



Gore Mutual Insurance Company  
Dundas St. N  
P.O. Box 70  
Cambridge, ON N1R 5T3

## Policy Declarations

### REIN Investor Guard Master Policy

**Policy Number: RIGP7777**

NAMED INSURED: As per individual certificate of insurance

MAILING ADDRESS: 201-4580 Hastings Street  
Burnaby, BC V5C 2K4

POLICY PERIOD: From: As per individual certificate of insurance  
To: As per individual certificate of insurance

BROKER: Park Insurance Agency Ltd.  
201-4580 Hastings Street  
Burnaby, BC V5C 2K4  
Tel: 604-659-3130

**REIN Investor Guard Master Policy**

**Policy Number: RIGP7777**

**All coverage, deductibles and limits of insurance as per individual certificates of insurance.**

**Forms and Endorsements Applicable**

<b>REIN Wordings</b>		
<b>Form #</b>	<b>Form Name</b>	<b>Version Date</b>
G00001	Commercial Building, Equipment and Stock Form - Broad Form,	01/2024
G00010	Gross Rentals Form	01/2024
G00034	Flood Endorsement	01/2022
G00005	Earthquake Endorsement	01/2022
G00047	Sewer Backup Endorsement	01/2022
G00124	Water Damage Deductible	01/2024
G00037	Condominium Unit Owners Extension	06/2022
G00602	Gore Extended Coverage Bundle (Option 1)	06/2022
	Gore Extended Coverage Bundle G00602 – Limits of Insurance	
G00061	Vacancy Permit No. 1 (Short Term)*	06/2022
G20140	Communicable Disease Exclusion Endorsement	01/2021
G10001	Comprehensive Dishonesty, Disappearance and Destruction Form	01/2024
G40001	Statutory Conditions & Additional Conditions - Alberta	06/2022
G40002	Statutory Conditions & Additional Conditions - BC and Manitoba	
G40003	Statutory Conditions & Additional Conditions - All others	
G40004	Statutory Conditions & Additional Conditions - Ontario	
G20001	Commercial General Liability	01/2024
G20027	Limitation of Coverage to Designated Premises	08/2016
G20003	SPF No 6 Standard Non-Owned Automobile Liability	08/2016
G20101	SEF 99 Excluding Long Term Leased Vehicles	08/2016
G20141	Communicable Disease Exclusion Endorsement (Liability)	01/2021
G20085	Non-Stacking of Limits	08/2016
<b>Manuscript Wordings</b>		
G00RN1	Amendment to Vacant Property Exclusion	08/2024
G00RN2	Tenant’s Vandalism or Malicious Acts Endorsement	08/2024
G00RN3	Liberalization Clause	08/2024
G00RN4	Enhanced Replacement Cost	11/2024
G20RN1	Condominium Unit Owners Loss Assessment Coverage - Liability	08/2024
G90MTG	Standard Mortgage Clause	---
<b>Optional Coverage</b>		
GBBR01	Padlock – Cyber & Data Protection (50K)*	01/2024

\*Coverage only provided if included on certificate of insurance.

# Commercial Building, Equipment and Stock Form Broad Form

WORDS AND PHRASES THAT APPEAR IN QUOTATIONS, BOLD, CAPITALIZED OR NOT HAVE SPECIAL MEANING AS DEFINED IN THE DEFINITIONS.

## 1. INDEMNITY AGREEMENT

In the event that any of the property insured be 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. The amount of indemnity shall not exceed whichever is the least of:

- (a) the value of the lost or damaged property as determined in VALUATIONS;
- (b) the interest of the insured in the property;
- (c) the amount of insurance specified on the "declarations" for the lost or damaged property.

Provided, however, that where the insurance applies to the property of more than one person or interest, the insurer's total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the amount or amounts of insurance specified on the "declarations".

## 2. PROPERTY INSURED

A. This form insures the following property but only those items for which an amount of insurance is specified on the "declarations".

**"BUILDING" "EQUIPMENT" "STOCK"**  
**"CONTENTS OF EVERY DESCRIPTION" "PROPERTY OF EVERY DESCRIPTION"**

only while at the location(s) specified on the "declarations".

B. This form also insures the following property for which an amount of insurance is specified on the "declarations".

**PROPERTY TEMPORARILY AWAY FROM PREMISES:** "equipment" and "stock" for the amount as specified on the "declarations", other than at a specified location except while in transit, but there shall be no liability under this item at any location owned, rented or controlled in whole or in part by the Insured.

**NEWLY ACQUIRED LOCATION – BUILDING(S):** "building(s)" at any newly acquired location that is owned, rented or controlled by the Insured in whole or in part. The limit of insurance attaches at the time of the acquisition and extends for a period of thirty (30) days or to the date of endorsement of this form adding such location whichever first occurs.

**NEWLY ACQUIRED LOCATION – EQUIPMENT AND STOCK:** "equipment" and "stock" at any newly acquired location that is owned, rented or controlled by the insured in whole or in part. The limit of insurance attaches at the time of the acquisition and extends for a period of thirty (30) days or to the date of endorsement of this form adding such location whichever first occurs.

**PARCEL POST:** Coverage is provided for "equipment" and "stock", in transit for the amount as specified on the "declarations".

**OTHER TRANSIT:** Coverage is provided for "equipment" and "stock", in transit other than parcel post for the amount as specified on the "Declarations".

**SALES REPRESENTATIVE:** "equipment" and "stock" whether in transit or otherwise, in the custody of a sales representative of the Insured for the amount as specified on the "declarations".

## 3. DEDUCTIBLE

The insurer is liable for the amount by which the loss or damage caused by any of the perils insured against exceeds the amount of the deductible specified on the "declarations" in any one occurrence. Should one occurrence give rise to the application of more than one deductible, only the largest individual deductible amount shall apply.

## 4. CO-INSURANCE

This clause applies separately to each item for which a co-insurance percentage is specified on the "declarations" and only where the total loss exceeds the lesser of two percent (2%) of the applicable amount of insurance or five thousand dollars (\$5,000).

The insured shall maintain insurance concurrent with this form on the property insured to the extent of at least the amount produced by multiplying the actual cash value of the property by the co-insurance percentage specified on the "declarations", and failing to do so, shall only be entitled to recover that portion of any loss that the amount of insurance in force at the time bears to the amount of insurance required to be maintained by this clause.

## 5. PERILS INSURED

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

## 6. EXCLUSIONS

### A. PROPERTY EXCLUDED

This form does not insure loss of or damage to:

- (a) (i) sewers, drains or watermains located beyond the insured's property lines at the location(s) described in the "Declarations";
- (ii) outside communication towers, antennae (including satellite receivers) and equipment attached thereto, street clocks, exterior signs, exterior glass or vitrolite and lettering or ornamentation thereon, but this exclusion does not apply to loss or damage caused directly by "named perils";
- (b) property at locations, which to the knowledge of the insured, are vacant, unoccupied or shut down for more than thirty (30) consecutive days;

**Refer to Item 18. SPECIAL PROVISIONS APPLICABLE TO CONDOMINIUM CORPORATION if the named insured is a "condominium corporation".**

- (c) electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing, unless fire or "explosion" as described in the DEFINITIONS ensues and then only for such ensuing loss or damage;
- (d) growing plants, trees, shrubs or flowers, all while in the open except as provided in EXTENSIONS OF COVERAGE;
- (e) animals, fish or birds, but this exclusion does not apply to loss or damage caused directly by "named perils" or from theft or attempt theft;

- (f) money, bullion, gold, silver, platinum and other precious metal and alloys, securities, stamps, tickets and tokens, evidence of debt or title;
- (g) automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property, but this exclusion shall not apply to watercraft, amphibious or air cushion vehicles held for sale, unlicensed automobiles or unlicensed trailers used in the business of the insured when on the "premises" of the insured;
- (h) furs, fur garments, jewels, jewellery, watches, pearls, precious and semi-precious stones and pre-recorded video tapes but this exclusion does not apply to:
  - (i) the first one thousand dollars (\$1,000.) of any loss insured herein;
  - (ii) any loss or damage caused directly by "named perils";
- (i) sports cards but this exclusion does provide a maximum recovery of twenty-five dollars (\$25) per card and an aggregate of one thousand dollars (\$1,000.) of any loss insured herein;
- (j) tobacco and tobacco products but this exclusion does not apply to the first five thousand dollars (\$5,000.) of any loss insured herein;
- (k) property on loan or on rental or sold by the insured under conditional sale, installment payment or other deferred payment plan, from the time of leaving the insured's custody, but this exclusion does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at the risk of the insured;
- (l) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
- (m) property in the open caused by rain, snow, ice or sleet;
- (n) (i) any pressure vessel having normal internal working pressure greater than one hundred three (103) kilopascals, fifteen (15) pounds per square inch above atmospheric pressure;
- (ii) any boiler, including the piping and equipment connected thereto, which contains steam or water under steam pressure (except tanks having an internal diameter of six hundred ten (610) millimeters, twenty four (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, but this exclusion does not apply to:
  - (1) manually portable gas cylinders;
  - (2) explosion of natural, coal or manufactured gas;
  - (3) explosion of gas or unconsumed fuel within a furnace or within the gas passages therefrom to the atmosphere;
- (o) property in the custody of as sales representative outside the "premises" of the insured, unless an amount of insurance is shown on the "declarations";
- (p) property insured under the terms of any marine insurance and property while waterborne, except while on a regular ferry or railway car transfer in connection with land transportation.

## **B. PERILS EXCLUDED**

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

- (a) 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 ensuing loss or damage which results directly from fire, "explosion", "smoke" or "leakage from fire protective equipment" all as described in the DEFINITIONS. This exclusion does not apply to property in transit.
- (b) by "flood", including "surface water", waves, tides, tidal waves, tsunamis, or the breaking out or the overflow of, any natural or artificial body of water. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for loss or damage caused directly by resultant fire, explosion, smoke, leakage from "fire protective equipment", all as described in this form. This exclusion does not apply to property in transit or loss or damage caused directly by leakage from a watermain.
- (c) (i) by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings therein, foundations, basement floors, sidewalks, sidewalk lights, or by the backing up or overflow of water from sewers, sumps, septic tanks or drains, unless concurrently and directly caused by a peril not otherwise excluded in PERILS EXCLUDED. hereof;
- (ii) by the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings, unless through an aperture concurrently and directly caused by a peril not otherwise excluded in PERILS EXCLUDED. hereof;
- (d) by centrifugal force, mechanical or electrical breakdown or derangement in or on the "premises", unless fire ensues and then only for the loss or damage caused directly by such ensuing fire;
- (e) by electrical breakdown or disturbances, including arcing to electrical office equipment and stock, electrical panels, devices, fixtures or wiring because of electrical currents artificially generated, except for ensuing loss or damage, not otherwise excluded under this form, which results from fire or explosion;
- (f) by dampness or dryness of atmosphere, changes of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of equipment or stock, contamination, exposure to light, change in colour or texture or finish, rust or corrosion, marring, scratching or crushing, but this exclusion does not apply to loss or damage caused directly by "named perils", rupture of pipes or breakage of apparatus not excluded under PROPERTY EXCLUDED hereof, theft or attempt thereat or accident to transporting conveyance. Damage to pipes caused by freezing is insured provided such pipes are not excluded under PROPERTY EXCLUDED hereof;
- (g) by smoke from agricultural smudging or industrial operations;
- (h) by birds, rodents, raccoons, skunks, insects or vermin, but this exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded under this form;
- (i) by delay, loss of market, or loss of use or occupancy;
- (j) in whole or in part, directly or indirectly, by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage;
- (k) (i) by any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any amending law) or nuclear explosion;
- (ii) by contamination by radioactive material.

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.

- (l) (i) by any dishonest or criminal act committed by the insured or any agent of the insured, acting alone or in collusion with others;
- (ii) by theft or attempted theft committed by any employee of the insured, acting alone or in collusion with others; or
- (iii) by any dishonest or criminal act committed by anyone, except as stated in 6. B. (l) (ii), when the insured or any agent of the insured knew or ought to have known prior to or becomes aware after the loss or damage, of the dishonest or criminal act. This exclusion does not apply if, upon becoming aware of the dishonest or criminal act, the insured or any agent of the insured immediately notifies the police and the insurer.

However, exclusion 6. B. (l) (i) and 6. B. (l) (iii) do not apply to a claim by an "innocent co-insured" for loss of or damage to property in which they have a legal interest, but only to the extent of their proportional interest in that property.

- (m) By voluntary parting with any property by you or anyone entrusted with the property if induced to do so with the use or unauthorized use of any financial instrument, including but not limited to any fraudulent, forged or altered credit card, debit card, "cash card", electronic currency (e-currency), bank draft, cheque, money order or counterfeit currency.
- (n) to "buildings" by:
  - (i) snowslide, landslide, subsidence or other earth movement, except for ensuing loss or damage which results directly from fire, "explosion", "smoke" or "leakage from fire protective equipment" all as described in the DEFINITIONS;
  - (ii) explosion (except with respect to 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, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire:
    - (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) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
    - (3) other vessels and apparatus and pipes connected therewith while under pressure, or while in use or in operation provided their maximum normal internal working pressure exceeds one hundred three (103) kilopascals, fifteen (15) pounds per square inch above atmospheric pressure but this exclusion does not apply to loss or damage resulting from the explosion of manually portable gas cylinders or tanks having an internal diameter of six hundred ten (610) millimeters, twenty four (24) inches or less used for the heating and storage of hot water for domestic use;
    - (4) moving or rotating machinery or parts thereof;
    - (5) any vessels and apparatus and pipes connected therewith while undergoing pressure tests but this exclusion does not apply to other property insured hereunder that has been damaged by such explosion;
    - (6) gas turbines;
  - (iii) settling, expansion, contraction, moving, shifting or cracking unless concurrently and directly caused by a peril not otherwise excluded in PERILS EXCLUDED. hereof;
- (o) proximately or remotely, arising on consequence of or contributed to by the enforcement of or 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.

**NOR DOES THIS FORM INSURE:**

- (p) wear and tear, gradual deterioration, latent defect, inherent vice, or the cost of making good faulty or improper material, faulty or improper workmanship, faulty or improper design, provided, however, to the extent otherwise insured and not otherwise excluded under this form, resultant damage to the property is insured;
- (q) mysterious disappearance, unaccountable loss or shortage of "equipment" or "stock" disclosed on taking inventory;
- (r) loss or damage sustained to "equipment" or "stock" while actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting or servicing of "equipment" or "stock", unless fire or "explosion" as described in the DEFINITIONS ensues, and then only for such ensuing loss or damage;
- (s) against loss or damage however caused which results, directly or indirectly, from any "illegal substance activity" regardless of the insured being unaware or able to control such activity.

**C. POLLUTION EXCLUDED**

This form does not insure against direct or indirect loss, damage, cost or expense:

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

**D. CYBER LOSS AND DATA EXCLUSION**

This form does not insure any:

- (a) "cyber loss"; or
- (b) loss or damage, directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any "data", including any amount pertaining to the value of such "data".

