWEST TERRITORIES, NUNAVUT, SASKATCHEWAN AND YUKON)

#### Property Insured on a Blanket Basis

The following additional condition applies to the Building and/or Contents - Broad Form (BF02):

Item 1. of the BF02 Indemnity Agreement is deleted and is replaced by the following:

1. In the event that any of the insured property is lost or damaged during the Policy Period by an insured peril, the Insurer will indemnify the Insured for the actual amount of direct loss or damage so caused, to an amount not exceeding whichever is the least of:
  - 1.1. the value of the lost or damaged property as determined in SPECIAL PROVISIONS- Item 5. - Basis of Valuation, or if the Declaration Page(s) specifies that this Policy is endorsed with a Form that contains a Replacement Cost clause applicable to this Form, by the valuation determined in the replacement cost clause;
  - 1.2. the interest of the Insured in the property;
  - 1.3. the amount of insurance specified on the Declaration Page(s) for the lost or damaged property;
  - 1.4. in the case of property insured on a blanket basis, 115% of the total value(s) for each insured location subject to the schedule of property declared in a current Statement of Values that is filed with the Insurer within 90 days of the most recent renewal preceding insured loss or damage; less applicable deductibles.

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

# SECTION VIII – ADDITIONAL CONDITION APPLICABLE TO BOTH LIABILITY AND PROPERTY (APPLICABLE TO BRITISH COLUMBIA, ALBERTA, MANITOBA, NORTHWEST TERRITORIES, NUNAVUT, SASKATCHEWAN AND YUKON)

## 1. TRADE AND ECONOMIC SANCTIONS

The Insurer shall not provide any coverage or be liable to provide any indemnity or payment or other benefit under this Policy if and to the extent that doing so would breach any **Prohibition**.

For the purposes of this Clause:

1. **Prohibition** means any prohibition or restriction imposed by law or regulation including but not limited to:

- 1.1. trade and/or economic sanctions laws and/or regulations of Canada, the United Kingdom, or any other jurisdiction or authority relevant to the parties; and
- 1.2. any activities that would be subject to a license requirement under those laws and/or regulations in respect of transit and/or export control, unless such license has been obtained prior to the activity commencing and the Insurer has approved the provision of insurance for the activity.

## SECTION IX – SHORT RATE CANCELLATION TABLE

As per Statutory Condition 5, if this Policy is cancelled by the Insured, it will be subject to a short-rate cancellation formula as outlined in the following table. The minimum retained premium is the amount that is stated in the Declaration Page(s) for all parts of the Policy.

Days Policy in Force	Returned Premium Factor	Days Policy in Force	Returned Premium Factor	Days Policy in Force	Returned Premium Factor	Days Policy in Force	Returned Premium Factor	Days Policy in Force	Returned Premium Factor	Days Policy in Force	Returned Premium Factor	Days Policy in Force	Returned Premium Factor
0	0.925	53	0.787	106	0.649	159	0.511	212	0.373	265	0.235	318	0.097
1	0.922	54	0.784	107	0.647	160	0.509	213	0.371	266	0.233	319	0.095
2	0.920	55	0.782	108	0.644	161	0.506	214	0.368	267	0.230	320	0.092
3	0.917	56	0.779	109	0.641	162	0.503	215	0.365	268	0.227	321	0.090
4	0.915	57	0.777	110	0.639	163	0.501	216	0.363	269	0.225	322	0.087
5	0.912	58	0.774	111	0.636	164	0.498	217	0.360	270	0.222	323	0.084
6	0.909	59	0.771	112	0.633	165	0.496	218	0.358	271	0.220	324	0.082
7	0.907	60	0.769	113	0.631	166	0.493	219	0.355	272	0.217	325	0.079
8	0.904	61	0.766	114	0.628	167	0.490	220	0.352	273	0.214	326	0.077
9	0.902	62	0.764	115	0.626	168	0.488	221	0.350	274	0.212	327	0.074
10	0.899	63	0.761	116	0.623	169	0.485	222	0.347	275	0.209	328	0.071
11	0.896	64	0.758	117	0.620	170	0.483	223	0.345	276	0.207	329	0.069
12	0.894	65	0.756	118	0.618	171	0.480	224	0.342	277	0.204	330	0.066
13	0.891	66	0.753	119	0.615	172	0.477	225	0.339	278	0.201	331	0.063
14	0.889	67	0.751	120	0.613	173	0.475	226	0.337	279	0.199	332	0.061
15	0.886	68	0.748	121	0.610	174	0.472	227	0.334	280	0.196	333	0.058
16	0.883	69	0.745	122	0.607	175	0.470	228	0.332	281	0.194	334	0.056
17	0.881	70	0.743	123	0.605	176	0.467	229	0.329	282	0.191	335	0.053
18	0.878	71	0.740	124	0.602	177	0.464	230	0.326	283	0.188	336	0.050
19	0.876	72	0.738	125	0.600	178	0.462	231	0.324	284	0.186	337	0.048
20	0.873	73	0.735	126	0.597	179	0.459	232	0.321	285	0.183	338	0.045
21	0.870	74	0.732	127	0.594	180	0.457	233	0.319	286	0.181	339	0.043
22	0.868	75	0.730	128	0.592	181	0.454	234	0.316	287	0.178	340	0.040
23	0.865	76	0.727	129	0.589	182	0.451	235	0.313	288	0.175	341	0.037
24	0.863	77	0.725	130	0.587	183	0.449	236	0.311	289	0.173	342	0.035
25	0.860	78	0.722	131	0.584	184	0.446	237	0.308	290	0.170	343	0.032
26	0.857	79	0.719	132	0.581	185	0.443	238	0.306	291	0.168	344	0.030
27	0.855	80	0.717	133	0.579	186	0.441	239	0.303	292	0.165	345	0.027
28	0.852	81	0.714	134	0.576	187	0.438	240	0.300	293	0.162	346	0.024
29	0.850	82	0.712	135	0.574	188	0.436	241	0.298	294	0.160	347	0.022
30	0.847	83	0.709	136	0.571	189	0.433	242	0.295	295	0.157	348	0.019
31	0.844	84	0.706	137	0.568	190	0.430	243	0.293	296	0.155	349	0.017
32	0.842	85	0.704	138	0.566	191	0.428	244	0.290	297	0.152	350	0.014
33	0.839	86	0.701	139	0.563	192	0.425	245	0.287	298	0.149	351	0.011
34	0.837	87	0.699	140	0.561	193	0.423	246	0.285	299	0.147	352	0.009
35	0.834	88	0.696	141	0.558	194	0.420	247	0.282	300	0.144	353	0.006
36	0.831	89	0.693	142	0.555	195	0.417	248	0.280	301	0.142	354	-
37	0.829	90	0.691	143	0.553	196	0.415	249	0.277	302	0.139	355	-
38	0.826	91	0.688	144	0.550	197	0.412	250	0.274	303	0.136	356	-
39	0.823	92	0.686	145	0.548	198	0.410	251	0.272	304	0.134	357	-
40	0.821	93	0.683	146	0.545	199	0.407	252	0.269	305	0.131	358	-
41	0.818	94	0.680	147	0.542	200	0.404	253	0.267	306	0.129	359	-
42	0.816	95	0.678	148	0.540	201	0.402	254	0.264	307	0.126	360	-
43	0.813	96	0.675	149	0.537	202	0.399	255	0.261	308	0.123	361	-
44	0.810	97	0.673	150	0.535	203	0.397	256	0.259	309	0.121	362	-
45	0.808	98	0.670	151	0.532	204	0.394	257	0.256	310	0.118	363	-
46	0.805	99	0.667	152	0.529	205	0.391	258	0.253	311	0.116	364	-
47	0.803	100	0.665	153	0.527	206	0.389	259	0.251	312	0.113	365	-
48	0.800	101	0.662	154	0.524	207	0.386	260	0.248	313	0.110	366	-
49	0.797	102	0.660	155	0.522	208	0.384	261	0.246	314	0.108	-	-
50	0.795	103	0.657	156	0.519	209	0.381	262	0.243	315	0.105	-	-
51	0.792	104	0.654	157	0.516	210	0.378	263	0.240	316	0.103	-	-
52	0.790	105	0.652	158	0.514	211	0.376	264	0.238	317	0.100	-	-

## PROPERTY COVERAGE

# STANDARD MORTGAGE CLAUSE

(Approved By The Insurance Bureau of Canada)

(Applicable to the building, equipment, and building equipment)

It is hereby provided and agreed that:

### **BREACH OF CONDITIONS BY MORTGAGOR, OWNER OR OCCUPANT**

This insurance and every documented renewal thereof - AS TO THE INTEREST OF THE MORTGAGEE ONLY THEREIN - is and shall be in force notwithstanding any act, neglect, omission or misrepresentation attributable to the mortgagor, owner or occupant of the property insured, including transfer of interest, any vacancy or non-occupancy, or the occupation of the property for purposes more hazardous than specified in the description of the risk.