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 exclusion supersedes and, if in conflict with any other wording, exclusion or exception to an exclusion in the policy or any

endorsement thereto having a bearing on "cyber loss" or "data", replaces such wording, exclusion or exception to an exclusion.

#### E. TERRORISM EXCLUSION

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

#### F. FUNGI AND FUNGAL DERIVATIVES EXCLUSION

This form does not insure:

- (a) loss or damage consisting of or caused directly or indirectly, in whole or in part, by any "fungi" or "spores" unless such "fungi" or "spores" are directly caused by or directly result from a peril otherwise insured and not otherwise excluded by this policy;
- (b) the cost or expense for any testing, monitoring, evaluating or assessing of "fungi", or "spores".

### 7. EXTENSIONS OF COVERAGE

The following extensions of coverage, (a) to (e), shall not increase the amounts of insurance applying under this form and are subject to all conditions of this form:

- (a) **REMOVAL:** If any of the insured property is necessarily removed from the location(s) specified herein to prevent loss or damage or further loss or damage thereto, that part of the insurance under this form that exceeds the amount of the insurer's liability for any loss already incurred shall, for seven (7) days only or for the unexpired term of the policy if less than seven (7) days, insure the property removed and any property remaining in the location(s) specified herein in the proportions which the value of the property in each of the respective location(s) bears to the value of the property in them all;
- (b) (i) **DEBRIS REMOVAL:** The insurer will indemnify the insured for expenses incurred in the removal from the "premises" of debris of the property insured, occasioned by loss or damage to such property, for which loss or damage insurance is afforded under this form. The amount payable under this extension shall not exceed twenty-five percent (25%) of the total amount payable for the direct physical loss to property insured plus the amount of the applicable deductible.
- (ii) **REMOVAL OF WINDSTORM DEBRIS:** The insurer will indemnify the insured for expenses incurred in the removal of debris or other property which is not insured by this form, but which has been blown by windstorm upon the location specified on the "declarations".

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

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

Debris removal expense shall not be considered in the determination of actual cash value for the purpose of applying the co-insurance clause.

- (c) **PERSONAL PROPERTY OF EMPLOYEES:** At the option of the insured, "equipment" also includes personal property of employees of the insured. The insurance on such property:
  - (i) shall not attach if it is insured by the owner unless the insured is obliged to insure it or is liable for its loss or damage;
  - (ii) is, in any event, limited to a maximum recovery of one thousand dollars (\$1,000) in respect of any one officer or employee and subject to an aggregate of ten thousand dollars (\$10,000) in any one occurrence;
  - (iii) shall apply only to loss or damage occurring at a location specifically described on the "declarations" or included in "newly acquired location".
- (d) **BUILDING DAMAGE BY THEFT:** This form is extended to insure damage (except by fire) to that part of a "building" occupied by the insured directly resulting from theft or any attempt thereat and from vandalism or malicious acts committed on the same occasion, provided the insured is the owner of such "building" or is liable for such damage and the "building" is not otherwise insured hereunder. This extension of coverage shall be limited to a maximum recovery of five thousand dollars (\$5,000) in respect of any one loss. Glass and lettering or ornamentation thereon is excluded from this extension.
- (e) **GROWING FLOWERS, PLANTS, TREES, OR SHRUBS IN THE OPEN:** This form is extended to insure loss or damage to growing flowers, plants, trees, or shrubs in the open caused directly by "named perils" (except for windstorm or hail or from theft or attempt thereat). This extension of coverage shall be limited to a maximum recovery of five hundred dollars (\$500) for each growing plant, tree, shrub or flower in the open including debris removal expense and for not more than five thousand dollars (\$5,000) in any one occurrence.

The following extensions of coverage, (f) to (g), are in addition to the amounts of insurance applying under this form and are subject to all conditions of this form:

- (f) **PROFESSIONAL FEES:** The insurer agrees to pay up to five thousand dollars (\$5,000) in respect to reasonable fees payable to the insured's auditors, accountants, lawyers, architects, engineers or other consultants excepting public adjusters and the insured's own employees for producing and certifying particulars or details of the insured's loss or losses in order to arrive at the loss payable under this policy in the event of claim.
- (g) **FIRE DEPARTMENT CHARGES:** In the event the insured, as a result of a fire covered by this form, is charged by a municipality for firefighting services, this form shall reimburse the insured for such costs. This extension of cover shall be limited to a maximum recovery of five thousand dollars (\$5,000) in respect of any one loss.

The following extensions of coverage, (h) to (j), apply only if specified on the "declarations" and are subject to all conditions of this form:

- (h) **INFLATION PROTECTION:** It is agreed that the amount of insurance specified on the "declarations" of this policy for "building(s)", shall be automatically increased during the policy period by the proportion by which the latest published STATISTICS CANADA NON RESIDENTIAL CONSTRUCTION PRICE INDEX has increased since the last premium due date. If the amount of insurance applicable to "building(s)" is changed at the request of the insured during the policy period, the effective date of this endorsement is deemed to coincide with the effective date of such change. If this form insures two or more items, the foregoing shall apply separately to each item to which this extension applies. In this extension, "premium due date" means inception, renewal or anniversary date of the policy to which this form is attached.

(i) **STATED AMOUNT CO-INSURANCE CLAUSE**

This clause modifies insurance provided under this property form.

This clause applies separately to each location for which Stated Amount is specified on the "declarations".

1. The coinsurance clause referred to in the applicable form is deleted, provided that:
  - (a) A statement of values attested by the insured is filed with the insurer: and
  - (b) The amount of insurance is not less than the amount for that item shown on the signed statement of values.
2. The signed statement of values must be completed by the insured and filed with the insurer each year. If the insured fails to file a new statement of values within sixty (60) days of the effective date of each policy period, the terms and conditions of the coinsurance clause referred to in this form shall then apply.

(j) **REPLACEMENT COST**

The basis of valuation described in paragraph (e) of VALUATIONS. is changed to the following:

All other insured property 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 the amount actually and necessarily expended to complete "replacement", provided:

- (i) "Replacement" shall be effected by the insured with due diligence and dispatch;
- (ii) Settlement on a "replacement cost" basis shall be made only when "replacement" has been completed by the insured.

If the insured does not comply with requirements (i) and (ii) above, settlement shall be made as if this extension was not in effect.

This extension does not apply to:

- (a) "stock";
- (b) patterns, dies, moulds;
- (c) paintings, etchings, pictures, tapestries, statuary marbles, bronzes, antique furniture, rare books, antique silver, porcelain, rare glassware, bric-a-brac or other articles of art, rarity or antiquity;
- (d) manuscripts and records meaning books, drawings, card index systems and other records, media, data storage devices, and program devices for electronic electromechanical data processing or for electronically controlled equipment;
- (e) any increase in the cost of replacement occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.

**GENERAL CONDITIONS**

**8. PERMISSION**

Permission is hereby granted:

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

**9. BREACH OF CONDITION**

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.

**10. REINSTATEMENT**

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

**11. SUBROGATION**

The insurer, upon making any payment or assuming liability therefore under this form, shall be subrogated to all rights of recovery of the insured against others and may bring action to enforce such rights. Notwithstanding the foregoing, all rights of subrogation are hereby 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.

**Refer to Item 18. SPECIAL PROVISIONS APPLICABLE TO CONDOMINIUM CORPORATION if the named insured is a "condominium corporation".**

**12. PROPERTY PROTECTION SYSTEMS**

It is agreed that the insured shall notify forthwith the insurer of any interruption to, or flaw or defect coming to the knowledge of the insured, in any:

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

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

**13. PREMIUM ADJUSTMENT**

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

If within six (6) months after the expiry or anniversary date of each period of insurance, the insured shall file with the insurer a premium adjustment application form showing, for the said period, the actual cash value of the "stock" insured on the last day of each month at each location as commented upon by the insured's accountant, the actual premium for the said period shall then be calculated at the rate applying to each location 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 fifty percent (50%) of the premium paid. In the event of any monthly declared values being in excess of the amount of insurance, the amount of the excess shall not be included in the premium adjustment calculations.

#### 14. VERIFICATION OF VALUES

The insurer or its duly appointed representative shall be permitted at all reasonable times during the term of this policy, or within one (1) year after termination or expiration, to inspect the property insured and to examine the insured's books, records and such policies as relate to any property insured hereunder. Such inspection or examination shall not waive nor in any manner affect any of the terms or conditions of this form.

#### 15. VALUATIONS

For the purpose of calculating the total value of the property for the application of co-insurance, value reporting and for loss adjustment, the following valuation basis applies:

- (a) on unsold "stock": the actual cash value of the property at the time any loss occurs, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;
- (b) on sold "stock": the selling price after allowance for discounts;
- (c) on property of others in the custody or control of the insured for the purpose of performing work thereon the amount for which the insured is liable but in no event to exceed the actual cash value at the time and place of loss plus allowance for labour and materials expended to such time;
- (d) on tenant's improvements and records as defined in SPECIAL BASIS OF SETTLEMENT;
- (e) on all other property insured under this form and for which no more specific conditions have been set out the actual cash value at the time the loss or damage occurs but in no event to exceed what it would cost to repair or replace with material of like kind and quality.
- (f) If Selling Price is indicated on the declarations, item (a) on unsold "stock" is deleted and replaced with the following:
  - (i) on unsold stock – the selling price after allowance for discount and charges to which such merchandise would have been subject had no loss occurred.

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

#### 16. SPECIAL BASIS OF SETTLEMENT

- (a) **Tenant's Improvements:** The liability of the insurer shall be determined as follows:
  - (i) if repaired or replaced with due diligence and dispatch, the amount actually and necessarily expended but in no event exceeding the actual cash value of the tenant's improvements immediately prior to the time of destruction or damage;
  - (ii) if not repaired or replaced with due diligence and dispatch after such loss, that portion of the original cost of the damaged or destroyed tenant's improvements which the unexpired term of the lease at the time of loss bears to the period(s) from the date(s) such tenant's improvement were made to the expiration date of the lease.
- (b) **Records:** The liability of the insurer for loss or damage to:
  - (i) books of accounts, drawings, card index systems and other records, other than as described below, shall not exceed the cost of blank books, blank pages or other materials, plus the cost of labour for actually transcribing or copying said records;
  - (ii) media, data storage devices, and programme devices for electronic and electro-mechanical data processing or for electronically controlled equipment, notwithstanding that "data" is not insured, 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.

Whichever of the above is applicable shall be the basis to be adopted for the purpose of applying co-insurance.

#### 17. 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.

#### 18. SPECIAL PROVISIONS APPLICABLE TO CONDOMINIUM CORPORATION

The following provisions apply if the named insured is a "condominium corporation".

##### 18.1. Additional Exclusions

- (i) buildings or contents, if all units are to the knowledge of the "condominium corporation" vacant or unoccupied for more than 30 consecutive days;
- (ii) property belonging to the owners of individual units;
- (iii) improvement and betterments to individual units made or acquired by the owners of such units unless required by law to be insured by the "condominium corporation".

##### 18.2. Loss Adjustment

The "condominium corporation" has the exclusive right to adjust any loss with the insurer, and the owner of a damaged "condominium unit" is bound by such adjustment, provided, however, that the said "condominium corporation", may in writing, authorize an owner to adjust any loss to their "condominium unit" with the insurer.

##### 18.3. Loss Payee

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 in the "declarations",

##### 18.4. Subrogation

The insurer, upon making any payment or assuming liability therefore under this form, shall be subrogated to all rights of recovery of the insured against others and may bring action to enforce such rights except with respect to arson, fraud or vehicle impact, the insurer agrees with the insured to waive its right of subrogation as to any claim against:

- (a) The "condominium corporation", its directors, property managers, agents and employees; and
- (b) The "condominium unit" owners.

Independent contractors shall not be considered agents or employees of the "condominium corporation", its directors, property managers, or of the "condominium unit" owners.

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

#### 19. ALARM WARRANTY



**Applies only if specified on the “Declarations”**

IT IS AGREED THAT THE PROPERTY PROTECTION SYSTEMS AND OR INTRUSION SYSTEM WILL BE MAINTAINED IN PROPER WORKING ORDER AND CONNECTED AND FULLY FUNCTIONAL AT ALL TIMES.

It is agreed that the insured, until such time as the alarm system has been restored to proper working condition, provides at least one watchman within the premises at all times when such premises are not open for business, and such watchman is in addition to any number of watchman specified in the declarations.

The insured, upon receipt of advice that police will disregard alarm signals from the insured's alarm system, the insured shall give immediate notice thereof to the insurer. The insurer may suspend the policy by written notice. A pro-rata refund will be allowed for the period of suspension.

**NON-COMPLIANCE WITH THIS WARRANTY AUTOMATICALLY INVALIDATES COVERAGE, WHICH BECOMES NULL AND VOID.**

**20. EXTINGUISHING WARRANTY**

**Applies only if specified on the “Declarations”**

PERMISSION FOR COOKING OPERATIONS TO BE CONDUCTED IS HEREBY GRANTED SUBJECT TO THE FOLLOWING:

The rate of premium fixed having regard to the fact that there is present fully automatic extinguishing system, it is agreed that:

- (i) the insured shall forthwith notify the insurer(s) of any interruption to or flaw or defect in the system coming to the knowledge of the insured;
- (ii) the insured, if owner or lessee of the system, shall provide for regular inspection and maintenance of the equipment as recommended by the manufacturer, with a minimum of a semi-annual inspection of the system by the manufacturer's authorized representative, for the term of this policy.

**THE VIOLATION OF THIS WARRANTY SHALL RENDER THE COVERAGE PROVIDED UNDER THE COMMERCIAL BUILDING, EQUIPMENT & STOCK FORM NULL AND VOID.**

**21. COVERAGE TERRITORY**

This insurance covers only while the described property is within Canada and the continental United States of America.

**22. DEFINITIONS**

Wherever used in this form:

- (a) **“Declarations”** means the policy declarations applicable to this policy for the current policy period, including any supplementary pages or schedules.
- (b) **“Building”** means the building(s) described on the “declarations” and includes:
  - (i) fixed structures pertaining to the buildings and located on the “premises”;
  - (ii) additions and extensions communicating and in contact with the building(s);
  - (iii) permanent fittings and fixtures attached to and forming part of the building(s);
  - (iv) materials, equipment and supplies on the “premises” for maintenance of, and normal repairs and minor alterations to the “building” or for building services;
  - (v) growing plants, trees, shrubs or flowers inside the “building” used for decorative purposes when the insured is the owner of the “building”.
- (c) **“Equipment”** means:
  - (i) generally all contents usual to the insured's business including furniture, furnishings, fittings, fixtures, machinery, tools, data processing systems including equipment and component parts thereof, utensils and appliances other than “building” or “stock” as herein defined;
  - (ii) similar property belonging to others which the insured is under obligation to keep insured or for which the insured is legally liable;
  - (iii) tenants 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.
- (d) **“Stock”** means :
  - (i) merchandise of every description usual to the insured's business;
  - (ii) packing, wrapping and advertising materials; and
  - (iii) similar property belonging to others, which the insured is under obligation to keep insured or for which he is legally liable.
- (e) **“Contents of Every Description”** shall include “equipment” and “stock” as defined by this form, all usual to the insured's business described on the “declarations”.
- (f) **“Property of Every Description”** shall include “building”, “equipment” and “stock” as defined by this form, all usual to the insured's business described on the “declarations”.
- (g) **“Premises”** means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described on the “declarations” and in or on vehicles within one hundred (100) metres, three hundred twenty-eight (328) feet of such locations.
- (h) **“Fire Protective Equipment”** includes watermains, tanks, hydrants, valves and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:
  - (i) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
  - (ii) any watermains or appurtenances located outside of the described “premises” and forming a part of the public water distribution system;

- (iii) any pond or reservoir in which the water is impounded by a dam.
- (i) **“Named Perils”** means:
  - (a) **Fire or Lightning**
  - (b) **Explosion** means: except with respect to explosion of natural, coal or manufactured gas, there shall in no event be any liability hereunder for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the insured:
    - (i) (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) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
    - (3) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion therefrom;
    - (4) smelt dissolving tanks;
    - (ii) other vessels and apparatus and pipes connected therewith, while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds one hundred three (103) kilopascals [fifteen (15) pounds per square inch] above atmospheric pressure except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders;
    - (iii) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
    - (iv) any vessels and apparatus and pipes connected therewith while undergoing pressure tests, but this exclusion shall not apply to other property insured hereunder that has been damaged by such explosion;
    - (v) gas turbines;
 The following are not explosions within the intent or meaning of this section:
    - (1) electric arcing or any coincident rupture of electrical equipment due to such arcing;
    - (2) bursting or rupture caused by hydrostatic pressure or freezing;
    - (3) bursting or rupture of any safety disc, rupture diaphragm or fusible plug.
  - (c) **Impact by Aircraft, Spacecraft or Land Vehicle** means: the terms aircraft and spacecraft include articles dropped therefrom. There shall in no event be any liability hereunder due to cumulative damage or for loss or damage:
    - (i) caused by land vehicles belonging to or under the control of the insured or any of his employees;
    - (ii) to aircraft, spacecraft or land vehicles causing the loss;
    - (iii) caused by any aircraft or spacecraft when being taxied or moved inside or outside of “buildings”.
  - (d) **Riot, Vandalism or Malicious Acts** means: the term riot includes open assemblies of strikers inside or outside the “premises,” who have quitted work and of locked-out employees.  
There shall in no event be any liability hereunder for loss or damage:
    - (i) due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
    - (ii) due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance described under the DEFINITIONS, “named perils”;
    - (iii) due to theft or attempt thereat.
  - (e) **Smoke** means: the term smoke means smoke due to a sudden, unusual and faulty operation of any stationary furnace.  
There shall in no event be any liability hereunder for any cumulative damage.
  - (f) **Leakage from Fire Protective Equipment** means: the term leakage from fire protective equipment means the leakage or discharge of water or other substance from within the equipment used for fire protection purposes for the “premises” described on the “declarations” or for adjoining premises and loss or damage caused by the fall or breakage or freezing of such equipment.
  - (g) **Windstorm or Hail** means: there shall in no event be any liability hereunder for loss or damage:
    - (i) to the interior of the “buildings” insured or their “equipment” and “stock” unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
    - (ii) directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslide.
  - (j) **“Flood”** means: The rising of, the breaking out or the overflow of any body of water whether natural or man-made and includes “surface water”, waves, tides, tidal waves and tsunami.
  - (k) **“Earthquake”** Shall include snowslide, landslide, or other earth movements occurring concurrently with and directly resulting from an earthquake shock.
  - (l) **“Clean Up”** The removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of “pollutants”, including testing, which is integral to the aforementioned processes.
  - (m) **“Pollutants”** means: any solid, liquid, gaseous or thermal irritant or contaminants including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
  - (n) **“Data”** means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a “computer system”.
  - (o) **“Terrorism”** means an act, including but not limited to the use of violence or force and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.
  - (p) **“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 “spore(s)” or resultant mycotoxins, allergens, or pathogens.
  - (q) **“Spore(s)”** includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any “fungi”.
  - (r) **“Replacement”** includes repair, construction or re-construction with new property of like kind and quality. If new property of like kind and quality is unobtainable, new property as similar as possible to that lost or damaged and which is capable of performing

the same function shall be considered to be new property of like kind and quality for the purpose of this definition.

- (s) **“Replacement Cost”** means whichever is the least of the cost of replacing, repairing, constructing or re-constructing the property with new property of like kind and quality and for like occupancy without deduction for depreciation.
- (t) **“Surface Water”** means water or natural precipitation temporarily diffused over the surface of the ground.
- (u) **“Computer System”** means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility.
- (v) **“Illegal Substance”** means any substance that is not legal for you or any other party of interest, your employees or agents, tenants or any person to whom the insured has entrusted the property insured, to process, obtain, produce, provide, sell, traffic or use, and includes any controlled substance enumerated in the Schedule of the Controlled Drugs and Substances Act currently in force.
- (w) **“Illegal Substance Activity”** means any activity relating to the growing, cultivating, propagating or harvesting, manufacturing, distributing, storing or selling of any illegal substance.
- (x) **“Condominium Unit”** means the condominium unit as defined in provincial legislation relating to condominiums or co-ownership by declaration and includes a strata lot.
- (y) **“Condominium Corporation”** means a corporation constituted under provincial legislation relating to condominiums or co-ownership by declaration and includes a strata corporation.
- (z) **“Innocent co-insured”** means any Insured who is a natural person and who has not abetted, colluded or consented to any dishonest or criminal act which resulted in loss or damage.
- (aa) **“Cash cards”** means cards designed to store a cash value by electronic means as a mode of payment, without a personal indemnification number and without direct access to a bank or other account. “Cash cards” do not include electronic currency (e-currency).
- (bb) **“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”.
- (cc) **“Cyber incident”** means:
  - (i) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any “computer system”; or
  - (ii) any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any “computer system”.
- (dd) **“Cyber loss”** means: any loss or damage directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any “cyber act” or cyber incident” including, but not limited to, any action taken or to be taken in controlling, preventing, suppressing or remediating any “cyber act” or “cyber incident”.

# Gross Rentals Form

WORDS AND PHRASES THAT APPEAR IN QUOTATIONS, BOLD, CAPITALIZED OR NOT HAVE SPECIAL MEANING AS DEFINED IN THE DEFINITIONS.

## 1. INDEMNITY AGREEMENT

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

## 2. MEASURE OF RECOVERY

The insurance is limited to loss of "gross rentals" sustained due to (a) Reduction in "gross rentals" and (b) Increase in cost of working and the amount payable shall be:

- (a) **In Respect of Reduction of Gross Rentals:** The amount by which the "gross rentals" during the "indemnity period" shall, in consequence of direct physical loss or direct physical damage, fall short of the standard "gross rentals";
- (b) **In Respect of Increase in Cost of Working:** The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in "gross rentals" which but for that expenditure would have taken place during the "indemnity period" in consequence of direct physical loss or direct physical damage, but not exceeding the loss of "gross rentals" thereby avoided;

less any sum saved during the "indemnity period" in respect of costs as may cease or be reduced in consequence of direct physical loss or direct physical damage by the perils insured against, provided that if the amount of insurance be less than the annual "gross rentals", the amount payable shall be proportionally reduced.

## 3. AUDITOR'S FEES

The insurer will pay the insured up to five hundred (\$500) for reasonable fees payable to the insured's auditor for producing and certifying particulars and details of the insured's business required by the insurer to arrive at the loss payable under this form in the event of a claim.

## 4. ACTUAL LOSS SUSTAINED

Applicable only when shown on the "declarations"  
Item 2. MEASURE OF RECOVERY is replaced with the following:

The insurance is limited to actual loss sustained of "gross rentals" due to (a) Reduction in "gross rentals" and (b) Increase in cost of working and the amount payable shall be:

- (a) **In Respect of Reduction of Gross Rentals:** The amount by which the "gross rentals" during the "indemnity period" shall, in consequence of the direct physical loss or direct physical damage by a peril insured against, fall short of the standard "gross rentals";
- (b) **In Respect of Increase in Cost of Working:** The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in "gross rentals" which but for that expenditure would have taken place during the "indemnity period" in consequence of the direct physical loss or direct physical damage by a peril insured against, but not exceeding the loss of "gross rentals" thereby avoided;

less any sum saved during the "indemnity period" in respect of costs as may cease or be reduced in consequence of the direct physical loss or direct physical damage by a peril insured against.

## 5. INDEMNITY PERIOD AMENDMENT

Applicable only when shown on the "declarations"  
This extension amends the definition of "**Indemnity Period**" as listed in the **DEFINITIONS** section of this form.

**Indemnity Period:** The period beginning with the occurrence of a peril insured against and ending no later than the number of months stated on the "declarations" thereafter during which the results of the business shall be affected in consequence of the direct physical loss or direct physical damage by a peril insured against.

## 6. A. EXCLUSIONS

This form does not apply to:

- (a) loss or damage however caused which results, directly or indirectly, from any "illegal substance activity" regardless of the Insured being unaware or able to control such activity.

### B. CYBER RISK AND DATA EXCLUSION

This form does not insure any:

- (a) "cyber loss"; or
- (b) loss or damage, directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any "data", including any amount pertaining to the value of such "data".

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 exclusion supersedes and, if in conflict with any other wording, exclusion or exception to an exclusion in the policy or any endorsement thereto having a bearing on "cyber loss" or "data", replaces such wording, exclusion or exception to an exclusion.

### C. TERRORISM EXCLUSION

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

### D. FUNGI AND FUNGAL DERIVATIVES EXCLUSION

This form does not insure:

- (a) loss or damage consisting of or caused directly or indirectly, in whole or in part, by any "fungi" or "spores" unless such "fungi" or "spores" are directly caused by or directly result from a peril otherwise insured and not otherwise excluded by this policy;
- (b) the cost or expense for any testing, monitoring, evaluating or assessing of "fungi", or "spores".

## 7. PROVISIONS

- (a) If during the "indemnity period" services shall be rendered elsewhere than at the "premises" for the benefit of the business either by the insured or by others on his/her behalf the money paid or payable in respect of such services shall be brought into account in arriving at the "gross rentals" during the "indemnity period".
- (b) The liability of the insurer shall in no case exceed the total amount of insurance specified herein or such other amount(s) as may hereafter be substituted therefore by endorsement signed by or on behalf of the insurer.
- (c) The insurer shall not be liable for any loss due to fines or damages for breach of contract, or for any penalties of whatever nature.
- (d) On the happening of any direct physical damage or direct physical loss by a peril insured against in consequence of which a claim is or may be made under this endorsement, the insured shall with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimize or check any interruption or interference with "gross rentals" or to avoid or diminish the loss
- (e) The insurer shall be liable for actual loss sustained as insured hereunder during the period of time, not exceeding two (2) weeks, while access to the "premises" as stated on the "declarations" is prohibited by order of civil authority but only when such order is given as a result of direct physical loss or direct physical damage to neighboring premises by a peril insured against under this policy,
- (f) If, on the happening of any loss, there is in force more than one policy covering the same interest, irrespective of whether by any term in such contract the insurance granted thereby shall not cover, come into force, attach or become insurance until after full or partial payment of any loss under any other policy, it is a condition of this endorsement and policy that the claim hereunder shall be adjusted with the insured on the basis that such policy or policies will contribute a rateable proportion of the loss; unless it is otherwise expressly agreed in writing.
- (g) No term or condition of this policy shall be deemed to be waived by this 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. DEFINITIONS

Wherever used in this form:

- (a) **"Annual Gross Rentals"** means the "gross rentals" during the twelve months immediately before the date of the direct physical loss or direct physical damage by a peril insured against to which such adjustments shall be made as may be necessary to provide for the trends of, variations in or special circumstances affecting "gross rentals" either before or after the direct physical loss or direct physical damage or which would have affected "gross rentals" had the direct physical loss or direct physical damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the direct physical loss or direct physical damage would have been obtained during the relative period after the direct physical loss or direct physical damage.
- (b) **"Building"** means the building(s) described on the "declarations" and includes:
  - (i) Fixed structures pertaining to the buildings and located on the "premises";
  - (ii) Additions and extensions communicating and in contact with the building(s);
  - (iii) Permanent fittings and fixtures attached to and forming part of the building(s);
  - (iv) Materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to the "building or for building services;
  - (v) Growing plants, trees, shrubs or flowers inside the "building" used for decorative purposes when the Insured is the owner of the "building".
- (c) **"Computer System"** means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility.
- (d) **"Data"** means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a "computer system".
- (e) **"Declarations"** means the policy declarations applicable to this policy for the current policy period, including any supplementary pages or schedules.
- (f) **"Equipment"** means:
  - (i) generally all contents usual to the Insured's business including furniture, furnishings, fittings, fixtures, machinery, tools, data processing systems including equipment and component parts thereof, utensils and appliances other than "building" or "stock" as herein defined;
  - (ii) similar property belonging to others which the Insured is under obligation to keep Insured or for which the Insured is legally liable;
  - (iii) tenants 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.
- (g) **"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 "spore(s)" or resultant mycotoxins, allergens, or pathogens.
- (h) **"Gross Rentals"** means the money paid or payable to the insured by tenants in respect of rental of the "premises".
- (i) **"Illegal Substance"** means any substance that is not legal for you or any other party of interest, your employees or agents, tenants or any person to whom the Insured has entrusted the property insured, to process, obtain, produce, provide, sell, traffic or use, and includes any controlled substance enumerated in the Schedule of the Controlled Drugs and Substances Act currently in force.
- (j) **"Illegal Substance Activity"** means any activity relating to the growing, cultivating, propagating or harvesting, manufacturing, distributing, storing or selling of any illegal substance.