PROVIDED ALWAYS that the Mortgagee shall promptly notify the Insurer (if known) 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; and that every increase of risk (not permitted by the policy) shall be paid for by the Mortgagee - on reasonable demand - from the date such risk existed, according to the established scale of rates for the acceptance of such increased risk, during the continuance of this insurance.

### **RIGHT OF SUBROGATION**

Whenever the Insurer pays the Mortgagee any loss award under this policy and claims that - as to the Mortgagor or Owner - no liability therefor existed, it shall be legally subrogated to all rights of the Mortgagee against the Insured; but any subrogation shall be limited to the amount of such loss payment and shall be subordinate and subject to the basic right of the Mortgagee to recover the full amount of its mortgage equity in priority to the Insurer; or the Insurer may at its option pay the Mortgagee all amounts due or to become due under the mortgage or on the security thereof, and shall thereupon receive a full assignment and transfer of the mortgage together with all securities held as collateral to the mortgage debt.

### **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.

### **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.

### **COVERAGE PERIOD**

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 Article 2477 of the Civil Code of Quebec, but agrees that the Insurer will neither cancel nor amend the policy to the prejudice of the Mortgagee without 15 days' notice to the Mortgagee by registered letter.

### **TRANSFER OF TITLE**

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

SUBJECT TO THE TERMS OF THIS MORTGAGE CLAUSE (and these shall supersede any policy provisions in conflict therewith BUT ONLY AS TO THE INTEREST OF THE MORTGAGEE), loss under this policy is made payable to the mortgagee.

## COMMERCIAL GENERAL LIABILITY COVERAGE

# TOTAL POLLUTION EXCLUSION WITH A HOSTILE FIRE EXCEPTION

This Endorsement Changes the Policy. Please Read It Carefully.

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

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

This Endorsement is attached to the Commercial General Liability Max Form and is subject to all terms, conditions, limitations and exclusions of such Form.

It is agreed that the following replaces, Exclusion 4. Pollution of the **COMMON EXCLUSIONS COVERAGES A,B,C and D** in the Commercial General Liability Max Form:

This insurance does not apply to:

1. **Bodily injury, personal injury, advertising injury or property damage** which would not have occurred in whole or part but for the actual, alleged or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants** at any time.

This exclusion does not apply to **bodily injury or property damage** arising out of heat, smoke or fumes from, or fire extinguishing substances used to fight, a **hostile fire** unless that **hostile fire** occurred or originated:

- 1.1. 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; or
- 1.2. 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, neutralize or in any way respond to, or assess the effects of, **pollutants**.
2. Any loss, cost or expense arising out of any:
  - 2.1. Request, demand, order or statutory or regulatory requirement that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify, decontaminate, stabilize, remediate or neutralize, or in any way respond to, or assess the effects of, **pollutants**; or
  - 2.2. Claim or **action** by or on behalf of a governmental authority for **compensatory damages** because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, decontaminating, stabilizing, remediating or neutralizing, or in any way responding to, or assessing the effects of, **pollutants**.

All other terms and conditions of the Policy remain unchanged.

## COMMERCIAL GENERAL LIABILITY

# EMPLOYERS' LIABILITY EXTENSION

This endorsement changes the policy. Read it carefully.

Attached to and forming part of the Commercial General Liability Form 091.0 to which this Endorsement is attached.

### 1. INSURING AGREEMENT

Employers' Bodily Injury Liability

The Insurer agrees to pay on behalf of the Insured all sums which the Insured shall become 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 Page.

### 2. LIMITS OF INSURANCE

Regardless of the number of (1) Insureds under this policy, (2) persons or organizations who sustain **bodily injury** or (3) claims made or **actions** brought on account of **bodily injury**, the Insurer's liability is limited as follows:

The Limit of Insurance stated in the Declarations Page is the limit of the Insurer's liability 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:

- 3.1. liability assumed by the Insured under any contract or agreement; but this exclusion does not apply to liability assumed under an **insured contract**;
- 3.2. **bodily injury** or **property damage** arising out of the ownership, maintenance, use or operation by or on behalf of the Insured of any aircraft;
- 3.3. **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; and
- 3.4. **bodily injury** arising out of structural alterations which involve changing the size of or moving buildings or other structures, new construction or demolition operations.

All other terms and conditions of the Policy remain unchanged.