- (k) **“Indemnity Period”** means the period beginning with the occurrence of a peril insured against and ending not later than twelve (12) months thereafter during which “gross rentals” shall be affected in consequence of the direct physical loss or direct physical damage by a peril insured against.
- (l) **“Named Perils”** means:
- (1) **Fire or Lightning**
  - (2) **Explosion:** Except with respect to explosion of natural, coal or manufactured gas, there shall in no event be any liability hereunder for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the insured:
    - (i) (a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
    - (b) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
    - (c) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion therefrom;
    - (d) smelt dissolving tanks;
    - (ii) other vessels and apparatus and pipes connected therewith, while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds one hundred three (103) kilopascals [fifteen (15) pounds per square inch] above atmospheric pressure except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders;
    - (iii) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
    - (iv) any vessels and apparatus and pipes connected therewith while undergoing pressure tests, but this exclusion shall not apply to other property insured hereunder that has been damaged by such explosion;
    - (v) gas turbines;

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

    - (a) electric arcing or any coincident rupture of electrical equipment due to such arcing;
    - (b) bursting or rupture caused by hydrostatic pressure or freezing;
    - (c) bursting or rupture of any safety disc, rupture diaphragm or fusible plug.
  - (3) **Impact by Aircraft, Spacecraft or Land Vehicle:** The terms aircraft and spacecraft include articles dropped therefrom. There shall in no event be any liability hereunder due to cumulative damage or for loss or damage:
    - (i) caused by land vehicles belonging to or under the control of the insured or any of his employees;
    - (ii) to aircraft, spacecraft or land vehicles causing the loss;
    - (iii) caused by any aircraft or spacecraft when being taxied or moved inside or outside of “buildings”.
  - (4) **Riot, Vandalism or Malicious Acts:** The term riot includes open assemblies of strikers inside or outside the “premises,” who have quitted work and of locked-out employees.  
There shall in no event be any liability hereunder for loss or damage:
    - (i) due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
    - (ii) due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance described under the DEFINITIONS, “named perils”;
    - (iii) due to theft or attempt thereat.
  - (5) **Smoke:** The term smoke means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability hereunder for any cumulative damage.
  - (6) **Leakage from Fire Protective Equipment:** The term leakage from fire protective equipment means the leakage or discharge of water or other substance from within the equipment used for fire protection purposes for the “premises” described on the “declarations” or for adjoining premises and loss or damage caused by the fall or breakage or freezing of such equipment.
  - (7) **Windstorm or Hail:** There shall in no event be any liability hereunder for loss or damage:
    - (i) to the interior of the “buildings” insured or their “equipment” and “stock” unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
    - (ii) directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslide.
- (m) **“Premises”** means: the entire area within the property lines and areas under adjoining sidewalks and driveways at:
- (i) each locations described on the “declarations”;
  - (ii) Temporary Locations and Newly Acquired Location, if covered by this form;
- and in or on vehicles within one hundred (100) metres, three hundred and twenty-eight (328) feet of such locations.
- (n) **“Spore(s)”** includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any “fungi”.
- (o) **“Standard Gross Rentals”** means the “gross rentals” during that period in the twelve months immediately before the date of the direct physical loss or direct physical damage by a peril insured against or which corresponds with the “indemnity period” to which such adjustments shall be made as may be necessary to provide for the trends of, variations in or special circumstances affecting “gross rentals” either before or after the direct physical loss or direct physical damage or which would have affected “gross rentals” had the direct physical loss or direct physical damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the direct physical loss or direct physical damage would have been obtained during the relative period after the direct physical loss or direct physical damage.
- (p) **“Stock”** means:
- (i) Merchandise of every description usual to the Insured’s business;
  - (ii) Packing, wrapping and advertising materials; and
  - (iii) Similar property belonging to others, which the Insured is under obligation to keep Insured or for which he is legally liable.
- (q) **“Terrorism”** means an act, including but not limited to the use of violence or force and/or the threat thereof, of any person or group(s) of

persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

- (r) **“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”.
- (s) **“Cyber incident”** means:
  - (i) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any “computer system”; or
  - (ii) any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any “computer system”.
- (t) **“Cyber loss”** means: any loss or damage directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any “cyber act” or cyber incident” including, but not limited to, any action taken or to be taken in controlling, preventing, suppressing or remediating any “cyber act” or “cyber incident”.

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

# Flood Endorsement

WORDS AND PHRASES THAT APPEAR IN QUOTATIONS, BOLD, CAPITALIZED OR NOT HAVE SPECIAL MEANING AS DEFINED IN THE DEFINITIONS.

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 Endorsement is specified on the "declarations".

## 1. INSURED PERIL

This insurance is extended to include "flood".

## 2. LIMIT OF INSURANCE

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

## 3. DEDUCTIBLE

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

## 4. EXCLUSIONS

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

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

## 5. EXTENSIONS OF COVERAGE

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

## 6. DEFINITIONS

Wherever used in this form:

- (a) "**Declarations**" means the policy declarations applicable to this policy for the current policy period, including any supplementary pages or schedules.
- (b) "**Flood**" means the rising of, the breaking out or the overflow of any body of water whether natural or man-made and includes "surface water", waves, tides, tidal waves and tsunami.
- (c) "**Flood occurrence**" means all flooding which occurs within any one hundred and sixty-eight (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 one hundred and sixty-eight (168) hour period.
- (d) "**Surface water**" means water or natural precipitation temporarily diffused over the surface of the ground.

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



# Earthquake Endorsement

WORDS AND PHRASES THAT APPEAR IN QUOTATIONS, BOLD, CAPITALIZED OR NOT HAVE SPECIAL MEANING AS DEFINED IN THE DEFINITIONS.

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 Endorsement is specified on the "declarations".

## 1. INSURED PERIL

This insurance is extended to include "earthquake".

## 2. LIMIT OF INSURANCE

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

## 3. DEDUCTIBLE

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

If a percentage is specified, the amount of the deductible shall be that percentage of the amount of insurance for each item of Insured Property separately, as each such item is specified on the "declarations" or on the statement of values (if specified on the declarations). If any such item shall insure two or more "buildings" 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 "declarations", 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.

## 4. EXCLUSIONS

This coverage 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: fire, explosion, smoke, leakage from fire protective equipment, theft, vandalism and malicious acts, flood including "surface water", waves, tides, tidal waves, tsunamis, or the breaking out or the overflow of, any natural or artificial body of water.

## 5. EXTENSIONS OF COVERAGE

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

## 6. DEFINITIONS

Wherever used in this form:

- (a) "**Declarations**" means the policy declarations applicable to this policy for the current policy period, including any supplementary pages or schedules.
- (b) "**Earthquake**" means for the purpose of this endorsement, earthquake shall include snowslide, landslide or other earth movements occurring concurrently with and directly resulting from an earthquake shock.
- (c) "**Earthquake occurrence**" means all earthquake shocks which occur within one hundred and sixty-eight (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 one hundred and sixty-eight (168) hour period.
- (d) "**Surface water**" means water or natural precipitation temporarily diffused over the surface of the ground.

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

# Sewer Back-Up Endorsement

WORDS AND PHRASES THAT APPEAR IN QUOTATIONS, BOLD, CAPITALIZED OR NOT HAVE SPECIAL MEANING AS DEFINED IN THE DEFINITIONS.

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 Endorsement is specified on the "declarations".

## 1. INSURED PERIL

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

## 2. LIMIT OF INSURANCE

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

## 3. DEDUCTIBLE

The insurer is liable for the amount by which the loss or damage caused by "sewer back-up" exceeds the amount of the deductible specified on the "declarations" for this endorsement in any occurrence.

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

## 4. DEFINITIONS

Wherever used in this form:

- (a) **"Declarations"** means the policy declarations applicable to this policy for the current policy period, including any supplementary pages or schedules.
- (b) **"Sewer Back-Up"** means the backing up or overflow, within the area bounded by the bearing walls and foundations of the building described on the "declarations, of water from within sewers, sumps, septic tanks or drains.

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

# Water Damage Deductible

WORDS AND PHRASES THAT APPEAR IN QUESTIONS, BOLD, CAPITALIZED OR NOT HAVE SPECIAL MEANING AS DEFINED IN THE DEFINITIONS.

THIS ENDORSEMENT MODIFIES THE COVERAGE PROVIDED AND IS SUBJECT TO THE CONDITIONS, LIMITATIONS, ADDITIONAL DEFINITIONS AND OTHER TERMS OF THIS ENDORSEMENT AND THE FORM TO WHICH IT IS ATTACHED TO.

Each claim for water damage covered by an insured peril under this policy shall be adjusted separately and the deductible amount specified on the "Declarations" for this endorsement shall be applied.

For the purpose of this endorsement, water damage does not include any loss or damage caused by "flood" or "sewer back-up"

## DEFINITIONS

**"Flood"** means the rising of, the breaking out or the overflow of any body of water whether natural or man-made and includes "surface water", waves, tides, tidal waves and tsunami.

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

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

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

# Condominium Unit Owners Extension Endorsement

WORDS AND PHRASES THAT APPEAR IN QUOTATIONS, BOLD, CAPITALIZED OR NOT HAVE SPECIAL MEANING AS DEFINED IN THE DEFINITIONS.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE BUILDING, EQUIPMENT & STOCK FORM.

## 1. EXTENSIONS OF COVERAGE

In the event the premises described in the "declarations" of this policy is a "condominium unit", then the following extensions of coverage are provided, but only those items for which an amount of insurance is specified on the "declarations".

It is agreed that this endorsement is extended to cover the interest of the insured in the "condominium unit" they own and described on the "declarations" to an amount which is in excess of any recovery, for the benefit of the insured as owner of the unit, from any insurance covering the collective interests of the "condominium unit" owners, subject to the following provisions and exclusions:

- (a) **Unit Owner's improvements and betterments:** when a limit of liability is shown in the "declarations" for this sub-section and subject to the said limit of liability, for loss by direct physical loss or direct physical damage by a peril insured hereunder to unit owner's improvements and betterments made or acquired by the insured, to the condominium unit specified on the "declarations". As used in this form the words "unit owner's improvements and betterments" includes improvements, alterations and betterments made by the insured to the "condominium unit" owned by the insured and which are not otherwise insured including those improvements acquired at the expense of the insured.
- (b) **Loss Assessments:**
  - (1) For payment of the insured's share of special loss assessments levied against the unit owners of the condominium corporation shown in the "declarations" by the directors of said corporation in accordance with the governing rules of the corporation, when such assessments are made necessary by direct physical loss or direct physical damage by a peril insured hereunder, to the condominium property collectively owned by the unit owners, subject always to the limit of liability shown in the "declarations" for this subsection.

The insurer shall, however, not pay for that particular part of an assessment made necessary by a deductible in the insurance policy of the "condominium corporation" unless a limit is stated on the Declarations for Condominium Deductible Loss Assessment.
  - (2) If a limit is stated on the Declarations for Condominium Deductible Loss Assessment, that limit is the most we will pay for such loss assessment made necessary due to the deductible in the condominium corporation's insurance policy. This limit is part of and not in addition to the limit shown under (b) (1) above.
- (c) **Contingent Insurance:** for loss by direct physical loss or direct physical damage by a peril insured hereunder to the insured's "condominium unit" as identified in the "declarations", 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, subject always to the limit of liability shown in the "declarations" for this sub-section:

The insurer shall, however, not pay for part of an assessment made necessary by a deductible in the insurance policy of the "condominium corporation".

## 2. BREACH OF CONDITION

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:

- (a) any act or neglect of any occupants or owners of the building(s) or any part thereof when such act or neglect is not within the control of the "condominium corporation", or
- (b) 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.

## 3. SUBROGATION

The insurer, upon making any payment or assuming liability therefore under this policy, 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.

Except with respect to arson, fraud or vehicle impact, the insurer agrees with the insured to waive its right of subrogation as to any claim against

- (a) The condominium corporation, its directors, property managers, agents and employees; and
- (b) The unit owners and if residents of a unit owner's household, his spouse, the relatives of either and any other person under the age of 21 in the care of a unit owner or his 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 shall not affect the right of the insured to recover.

## 4. DEFINITIONS

Wherever used in this form:

**"Unit Owner's improvements and betterments" means** improvements and betterments to an individual "condominium unit" made or acquired by the owners of such "condominium unit" and are not otherwise insured by the condominium corporation's policy.

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

# Extended Coverage Bundle

WORDS AND PHRASES THAT APPEAR IN QUOTATIONS, BOLD, CAPITALIZED OR NOT HAVE SPECIAL MEANING AS DEFINED IN THE DEFINITIONS AND THE ADDITIONAL DEFINITIONS PROVIDED UNDER THIS ENDORSEMENT.

The endorsement modifies the coverage provided under the COMMERCIAL BUILDING, EQUIPMENT AND STOCK FORM - BROAD FORM and is subject to the conditions, limitations, additional definitions and other terms of this endorsement and the COMMERCIAL BUILDING, EQUIPMENT AND STOCK FORM - BROAD FORM

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 on 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 Equipment and Stock Form – Broad Form, subject to the conditions, exclusions and limitations stipulated in this Form.

Unless stated otherwise, the following extensions of Coverage are not subject to a co-insurance requirement.

## Extensions of Coverage

### CATEGORY I – Blanket Extensions

The following extensions of coverage apply in addition to the limits of insurance stated on the “Declarations” for “Building”, “Equipment”, “Stock”, “Contents of Every Description” or “Property of Every Description”. These extensions are limited to the amount of insurance specified in the Summary of Coverages for Category I in respect of any one occurrence.

#### ACCOUNTS RECEIVABLE

##### (a) PROPERTY INSURED

This extension shall, as a result of an insured peril, provide coverage for records of accounts receivable as herein defined:

- (i) all sums due to the insured from customers, provided the insured is unable to effect collection thereof as the direct result of loss of or damage to records of accounts receivable;
- (ii) interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage;
- (iii) collection expense in excess of normal collection cost and made necessary because of such loss or damage;
- (iv) other expenses, when reasonably incurred by the insured in re-establishing records of accounts receivable following such loss or damage.

##### (b) PROTECTION OF RECORDS

This insurance applies only while records of accounts are contained on the insured’s “premises” (it being a condition precedent to any right of recovery under this extension that the insured property shall be kept in receptacles, as known or as declared to the insurer at all times when the said “premises” of the insured are not open for business, except when the property is in actual use).

This insurance also applies while records of accounts receivable are being removed to and while at a place of safety because of imminent danger of loss or damage and while being returned therefrom, provided the insured gives written notice to the insurer within 10 days of such removal.

##### (c) ADDITIONAL EXCLUSIONS

This extension does not insure:

- (i) loss due to bookkeeping, accounting or billing errors or omissions;
- (ii) loss, 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 or loss which the insured can prove, through evidence wholly apart therefrom, is due solely to a risk of loss to records of accounts receivable not otherwise excluded hereunder;
- (iii) loss due to alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property but only to the extent of such wrongful giving, taking obtaining or withholding;

##### (d) SPECIAL CONDITIONS

###### (i) Recoveries:

After payment of loss all amounts recovered by the insured on accounts receivable for which the insured has been indemnified shall belong and be paid to the insurer by the insured up to the total amount of loss paid by the insurer; all recoveries in excess of such amount shall belong to the insured.

###### (ii) Adjustment of Loss:

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

- (1) determine the amount of all outstanding accounts receivable at the end of the same fiscal “month” in the year immediately preceding the year in which the loss occurs;

- (2) calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the 12 months immediately preceding the "month" in which the loss occurs, or such part thereof for which the insured has furnished monthly statements to the insurer, as compared with such average for the same months of the preceding year;
- (3) the amount determined under (i), increased or decreased by the percentage calculated under (ii), shall be the agreed total amount of accounts receivable on the last day of the fiscal "month" in which said loss occurs;
- (4) the amount determined under (iii) 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 uncollectible by the insured on deferred payment accounts receivable, unearned interest and service charges shall be deducted.

#### **AUTOMATIC FIRE SUPPRESSION SYSTEM RECHARGE EXPENSES**

This extension insures, in any one occurrence, the automatic fire suppression recharge expense incurred by the insured due to leakage or discharge of the fire suppressant within any automatic fire suppression system at the "premises" of the insured where such discharge, or leakage is caused by or results from an insured peril under this policy.

#### **BRANDS AND LABELS**

In case of loss or damage to property bearing a brand or trademark, or the sale of which in any way carries or implies the guarantee of the responsibility of the manufacturer or insured, the salvage value of such damaged property shall be determined after removal and reidentifying such brands or trademarks or other identifying characteristics. The cost of such removal shall be borne by the insurer.

#### **BUILDING DAMAGE BY THEFT**

This extension insures, damages (except by fire) to that part of the "building" described on the "Declarations" 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 the owner of such "building" and is liable for such damage and the "building" is not otherwise insured under this Form. Glass and lettering or ornamentation is excluded from this extension.

#### **EXHIBITION FLOATER**

This extension covers any property which is insured under "equipment" or "stock" from the time it leaves any "premises" described on the "Declarations" while in due course or transportation to any exhibition site in Canada or the continental United States of America, while at such exhibition site and thence while in due course of transportation to any "premises" described on the "Declarations".

#### **EXPEDITING EXPENSES**

Following physical loss or damage insured against by this policy, the Insurer will indemnify the insured for such costs incurred to:

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

#### **FIRE DEPARTMENT CHARGES**

In the event the insured, as a result of a fire covered by this policy is charged by a municipality for fire fighting services, this extension shall reimburse the insured for such costs when:

- (a) The Fire Department is called to save or protect the insured property from an insured peril; and
- (b) The insured property is on the "premises" described on the "Declarations"

#### **LEASEHOLD INTEREST (RENTS)**

If as a result of an insured peril, the landlord terminates the lease, this extension will pay the difference between current rental value, and the rent actually paid prior to the loss. The insurer is not liable for any loss of leasehold interest resulting from the insured exercising an option to cancel the lease. Coverage applies for the balance of the lease term or 12 months, whichever occurs first. No lease renewal options will be considered in any loss settlement unless an offer to renew has been made to and accepted by the landlord, in writing, prior to the loss.

#### **MASTER KEY INSURANCE**

The insurer will cover the cost of replacing and/or re-adjusting locks following a loss or damage due to an insured peril, to a master key that controls all doors at the location(s) listed on the "Declarations".

#### **PERSONAL PROPERTY OF OFFICERS, EMPLOYEES AND VOLUNTEERS**

At the option of the insured, "contents of every description" or "equipment" or "stock" also includes personal property of officers, employees and volunteers of the Insured. The insurance on such property:

- (a) 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;
- (b) shall apply only to loss or damage occurring at the "premises".

#### **PROOF OF LOSS PREPARATION COSTS**

The insurer will reimburse the insured's reasonable costs incurred in the preparation of a proof of loss form required by the insurer in connection with any claim made against any part of this Policy.

This extension does not apply to Professional Fees.

## **REWARD COVERAGE**

This extension shall provide coverage for information leading to the arrest and conviction of any person or persons for the crimes of arson, vandalism, burglary or robbery, when such crime results in the payment of a claim under this Policy in respect to the insured property listed on the "Declarations".

This extension is not subject to the deductible clause forming part of this Policy.

## **SIGN FLOATER**

This extension insures outdoor signs, located on the "premises" specified on the "Declarations", for a peril insured against, which are the property of the insured or the property of others for which the insured may be held liable.

## **SALES REPRESENTATIVE**

This extension covers insured property, whether in transit or otherwise, in the custody of sales representatives.

## **CATEGORY II – Blanket Extensions**

The following extensions of coverage apply in addition to the limits of insurance stated on the "Declarations" for "Building", "Equipment", "Stock", "Contents of Every Description" or "Property of Every Description". These extensions are limited to the amount of insurance specified in the Summary of Coverages for Category II in respect of any one occurrence.

### **ACCRUED STORAGE CHARGES**

This extension shall provide coverage for 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.

### **CONSEQUENTIAL LOSS INCLUDING OFF PREMISES POWER FAILURE**

This extension shall provide coverage for direct physical loss or direct physical damage to property caused by change in temperature or humidity resulting from direct physical loss or direct physical damage by the insured perils, to on "premises" "equipment" and off "premises" power sources (public utility plants, transformer or switching stations, sub-stations, and pumping stations) which furnish heat, light, power or gas to the insured "premises", stated on the "Declarations", used for refrigerating, cooling, humidifying, air conditioning, heating, generating or converting power including their connections and supply or transmission lines and pipes.

### **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 insureds 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

### **FINES OR DAMAGES FOR BREACH OF CONTRACT**

This extension insures, subject to all its terms and provisions for not more than the aggregate limit as specified on the "Declarations" per each policy term, for fines or damages for breach of contract, such sums that shall be legally liable to pay in discharge of fines or damages, incurred solely in consequence of damage, for late completion or non-completion of work.

### **MOBILE INVENTORY MANAGEMENT EQUIPMENT**

This extension covers loss of or damage to "mobile inventory management equipment" including "media", cause by an insured peril. This extension applies to property only while away from the "premises".

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.

This extension of coverage is notwithstanding the exclusion found under Section 6. EXCLUSIONS, A PPROPERTY EXCLUDED Item (c) of the COMMERCIAL BUILDING, EQUIPMENT AND STOCK FORM – BROAD FORM.

### **MORTGAGE RATE GUARANTEE**

This extension shall insure, subject to all its terms and provisions, any increase in mortgage cost, on a monthly basis (including legal fees), required as a result of a total loss to an insured "building"(s) where the mortgagee at the time of the loss closes the existing mortgage, requiring a new mortgage at a higher, competitive rate of interest with your existing mortgage vendor.

Coverage is for the difference between the mortgage in effect on the date of the loss and the new mortgage, based on the outstanding mortgage balance.

This extension of coverage will continue:

- (a) for the duration of the existing mortgage period in effect at the time of the loss, until its expiry;
- (b) until the insured relinquishes title or interest in the "building"(s); or
- (c) for a maximum time limit of 60 months;
- (d) until a maximum aggregate limit as specified on the "Declarations" for this extension has been exhausted.

Whichever occurs first.

### **PRODUCTION MOULDS AND PATTERNS**

This extension covers, for insured perils, "production moulds" and patterns, which are:

- (a) the property of the insured;
- (b) the property of others;
  - (i) in the custody of the insured for which the insured is liable;
  - (ii) in the custody of others to whom it has been entrusted by the insured.

### **PROFESSIONAL FEES**

The insurer will pay reasonable fees to auditors, accountants, lawyers, architects, surveyors or engineers or other consultants except public adjusters, for producing and certifying particulars or details of the insured's business required by the insurer in order to arrive at the amount of the loss payable under this Policy in the event of a claim.

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

### **PROPERTY TEMPORARILY AWAY FROM PREMISES**

This extension provides coverage for "equipment" and "stock" other than at a specified location, except while in transit, but there shall be no liability under this item at any location owned, rented or controlled in whole or in part by the insured.

This coverage does not apply to the following property:

- (a) "Tools" and "contractors equipment" while in transit;
- (b) Computer equipment, media or accessories while in transit;
- (c) Property temporarily on exhibition at locations not owned or occupied by the insured.

### **ROADWAYS, WALKWAYS & PARKING LOTS**

This extension provides coverage for loss or damage to roadways, walkways, parking lots, other exterior paved surfaces, retaining walls or permanently installed landscape structures outside the "building" located on the "premises" specified on the "Declarations".

### **CATEGORY III – Individual Limits**

The following extensions of coverage apply only if specified on the "Declarations".

Except for **Blanket By-Laws, Blanket Glass, Condominiums – Common Expense, Property Extension to Incidental Storage Locations and Removal**, the following extensions of coverage apply in addition to the limits of insurance stated on the "Declarations" for "Building", "Equipment", "Stock", "Contents of Every Description" or "Property of Every Description" up to an individual limit per occurrence as specified in the Summary of Coverages for Category III.

### **BAILEE'S CUSTOMER**

This extension insures all lawful goods and articles belonging to the insured's customers and clients while:

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

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

### **BLANKET BY-LAWS**

This extension shall extend to indemnify the insured for:

- i) loss occasioned by the demolition of any undamaged portion of the "building(s)" or structure(s);
- ii) cost of demolishing, and clearing the site of any undamaged portion of the "building(s)" or structure(s); or
- iii) any increase on the cost of repairing, replacing, constructing or reconstructing the "building(s)" or structure(s) on the same site requirements of any by-law, regulation, ordinance or law which:
  - (1) regulates zoning or the demolition, repair or construction damaged "building(s)" or structure(s); and
  - (2) is in force at the time of such loss or damage.

The insurer shall not be liable under this endorsement for losses occasioned by:

- iv) the enforcement of any by-law, regulation, ordinance or law which prohibits the insured from rebuilding or repairing on the same site or adjacent site or prohibits continuance of like occupancy;



- v) direct or indirect loss, damage, cost or expense, arising out of the "clean-up", removal, containment, treatment, detoxification, decontamination, stabilization, neutralization or remediation resulting from any actual, alleged, potential, or threatened spin, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants": or
- vi) 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".

#### **BLANKET GLASS**

Where the insured owns or has responsibility to insure such glass, this Form insures all exterior plate or thermopane glass, lettering and ornamentation for all damage caused by the direct physical loss or direct physical damage of such glass. This extension shall also include the expense of boarding up damaged openings or installing temporary plates.

The insurer is liable for the amount by which the loss or damage exceeds the amount of the deductible specified on the "Declarations" in any one occurrence. Should one occurrence give rise to the application of more than one deductible, the glass deductible will be applied separately to that portion of the loss and the remainder of the loss will be subject to the highest policy deductible. In the event that the loss is the result of fire, only the highest policy deductible will be applied.

Coverage is extended to include up to the Limit of Insurance specified on the "Declarations" for this item.

Coverage on any insurable glass cracked or broken prior to the effective date of this insurance shall not apply until after such time as the damaged glass has actually been repaired or replaced.

#### **BREAKDOWN OF REFRIGERATION OR HEATING EQUIPMENT ON A VEHICLE**

Coverage is hereby extended to cover loss or damage to insured property caused by sudden or accidental breakdown or failure of any refrigeration, cooling or heating apparatus forming part of the transporting vehicle (including connections or supply pipes), provided such breakdown or failure is caused by a peril insured and not otherwise excluded.

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.

It is warranted by the insured that covered vehicle(s) containing temperature controlled insured property shall be equipped with an operating signal device visible to the driver while in transit and shall indicate to the driver if there is any "breakdown or failure" of the refrigeration, cooling or heating apparatus.

It is also warranted by the insured those vehicle(s) containing temperature controlled property shall not be left unattended for more than 2 hours at any one time.

#### **CATCH ALL CLAUSE**

This extension applies if the limit for any other extension described in Category III in this Form is insufficient to fully indemnify the insured following loss or damage insured against by the Form to which this is attached. The insufficiency must be determined after all policy definitions, conditions and limitations have been taken into account in the adjustment of the claim for such loss or damage.

In that event, the insurer will pay to the insured, in addition to the adjusted amount of the claim, the lesser of:

- (a) The difference between the amount payable under the adjusted claim and the amount required to fully indemnify the insured;
- (b) The Limit of Insurance specified for this extension on the "Declarations".

If the limit 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 limit for this extension shown on the "Declarations" in any one occurrence, no matter how many extension limits are insufficient.

#### **CIVIL AUTHORITY**

This extension is applicable if there is BUSINESS INTERRUPTION coverages shown on the "Declarations".

This extension insures the actual loss as insured under this Form during the period of time, specified on the "Declarations", while access to the "premises" described on the "Declarations" 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 an insured peril under this policy.

#### **CO-INSURANCE WAIVER**

**The following co-insurance clause replaces Item 4. CO-INSURANCE of the Building, Equipment and Stock Form – Broad Form:**

This clause applies separately to "building(s)", "equipment" and "stock" for which a co-insurance percentage is specified on the "Declarations" and only where the total loss exceeds the lesser of 5% of the applicable amount of insurance or \$ 10,000.

The insured shall maintain insurance concurrent with this endorsement on the property insured to the extent of at least the amount produced by multiplying the actual value of the property by the co-insurance percentage specified on the "Declarations", and failing to do so, shall only be entitled to recover the 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.

### **COMPUTER EQUIPMENT & MEDIA & BREAKDOWN**

Coverage under this extension applies only to direct physical loss or direct physical damage to "computer equipment" including component parts owned by the insured or leased or under the control of the insured, and "computer media".

Coverage is extended to include loss caused directly by:

- (a) mechanical failure, faulty construction or error in design;
- (b) short circuit, blow-out or other electrical disturbance, other than lightning within electrical apparatus; or
- (c) "computer media" failure or breakdown or malfunction of "computer equipment" including component parts when said "computer media" is being run through the equipment;

provided such breakdown, failure or malfunction is caused by a peril not otherwise excluded.

Each claim for loss or damage under this extension shall be adjusted separately and the deductible amount specified on the "Declarations" shall be deducted from the amount of each such adjusted claim.

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

### **CONTENTS AT INSURED OR INSURED'S EMPLOYEE'S RESIDENCE**

This form is extended to insure contents while at the residence of the insured or the insured's employees.

### **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.

### **CONDOMINIUMS – COMMON EXPENSE**

**This extension shall extend to indemnify the insured for:**

The insurer agrees to indemnify the "condominium corporation" for the loss of such obligatory contribution toward common expense as may be assessed from time to time by the "condominium corporation" against all "unit" owners, provided that the insurer shall be liable under this extension for not more than the pro-rata share of such expense during the time the unit or units remain unoccupied and untenanted following an occurrence: but in no event shall the limit of insurance as stated in this policy be exceeded.

### **CONDOMINIUMS – TRUSTEE 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 on the "Declarations", provided the amount of the fee or fees levied does not exceed 1.25% of the loss sustained and otherwise payable under this form, without regard to the benefit under this Extension.

### **CONFISCATION OR SEIZURE OF PROPERTY**

Coverage under this extension applies if "equipment" or "stock" is confiscated or seized from the insured by public authority, and the insured purchased such property from a person who had acquired such property illegally, the insurer will indemnify the insured for such loss.

This extension shall not apply:

- (a) if the insured was aware they were purchasing illegally acquired property;
- (b) to portable computers.

### **CONTAMINATION COVERAGE**

This extension shall provide coverage subject to its term and conditions, for the following:

- (a) loss, destruction or damage to contents due to "Contamination";
- (b) your expense to clean your equipment as required by a "Public Health Authority" due to "Contamination";  
if a business interruption endorsement is attached to your policy, the loss of business income you sustain due to the necessary suspension of your operations due to "Contamination".

This extension of coverage is notwithstanding the exclusion for contamination as found under Section 6. EXCLUSIONS, B PERILS EXCLUDED Item (g) of the COMMERCIAL BUILDING, EQUIPMENT AND STOCK FORM - BROAD FORM.

### **COURIER PARCEL AND POST**

Coverage is provided for "equipment" and "stock", while in transit, anywhere in Canada or the Continental United States.

### **EMERGENCY VACATING EXPENSES**

This extension shall provide coverage for reasonable vacating expenses incurred by the insured when an authorized governmental agency or other similar authority orders the emergency evacuation of residents, tenants or lawful occupants from the "premises" of the insured specified on the "Declarations", as a result of an immediately impending direct physical loss or damage incurred by this Policy that threatens imminent physical danger or loss of life to such residents, tenants or lawful occupants.

There shall be no coverage provided if the evacuation results from:

- (a) a planned evacuation drill;
- (b) evacuation of any resident due to a medical conditions(s);
- (c) a false alarm;

- (d) "terrorism" or immediately impending "terrorism".

#### **EXTRA EXPENSE**

This extension insures the necessary "extra expense" incurred by the insured in order to continue as nearly as practicable the "normal" conduct of the insured's business following direct physical loss or direct physical damage by the insured perils to the "building"(s) or "equipment" or "stock" on the "premises" specified on the "Declarations", occurring during the term of the policy, for not exceeding such length of time, referred to as the "period of restoration", commencing with the date of the loss and not limited by the date of expiration of this Form, as shall be required with the exercise of due diligence and dispatch to repair, rebuild, or replace such part of the described "building"(s), "equipment" or "stock" as may be destroyed or damaged.

The liability shall in no event exceed 100 % percent of the limit of this insurance (at the time of loss), which is stated for the "period of restoration" not in excess of 1 "Month".

In the event that "extra expense" incurred by the insured during the "period of restoration" for which provision above is made does not exhaust the Limit of Insurance, then such unexhausted insurance shall apply for the remainder of the "period of restoration".

As soon as practicable after any loss, the insured shall resume complete or partial business operations of the property described and, in so far as practicable, reduce or dispense with such "extra expenses" as are being incurred.

This Form is extended to include the actual loss as insured by this Form during the period of time, not exceeding two weeks, while access to the described "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 an insured peril under this Policy.

The insurer shall not be liable for:

- (a) 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-laws, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss;
- (b) loss caused by delays or loss of time due to the presence of strikers or other persons or to labour disturbances on or about the "premises" interfering with the rebuilding, repairing, or replacing the property damaged or destroyed or the resumption or continuation of business or free access to or control of the "premises" or due to the action of sympathetic strikers elsewhere;
- (c) loss due to fines or damages for breach of contract for late or non-completion of orders, or for any penalties of whatever nature;
- (d) loss due to the suspension, lapse or cancellation of any lease or licence, contract or order;
- (e) the cost of compiling books of account, abstracts, drawings, card index systems or other records including film, tape, disc, drum, cell or other magnetic recording or storage media for electronic data processing.

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.

#### **FINE ARTS**

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

- (a) the "actual cash value" of the property at the time of loss or damage;
- (b) the interest of the insured in the property;
- (c) the amount of insurance specified on the "Declarations" in respect of the property lost or damaged.

Provided, however, that where the insurance applies to the property of more than one person or interest, the insurer's total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the amount or Limit of Insurance specified on the "Declarations".

This extension insures fine arts, including paintings, etchings, pictures, tapestries and other bona fide works of art such as valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass and bric-a-brac, of rarity, historical value or artistic merit, the property of the insured or the property of others in the custody or control of the insured on consignment or for sale, display or for the purpose of performing work on them, but only those items for which an amount of insurance is specified on the "Declarations".

The maximum liability of the insurer in any one loss shall not exceed 100% of the amount(s) of insurance stated on the "Declarations" for:

- (a) Property while in transit;
- (b) Property while at the "premises" specified on the "Declarations";
- (c) Property while at any other premises other than that specified on the "Declarations";

This extension does not insure loss or damage to:

- (a) accounts, bills, currency, deeds, evidences of debt or title, money, notes or securities;
- (b) jewellery, gold, watches, diamonds, precious metals, numismatic or philatelic property;
- (c) furniture, fixtures and similar property which is not for sale; nor tools or equipment used by the insured in the conduct of the insured's business;
- (d) property illegally acquired, kept stored or transported; property seized or confiscated for breach of any law or by order of any public authority.

**Valuation:**

For the purpose of this insurance the property insured shall be valued at and insured for the amounts shown opposite each item on any schedule attached hereto or on file with the insurer at the attachment date of this policy or on any subsequent amendments to such schedules if made prior to any loss, damage or accident. In the absence of any such schedules, the property shall be valued at and insured for the amounts indicated on the books and records of the insured.

**FUNCTIONAL PRO-ENVIRONMENTAL REPLACEMENT COST**

This extension, at the request of the Insured, will provide similar new property that is more energy efficient or has a better environmental emissions rating than the insured property that was lost or damaged. Reimbursement for any additional costs involved in using such property shall be limited to the amount of insurance specified on the "Declarations" for this item.

**FURS, FUR GARMENTS, JEWELS AND JEWELRY**

Coverage is provided for loss of or damage to furs, fur garments, jewels and jewellery. This sub limit does not apply to loss or damage caused directly by "Named Perils".

**GROWING FLOWERS, PLANTS, SHRUBS OR TREES IN THE OPEN**

Loss or damage to growing plants, trees, shrubs or flowers outside the "building" are covered from "Named Perils" (with the exception of windstorm or hail as described in DEFINITIONS of the COMMERCIAL BUILDING, EQUIPMENT AND STOCK FORM - BROAD FORM), or from theft or attempted theft.

**INFESTATION COVERAGE**

This extension shall provide coverage subject to its terms and conditions, for loss, destruction or damage to "stock", due to "Infestation".

This extension of coverage is notwithstanding the exclusion for infestation as found under 6. EXCLUSIONS, B. PERILS EXCLUDED Item (i) of the COMMERCIAL BUILDING, EQUIPMENT AND STOCK FORM - BROAD FORM.

**INSTALLATION FLOATER**

This extension insures any and all materials (including labour) and supplies of any nature whatsoever, except as hereinafter provided, the property of the insured or the property of others which the insured is under obligation to keep insured or for which the insured is legally liable, all being intended for installation in connection with the repair, completion, erection, or improvement of property in the conduct of the business operations of the insured as specified on the "Declarations" of this policy.

This extension insures while in transit and while on "temporary premises" awaiting and during erection or installation, also while awaiting tests and during testing, and until accepted by the contract purchaser, the interest of the insured in the entire job ceases or upon the expiration or the termination of this policy, whichever shall first occur.

**ADDITIONAL EXCLUSIONS**

**A.PROPERTY EXCLUDED**

This extension does not insure loss of or damage to:

- a) property:
  - i) while waterborne, from the commencement of unloading until completion of discharge except while on a ferry, railway car or transfer barge, all in connection with land transportation;
  - ii) while insured under an ocean marine cargo policy;
  - iii) while aboard or being transported by any aircraft;
  - iv) caused by falling through ice on lakes, rivers, or other bodies of water, or sinking in muskeg;
  - v) while being shipped by mail;
- b) underground shafts or tunnels or property therein;
- c) boilers and pressure vessels including all piping and apparatus attached thereto, caused:
  - i) by pressure of steam or water therein;
  - ii) while undergoing any hydrostatic, pneumatic or gas pressure test;
  - iii) by the use thereof;
- d) contractor's and subcontractor's tools and equipment including spare parts and accessories whether owned, loaned, hired or leased;
- e) accounts, bills, currency, deeds, evidence of debt, money, notes, securities, manuscripts, records, blueprints, original plans and specifications, buildings, watercraft, aircraft, motorcycles, motor vehicles, trailers or other conveyances or their appurtenances or accessories.

**B.PERILS EXCLUDED**

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

- a) the cost of making good:
  - i) faulty or improper material;
  - ii) faulty or improper workmanship;
  - iii) faulty or improper design;or loss or damage caused directly or indirectly therefrom, provided however, to the extent not otherwise excluded under this form, resultant damage to the property insured caused by fire or explosion shall be insured;
- b) loss or damage caused directly or indirectly by misappropriation, secretion, conversion, infidelity or any dishonest act on the part of the insured or any other party of interest, employees or agents of the insured, or any person to whom the property may be entrusted (bailees for hire excepted) ;
- c) any loss of use or occupancy however caused;

- d) penalties or liquidated damages for non-completion of or delay in completion of contract or non-compliance with contract conditions or costs incurred solely in an effort to eliminate or reduce penalties or liquidated damages for which the insured may be contractually liable;
- e) loss of market, loss of use, damage or deterioration arising from delay, whether such delay be caused by a peril insured against or not;
- f) loss or damage due to any dishonest, fraudulent or criminal act by the insured, a partner therein or an officer, director, trustee or employee thereof, whether acting alone or in collusion with others;
- g) by mechanical or electrical breakdown or derangement, unless fire or explosion ensues and then only for the loss, damage or expense caused by such ensuing fire or explosion;
- h) by earthquake, except for ensuing loss or damage which results directly from fire, explosion, smoke or leakage from fire protective equipment all as described in the DEFINITIONS;
- i) by flood, including "surface water", waves, tides, tidal waves, tsunami, or the rising of, the breaking out or the overflow of, any body of water, whether natural or man-made, but this exclusion does not apply to ensuing loss or damage which results directly from fire, explosion, smoke, leakage from fire protective equipment all as described in the DEFINITIONS or leakage from a watermain; exclusions (h) and (i) do not apply to property in transit;
- j) any loss or shortage disclosed on taking inventory or making appraisal, or by mysterious disappearances;
- k) loss or damage caused by or resulting from the weight of a load exceeding the registered lifting capacity of any machinery;
- l) loss, damage or expense caused by or resulting from settling or shrinkage or expansion or subsidence or earth movement underneath or adjacent to foundations, footings or structures;
- m) disturbance or erasure of electronic recordings by electronic or magnetic injury except by lightning.

#### **LAND AND WATER POLLUTANT CLEAN-UP**

The insurer will indemnify the insured for expenses incurred to "clean up" "pollutants" from land or water at the "premises" provided the spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "pollutants":

- (a) is occasioned by loss or damage to insured property at the "premises" for which insurance is afforded under the Form to which this endorsement is attached;
- (b) is sudden, unexpected and unintended from the standpoint of the insured; and
- (c) first occurs during the policy period.

Notwithstanding the reinstatement clause in the Form to which this endorsement is attached, following a loss under this extension the amount of insurance specified on the "Declarations" for this extension will be reduced by the amount payable.

The insurer shall not be liable for:

- (a) expenses for "clean up" away from or beyond the "premises" resulting from any spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", even if the "pollutants" emanated from the "premises";
- (b) expenses for "clean up" of any spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "pollutants" that began before the effective date of this extension;
- (c) fines, penalties, punitive or exemplary damages;
- (d) expenses incurred for the "clean up" of "pollutants" at or from any "premises", site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste.

It is a condition precedent to recovery under this extension that all expenses insured by this extension must be incurred and reported to the insurer within 180 days of the spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "pollutants" for which "clean up" expenses are being claimed.

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.

#### **LOST LEASE**

This extension shall provide coverage for the loss of rents due to the cancellation of a lease by any of the insured's tenants resulting from direct physical loss or damage insured by this Policy at the "premises" of the insured specified on the "Declarations".

The insured's liability for such cancelled leases resulting from such loss is limited to the rents that would have been paid for the period beginning:

- (a) when, with due diligence and dispatch, physically lost or damaged property could be repaired or replaced and made ready for production or business operations or services under the same or equivalent physical operating conditions at the "premises" that existed prior to such loss or damage;
- (b) and ending:
  - (i) 12 months immediately following the time period outlined in (a) above;
  - (ii) with the expiration date of each cancelled lease;
  - (iii) when the "premises" is leased.

#### **NEGATIVE PUBLICITY COVERAGE**

This extension shall provide coverage subject to the terms and conditions, for the reduction in "Business Earnings" sustained by the insured and the expenses necessarily incurred to resume "Normal Business Operations" resulting from interruption of or interference with the business carried on by the insured at the "premises" as a direct result of:

- (a) poisoning of any person directly caused by the consumption of food or drink manufactured, prepared, or served by the insured;
- (b) murder or suicide occurring at the insured "premises";
- (c) criminal discharge of a firearm occurring at the "premises".

Coverage under this extension shall only be triggered and afforded after forty-eight (48) hours from the earlier of any of the following events arising directly from:

- (a) "Publication" or "broadcast" about an incident as described above; or
  - (b) "Public Health Authority" ordered closing of the whole or part of the insured "premises"
- \$2,500 deductible shall apply to each claim arising out of this extension.

The maximum period of indemnity shall not exceed 30 days from the date coverage is triggered and afforded.

#### **NEWLY ACQUIRED LOCATION: BUILDING – 90 DAY REPORTING**

Applicable only if building(s) and structures are shown on the "Declarations".

Newly acquired buildings that are used for the purposes stated on the "Declarations" are covered from an insured peril under this extension. Coverage is automatic on condition that notification of such acquisition shall be filed with the insurer within (90) days of such acquisition and any additional premium required by the insurer shall be effected from the date of acquisition.

#### **NEWLY ACQUIRED LOCATION: EQUIPMENT AND STOCK – 60 DAY REPORTING**

"Equipment" and "stock" are covered, for a peril insured against, while at the premises owned, leased or operated by the insured other than those described on the "Declarations". Coverage is automatic on condition that notification of such "equipment" and "stock" shall be filed with the insurer within (60) days of such acquisition and any additional premium required by the insurer shall be effected from the date of acquisition.

#### **OFF PREMISES POWER INTERRUPTION (48 HR. WAITING PERIOD)**

This extension is applicable if there is BUSINESS INTERRUPTION coverages under this Policy

Loss arising from the interruption of business by reason of direct physical loss or direct physical damage to or destruction by a peril insured against under the property coverages as specified on the "Declarations", to any part of or all of any off premises, plants, transformer or switching stations, substations, transformers, pumping stations, or transmission lines, furnishing heat, light, power or gas to the insured "premises".

The liability of the insurer, with respect to each suspension of business, whether in whole or in part under this form, shall not attach until the period of suspension exceeds 48 hours and then the insurer shall be liable only for the continuing period of suspension in excess of the first two consecutive workdays, or 48 hours, of that suspension up to the limit shown on the "Declarations".

#### **PEAK SEASON STOCK INCREASE**

The amount of insurance for "stock" insured under this form shall be automatically increased by the percentage specified on the "Declarations" to provide for seasonal variations. However, this increase shall not apply unless the amount of insurance for this coverage is 100 % or more of the insured's average monthly values for the 12 months immediately preceding the latest effective date (inception or renewal), or on the event the insured has been in business for "less than 12 months, such shorter period of time.

#### **PRECIOUS METALS**

This extension covers loss from an insured peril to bullions, platinum or other precious metals or alloys used for industrial purposes in the business of the insured.

#### **PROPERTY IN TRANSIT**

Coverage is provided for "equipment" and "stock", while in transit, other than courier or parcel post, anywhere in Canada or the Continental United States.

#### **PROPERTY EXTENSION TO INCIDENTAL STORAGE LOCATIONS**

Coverage is extended to include "Equipment", "Stock" or "Contents of Every Description" while at a storage location(s) away from the insured's premises. The limit of insurance specified in the "Declarations" for this item is the maximum amount we will pay in any one occurrence regardless of number of storage locations.

#### **REMOVAL**

If any of the insured property is necessarily removed from the location(s) specified herein to prevent loss or damage or further loss or damage thereto, that part of the insurance under this form that exceeds the amount of the insurer's liability for any loss already incurred shall, for thirty (30) days only or for the unexpired term of the policy if less than thirty (30) days, insure the property removed and any property remaining in the location(s) specified herein in the proportions which the value of the property in each of the respective location(s) bears to the value of the property in them all.

### **UPGRADE VALUE – BLANKET EQUIPMENT**

This extension provides coverage for the difference in cost of replacing destroyed equipment with equipment of greater processing ability, provided that the destroyed equipment is obsolete and the replacement performs the same function as that equipment lost or destroyed.

### **UNSCHEDULED TOOL FLOATER (\$2,500/TOOL)**

This extension insures:

Unscheduled "Tools" owned by the insured or similar property of others for which the insured may be legally liable subject to a maximum value and amount of insurance per tool not to exceed \$ 2,500.

#### **ADDITIONAL EXCLUSIONS**

##### **A. PROPERTY EXCLUDED**

This extension does not insure loss of or damage to:

- a. property regularly on rental or leased by the insured to others unless otherwise endorsed;
- b. property while located underground; property after it has become a permanent part of any structure;
- c. property in caissons or under water;
- d. automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or similar conveyances;
- e. plans, blueprints, designs or specifications;
- f. crane or derrick boom(s) unless directly caused by "named perils" or by theft.
- g. personal belongings or personal effects;
- h. tires or tubes unless the loss or damage is caused by fire or theft or is coincident with other loss or damage insured by this form but in no event for more than the actual value of the tires or tubes at the time of loss or damages;
- i. property whilst airborne unless otherwise endorsed hereon.
- j. "contractors equipment".

##### **B. PERILS EXCLUDED**

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

- a. by any blasting, caisson work, demolition, logging, lumbering, moving structures, pile driving, shoring, tunnelling, underpinning, wrecking; operation(s) conducted by or under the control of the insured;
- b. by delay, loss of market, or loss of use;
- c. by any dishonest or criminal act on the part of the insured or any other party of interest, employees or agents of the insured or any person to whom the property may be entrusted (bailees for hire excepted) but this exclusion does not apply to physical damage, caused directly by employees of the insured, which results from a peril otherwise insured and not otherwise excluded under this form;
- d. by breaking through ice or by sinking in muskeg or soft soil.
- e. by explosion originating within the following property if owned or operated by the insured:
  - (i) steam boilers, pipes, fly wheels, engines and machinery connected therewith and operated thereby;
- f. loss or damage due to any dishonest, fraudulent or criminal act by an insured, a partner therein or an officer, director or trustee, whether acting alone or in collusion with others;

It is warranted by the Insured that the property insured hereunder is in sound condition at the attachment of this insurance.

### **VALUABLE PAPERS AND RECORDS INCLUDING OFF PREMISE STORAGE**

This extension insures against all risks of direct physical loss of or damage to records of "valuable papers and records".

Cover applies only while the "valuable papers and records" are:

- (a) contained in the "premises" described on the "Declarations", it being a condition precedent to any right of recovery hereunder that such records shall be kept in protective container(s), at all times when the "premises" are not open for business, except while such records are in actual use.
- (b) while the insured valuable papers and records are being removed to, and while at a place of safety because of an imminent danger of loss or damage and while being returned from such place, provided the insured notifies the insurer in writing within 30 days of such removal;
- (c) while the "valuable papers and records" are being conveyed outside the insured's premises or while temporarily within other premises except for storage.
- (d) while being stored off premises other than reasons noted in (b) and (c) above, provided the liability of the insurer does not exceed 25% of the limit of insurance specified on the "Declarations" for "Valuable Papers and Records".

This Form does not apply to:

- (a) to loss directly resulting from errors or omissions in processing or copying unless fire or explosion ensues and then only for direct loss caused by such ensuing fire or explosion;
  - (b) to loss of property held as samples or for sale or for delivery after sale;
  - (c) to property which cannot be replaced with other of like kind and quality;
  - (d) to loss due to electrical or magnetic injury, disturbance or erasure of electronic recordings, except by lightning.
- Coverage is extended to include up to the Limit of Insurance specified in the Summary of Coverages in this Form for this item.

#### **WORK DAMAGE TO STOCK**

This extension covers "stock" if damaged:

- (i) while actually being worked upon and as a direct result of such work, or
- (ii) by any repairing, adjusting or servicing.

#### **ACCOUNTANT FEES**

This extension insures fees paid to professional accountants for determining on behalf of the insured the amount of reduction in "gross earning" or "gross profits" when a claim is made under this Form.

#### **ADDITIONAL LIVING EXPENSES**

This extension provides coverage for the necessary increase in living expenses (together with moving expenses, if necessary, of household furniture and personal effects) incurred by a "condominium unit" owner to continue as nearly as practicable, the normal standard of living of the "condominium unit" owner's household:

- (a) In the event that loss or damage caused by a peril insured against renders the "condominium unit" untenable, and then only for the lessor of the applicable period described below in (i) and (ii):
  - (i) the time required, with the exercise of due diligence and dispatch to repair or replace such damaged or destroyed property;
  - (ii) the time required for the "condominium unit" owner's household to become settled in permanent quarters; and
- (b) for the period of time, not exceeding 60 days, while access to the "premises" is prohibited by order of civil authority when such order is given as a result of direct physical loss or direct physical damage to neighbouring premises by an insured peril.

Where the individual "condominium unit" owners hold other valid and collectable insurance against loss as detailed in this extension, then this extension shall apply only as excess insurance and only after all other insurance has been exhausted. The periods described above shall not be limited by the expiration of this policy.

#### **CONDOMINIUM – INCREASED PROPERTY MANAGEMENT FEES**

This Form is extended to indemnify the "Condominium Corporation" for increased costs payable to their current property manager for assisting in restoring normal services and operations to the location of a covered loss greater than \$10,000, not including adjustment expenses. Fees payable are only applicable for the period of time required, with the exercise of due diligence and dispatch, to restore normal services and operations to the location affected by the loss.

#### **ADDITIONAL EXCLUSIONS**

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

- (a) personal property belonging to the owners of individual "unit(s) "
- (b) improvements and betterments to individual "units" made or acquired at the expense of the owners of such "units". Where the "Condominium Corporation" is legally responsible for insuring such property, this exclusion does not apply to the limit provided by this Form. Where individual "Unit" owners hold valid and collectable insurance for the loss for their improvements or betterments, then this Form shall apply only as excess insurance and only after all other insurance shall have been exhausted.

#### **CONDOMINIUM – PROPERTY OF OTHERS**

This extension provides coverage where the "condominium corporation" accepts "equipment" or "stock" from others for custody or safe-keeping.

The insurer will indemnify the "condominium corporation" subject to a limit of \$ 1,000 for each owner of such "equipment" or "stock" up to a maximum limit not to exceed the Limit of Insurance as specified in the "Declarations".

#### **CONDOMINIUM UNIT OWNERS PROPERTY**

This extension provides coverage for personal property of a condominium unit owner that is in the care, custody or control of the "Condominium Corporation" and for which the "Condominium Corporation" is legally liable or personal property in which all condominium unit owners have an undivided interest.

#### **CO-OPERATIVE HOUSING MEMBERS SOCIETY**



This extension provides coverage for personal property of a Co-operative Housing member that is in the care, custody or control of the Co-operative Housing and for which the Co-operative Housing is legally liable or personal property in which all Co-operative Housing members have an undivided interest.

#### **DECLARATION OF EMERGENCY – EXTENSION OF TERMINATION OR EXPIRY**

This extension modifies the insurance provided by the Policy to which it is attached as follows:

The effective date of termination of this Policy by the insurer or the expiry date of this Policy is extended, subject to the conditions and definitions set out below, as follows when an "emergency" is declared by a Canadian public authority designated by statute for the purpose of issuing such an order.

1. The "emergency" must have a direct effect or impact on:
  - (i) the insured, the insured site or insured property located in the declared emergency area; or
  - (ii) the operations of the insurer or its agent/broker located in the declared emergency area.
  
2. A. Any time limitation described in the Termination condition of this Policy, with respect to termination of this Policy by the insurer, will not continue to run until the "emergency" is terminated plus the lesser of:
  - (i) 30 days; or
  - (ii) the number of days equal to the total time the "emergency" order was in effect.
  
2. B. If this Policy is due to expire during an "emergency", it will continue in force until the "emergency" is terminated plus the lesser of:
  - (i) 30 days; or
  - (ii) the number of days equal to the total time the "emergency" order was in effect.
  
3. In no event shall the total term of this extension exceed 120 consecutive days.

The insured agrees to pay the pro rata premium earned for the additional time the insurer remains on risk as a result of the above.

#### **CONDOMINIUM - DEFINITION OF EMPLOYEE**

This endorsement modifies Comprehensive Dishonesty, Disappearance and Destruction Form G10001 and is applicable only if the named insured is a Condominium Corporation.

This extension amends the definition of employee to mean any natural person (including a director, officer or trustee of the insured when performing acts within the scope of their usual duties as a director, officer or trustee, or any member of an elected or appointed committee to examine, audit or have custody of the insured property and any "volunteer worker") while in the regular service of the insured in the ordinary course of the insured's business, including persons hired through an intervening employment agency or employer, during the policy period and whom the insured compensates directly or indirectly by salary, wages or commissions and has the right to govern and direct in the performance of such service, but does not mean any broker, factor, commission merchant, consignee, contractor or other agent or representative of the same general character. As applied to "loss" under Insuring Agreement I, the above words "while in the regular service of the insured" shall include the first 30 days thereafter, subject to Sections 15 and 16.

"**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.

#### **HOME OFFICE EXTENSION**

This extension provides coverage for office furniture, office equipment, office machines, supplies, and all other office contents other than at a specified location, except while in transit.

This coverage does not apply to the following property:

- (a) Tools and contractor's equipment;
- (b) Computer equipment, media or accessories while in transit.

#### **INGRESS/EGRESS**

This extension shall provide coverage for the loss sustained by the insured from the necessary Interruption of Business incurred as covered under this Policy, during the length of time, not exceeding 4 consecutive weeks, when as a result of direct physical loss or direct physical damage by an insured peril, ingress to or egress from the insured's "premises" is prevented.

#### **INVENTORY PREPARATION EXPENSE**

If, as the result of loss or damage by an insured peril, the insurer requests the preparation of inventories to help determine the amount of the loss, the insurer will indemnify the insured for the necessary expenses incurred to prepare such inventories.

The insurer shall not be liable under this extension for expenses to prove this Form insures against a loss, nor for expenses incurred under the conditions of this Policy relating to Appraisals.

#### **PETS OF OTHERS**

Coverage is extended to include loss or damage of animals, fish or birds caused directly by "Named Perils", or from theft or attempted theft.

The insurer shall not be liable for more than the Limit of Insurance specified on the "Declarations" per animal, fish or bird or the aggregate amount in any one occurrence.

#### **PRODUCTION MACHINERY SOFTWARE ERASURE**

Coverage is extended to cover accidental disturbance or erasure, by artificial electric or magnetic currents, to electronic recordings, if production machinery at the "premises" is dependent upon such electronic recordings, provided such disturbance or erasure is caused by a peril not otherwise excluded. The insurer will indemnify the insured for the extra expense necessarily incurred to re-program or replace such recordings. However, any extra expenses incurred to gather or reproduce "data" is not covered.

#### **RENTAL REIMBURSEMENT**

The insurer agrees to extend coverage to insured property for the expenses incurred by the insured for the rental of equipment to replace mobile equipment usual to the business of the insured under this policy which has been withdrawn from normal use as a result of loss or damage from an insured peril. The rental reimbursement coverage provided by this extension only applies to equipment which is similar in type, capacity and purpose to that for which it is a replacement and only to equipment which is \$2,500 or more per item.

The coverage provided by this extension will not apply if the insured owns, controls or has available for use, surplus or reserve equipment which can be used by the insured for continuing or resuming operations.

The insurers liability for rental reimbursement is limited to expenses actually incurred commencing 24 hours (Sundays and legal holidays not included) after the date of loss or damage to the insured's equipment has occurred, and will continue, regardless of the expiration of the policy period, to the date which would be required to repair the equipment damaged.

#### **TENANT RELOCATION EXPENSES**

This extension shall provide coverage for relocation expenses incurred by the insured to relocate residents, tenants or lawful occupants to other quarter(s) in the shortest possible time period, when rented space or living quarter(s) at the "premises" of the Insured specified on the "Declarations", that are made uninhabitable as a result of direct physical loss or damage insured by this Policy.

Coverage is provided for the reasonable and necessary expense of:

- a) packing, sorting, and transportation cost for personal property;
- b) re-establishing new utility services, less refunds from discontinued services at the damaged "premises";
- c) searching for new quarter(s);
- d) disconnecting and reconnecting fixtures and "equipment";
- e) storage costs while awaiting possession of other quarter(s) or restoration of existing quarter(s).

There shall be no coverage provided for:

- a) loss caused by the termination of a lease or other agreement;
- b) security deposits or other payments made to the landlord or lessors of the new quarter(s);
- c) down payments, legal fees and closing costs for the purchase of new quarter(s);
- d) expenses resulting when rented space or living quarter(s) are made uninhabitable as a direct result of direct physical loss or damage caused by or resulting from "terrorism".

#### **STATED AMOUNT CO-INSURANCE WAIVER**

The Co-insurance Clause referred to in the Form to which this is attached to is deleted, provided that:

- (a) a Statement of Values attested by the insured is filed with the insurer; and
- (b) the amount of insurance is not less than the amount for that item shown on the signed Statement of Values.

The signed Statement of Values must be completed by the insured and filed with the Insurer each year. If the insured fails to file a new Statement of Values within 90 days of the effective date of each policy period, the terms and conditions of the Co-insurance Clause referred to in the applicable Form shall then apply.

#### **UPGRADED VALUE – BLANKET EQUIPMENT**

This extension provides coverage for the difference in cost of replacing destroyed equipment with equipment of greater processing ability, provided that the destroyed equipment is obsolete and the replacement performs the same function as that equipment lost or destroyed.

#### **WINE VALUATION**

This clause is added to item 15. Valuation of the Commercial Building, Equipment and Stock Broad Form:

- (g) rare or vintage bottled wine; if classified as irreplaceable in the market, will be valued according to the average market listing as determined by two established and reputable wine merchants selected by us.

#### **ADDITIONAL DEFINITIONS**

Wherever used in this Form:

**“Actual Cash Value”** means the amount equal to the replacement cost minus depreciation of a damaged or stolen property at the time of the loss. It is the **actual value** for which the property could be sold, which is always less than what it would cost to replace it.

**“Broadcast”** means radio or television broadcast from a licensed radio or television station. Multiple broadcasts about an incident describes under “Negative Publicity Coverage” shall be considered one occurrence.

**“Business”** means the business of the insured as specified on the “Declarations”.

**“Business Earnings”** means the sum of:

- (i) Total Net sales; plus
- (ii) Other “earnings” derived from business operations as stated on the “Declarations”, less the cost of:
- (iii) Products or merchandise sold, including packaging materials;
- (iv) Materials and supplies consumed directly in supplying the products or services sold by the business;
- (v) Services purchased from outsiders (not your employees) for resale that continue under contract.

**“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.

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

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

**“Contamination”** means:

- (i) the unintentional alteration of a food product (excluding refrigeration contamination); or
- (ii) the introduction of a foreign material or substance (excluding refrigerants) into the food product in such a way as to render the food product unfit for intended consumption as determined by any government authority.

**“Damage”** means the direct physical loss of or damage to property at the “premises” from an insured peril.

**“Data”** means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a “computer system”.

**“Earnings”** means the sum of:

- (i) net profits;
- (ii) payroll expenses, and
- (iii) all other operating expenses earned by the business.

**“Emergency”** means the first statutory declaration of an emergency:

- (i) 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
- (ii) as provided for by the relevant governing legislation if different from (a) but does not include any subsequent statutory “Declarations” that may be issued relating to the same event.

**“Extra Expense”** means the excess (if any) of the total cost during the “period of restoration” 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: The cost in each case to include expense of using other property or facilities of other concerns or other similar necessary emergency expenses. In no event, however, shall the insurer be liable under this Form for loss of income nor for “extra expense” in excess of that necessary to continue as nearly as practicable the “normal” conduct of the insured’s business, nor for the cost of repairing or replacing any of the described property that has been damaged or destroyed by the perils insured against, except cost in excess of the “normal” cost of such repairs or replacements necessarily incurred for the purpose of reducing the total amount of “extra expense” liability for such excess cost however, shall not exceed the amount by which the total “extra expense” otherwise payable under this Form is reduced. The insurer shall also be liable for “extra expense” incurred in obtaining property for temporary use during the “period of restoration” necessarily required for the conduct of the insured’s business; any salvage value of such property remaining after resumption of “normal” operations shall be taken into consideration on the adjustment of any loss hereunder.

**“Gross Earnings”** are defined as:

The sum of:

- (i) Total net sales value of production,
- (ii) Total net sales of “merchandise”, and
- (iii) Other earnings derived from operations of the business,

Less the cost of:

- (iv) “Raw stock” from which such production is derived,
- (v) Supplies consisting of materials consumed directly in the conversion of such “raw stock” into “finished stock” or in supplying the service(s) sold by the insured,
- (vi) “Merchandise” sold, including packaging materials, and
- (vii) Service(s) purchased from outsiders (not employees of the insured) for resale, which do not continue under contract.

No other costs shall be deducted in determining “gross earnings”.

In determining "gross earnings", due consideration shall be given to the experience of the business before the date of the direct physical loss or direct physical damage and the experience thereafter had no loss occurred.

**"Merchandise"** means goods kept for sale by the insured, which are not the product of manufacturing operations, conducted by the insured.

**"Raw Stock"** means material in the state in which it is received for conversion by the insured into "finished stock".

**"Finished Stock"** means stock manufactured by the insured, which in the ordinary course of the insured's business is ready for packing, shipment or sale.

**"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.

**"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.

**"Insured Standing Charges"** means all standing charges are insured unless otherwise specified, in which case only those standing charges so specified are insured. The following shall in no event be deemed to be standing charges:

- (i) depreciation of stock;
- (ii) bad debts;
- (iii) wages and salaries 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.

**"Indemnity period"** means the period beginning with the occurrence of the "damage" and ending not later than 12 consecutive calendar months (or such other period if so specified on the "Decorations" as the maximum indemnity period) during which the results of the "business" shall be affected in consequence of the "damage". However, if media for, or programming records pertaining to, electronic data processing or electronically controlled equipment including "data" be lost or damaged by an insured peril then the "indemnity period" shall not be extended beyond:

- (a) 30 consecutive days after the occurrence of such "damage"; or
- (b) The date upon which liability ceases for loss arising from other property lost or damaged by the same occurrence,

Whichever is the later.

**"Infestation"** means the inhabiting of the "premises" by insects or vermin in numbers or quantities large enough to render the food product unfit for its intended consumption as determined by any government authority.

**"Month"** means 30 consecutive days.

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

**"Normal Business Operations"** means the state in which operations would be if there had been no loss, with sales at their normal level.

**"Notifiable"** means an infectious or contagious disease requiring notification of a public health authority.

**"Period of restoration"** means the period beginning on the date of the loss or damage and ending:

- (i) After 365 days.
- (ii) If sooner, when the insured property that has been lost or damaged by an insured peril is repaired, replaced or reconstructed.

**"Privacy Breach"** means loss, theft, or accidental release of Personal Private Information (PPI) as defined in the **Personal Information Protection and Electronic Documents Act (PIPEDA)**.

**"Privacy Breach Individuals"** means an individual whose Personal Private Information (PPI) as defined in the **Personal Information Protection and Electronic Documents Act (PIPEDA)** is collected, stored or processed by and in the course of the insured's business operations.

**"Production moulds"** means the matrix, or cavity, in which anything is shaped, and from which it takes its form; also, the body or mass containing the cavity.

**"Publication"** means the dissemination of information through any newspaper or magazine in a non-electronic form having a circulation of more than 10,000. Multiple publications about an incident described under "Negative Publicity Coverage" shall be considered one occurrence.

**"Public Health Authority"** means a government authority having jurisdiction over the insured's business operations relating to creating and administering standards for the public health and hygiene protection.

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

**"Service interruption"** means loss of "services" for a period exceeding 24 consecutive hours.

**"Tools"** means any piece of equipment capable of being carried or moved by hand.

**"Utility services"** means electricity, water, gas or steam.

**“Valuable Papers and Records”** means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts, but does not mean money or securities.

**“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 \$100 dollars per week.

**“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.

**“Media”** means all forms of material on which data is electronically recorded, such as magnetic tapes, disk packs, diskettes and cassettes.

**“Contractors Equipment”** means equipment other than “tools” used off premises.

**“Flood”** means the rising of, the breaking out or the overflow of any body of water whether natural or man-made and includes waves, tides, tidal waves and tsunamis.

**“Earthquake”** Shall include snowslide, landslide, or other earth movements occurring concurrently with and directly resulting from an earthquake shock.

**“Project Site”** means the actual site which, at the time of loss or damage, the insured is contracted to perform the business operations as specified on the “Declarations”.

**“Temporary Premises”** means any premises other than at the location specified on the “Declarations” of this Policy.

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

## Gore Extended Coverage Bundle G00602 – Limits of Insurance

Coverage Category (Header/Label)	Coverage Name		Extended Coverage Bundle (Option 1)
Category I	Accounts Receivable	Blanket Limit - Category I	250,000
Category I	Automatic Fire Suppression Recharge Expenses		
Category I	Brands and Labels		
Category I	Building Damage by Theft		
Category I	Exhibition Floater		
Category I	Expediting Expenses		
Category I	Fire Department Charges		
Category I	Leasehold Interest (Rents)		
Category I	Master Key Insurance		
Category I	Personal Property of Officers, Employees and Volunteers		
Category I	Proof of Loss Preparation Costs		
Category I	Reward Coverage		
Category I	Sign Floater		
Category I	Sales Representatives		
Category II	Accrued Storage Charges	Blanket Limit - Category II	50,000
Category II	Consequential Loss Including off Premises Power Failure		
Category II	Deferred Payment Plan Stock		
Category II	Fines or Damages for Breach of Contract		
Category II	Mobile Inventory Management Equipment		
Category II	Mortgage Rate Guarantee		
Category II	Production Moulds and Patterns		
Category II	Professional Fees		
Category II	Property Temporarily Away from Premises	Default Values	2,500
Category III	Bailee's Customer		Included
Category III	Blanket By-Laws (incl. in TIV)		Included
Category III	Blanket Glass (incl. in TIV)		5,000
Category III	Breakdown of Refrigeration or Heating Equipment on a Vehicle		25,000
Category III	Catch All Clause		25,000 / 14 Days
Category III	Civil Authority		5% / Min 10,000
Category III	Co-Insurance Waiver		25,000
Category III	Computer Equipment & Media & Breakdown		5,000
Category III	Contents at Insured or Insured's Employee's Residence		50,000
Category III	Condominiums - Common Elements contents or Common Area Contents		Included
Category III	Condominiums - Common Expense (Incl. in TIV)		50,000
Category III	Condominiums - Trustee Fees		2,500
Category III	Confiscation or Seizure of Property		25,000
Category III	Contamination Coverage		10,000
Category III	Courier & Parcel Post		25,000
Category III	Emergency Vacating Expenses		50,000
Category III	Extra Expense		10,000
Category III	Fine Arts		10,000
Category III	Functional Pro-Environmental Replacement Cost (Green Cover)		2,500
Category III	Furs, Fur Garments, Jewels and Jewelry		25,000
Category III	Growing Flowers, Plants, Shrubs or Trees in the open		25,000
Category III	Infestation Coverage		10,000
Category III	Installation Floater		25,000
Category III	Land and Water Pollutant Clean-Up Expenses (Aggregate)		25,000
Category III	Lost Lease		25,000
Category III	Negative Publicity Coverage		1,000,000
Category III	Newly Acquired Building - 90 Days		50,000
Category III	Newly Acquired Locations - 60 Days (Equipment Limit)		10,000
Category III	Newly Acquired Locations - 60 Days (Stock Limit)		25,000
Category III	Off Premises Power (48 Hr. Waiting Period)		25%
Category III	Peak Season Stock Increase		2,500
Category III	Precious Metals		

Category III	Property in Transit		10,000
Category III	Property extension to incidental Storage Locations		10,000
Category III	Removal (Incl. in TIV)		Included
Category III	Tenant Relocation Expenses		25,000
Category III	Unscheduled Tool Floater (\$2,500 / tool)		10,000
Category III	Upgrade Value - Blanket Equipment		5,000
Category III	Valuable Papers and Records		50,000
Category III	Work Damage to Stock		25,000
Add-Ons	Declaration of Emergency	No Default Values	Electable

# Vacancy Permit No. 1 (Short Term)

THIS ENDORSEMENT MODIFIES THE COVERAGE PROVIDED AND IS SUBJECT TO THE CONDITIONS, LIMITATIONS, ADDITIONAL DEFINITIONS AND OTHER TERMS OF THIS ENDORSEMENT AND THE FORM TO WHICH IT IS ATTACHED TO.

WORDS AND PHRASES THAT APPEAR IN QUOTATIONS, BOLD, CAPITALIZED OR NOT HAVE SPECIAL MEANING AS DEFINED IN THE DEFINITIONS OF THE FORM TO WHICH THIS ATTACHES.

PERMISSION FOR VACANCY IS HEREBY GRANTED AT THE LOCATION SPECIFIED ON THE DECLARATIONS FOR WHICH THIS ENDORSEMENT IS ATTACHED SUBJECT TO THE FOLLOWING:

**1. PERIOD OF VACANCY:**

Permission is granted for the number of days specified on the declarations from effective date of this endorsement.

**2. PERILS EXCLUDED:**

If this policy insures against the following risks or perils, they are deleted during the period of vacancy, stated above:

Riot, vandalism or malicious acts, glass breakage and rupture, freezing or escape of water from a plumbing, heating or air conditioning device.

**3. WARRANTY:**

During the period of vacancy stated above, the "premises" must, at all times be maintained as follows:

- (a) Vacant "premises" must be visited and inspected a minimum of every seventy-two (72) hours and logged with the date and time of the visit;
- (b) The heating must be maintained during the period of vacancy, or the waterlines and any appliances containing water must be drained and water shut off;
- (c) all doors, windows and other openings to the building(s) must be closed and securely locked; and
- (b) all rubbish is removed.

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



# **Communicable Disease Exclusion Endorsement**

## **Applies to all property, business interruption, builder's risk, equipment breakdown, miscellaneous or other property forms and endorsements**

WORDS AND PHRASES IN QUOTATIONS HAVE SPECIAL MEANING AS DESCRIBED IN THE COMMON EXCLUSIONS, DEFINITIONS, ADDITIONAL DEFINITIONS, EXCLUSIONS AND PROVISIONS OF THE UNDERLYING POLICY FORM(S) TO WHICH THIS ENDORSEMENT IS ATTACHED.

### **COMMUNICABLE DISEASE EXCLUSION**

Notwithstanding any provision to the contrary within this policy, this policy excludes any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a "communicable disease" or the fear or threat (whether actual or perceived) of a "communicable disease" regardless of any other cause or event contributing concurrently or in any other sequence thereto.

### **ADDITIONAL DEFINITIONS**

**"Communicable disease"** means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- (a) the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
- (b) the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
- (c) the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

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

# Comprehensive Dishonesty, Disappearance and Destruction Form

THE INSURER, IN CONSIDERATION OF THE PAYMENT OF THE PREMIUM, AND SUBJECT TO THE "DECLARATIONS" MADE A PART HEREOF, THE GENERAL AGREEMENTS, CONDITIONS AND LIMITATIONS AND OTHER TERMS OF THIS FORM, AGREES WITH THE INSURED, IN ACCORDANCE WITH SUCH OF THE INSURING AGREEMENTS HEREOF AS ARE SPECIFICALLY DESIGNATED BY THE INSERTION OF AN AMOUNT OF INSURANCE IN THE LIMIT OF INSURANCE, TO PAY THE INSURED FOR:

WORDS AND PHRASES THAT APPEAR IN QUOTATIONS, BOLD, CAPITALIZED OR NOT HAVE SPECIAL MEANING AS DEFINED IN THE DEFINITIONS.

## INSURING AGREEMENTS

### Employee Dishonesty Coverage - Form A

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

### Employee Dishonesty Coverage - Form B

- I. "Loss" of "money", "securities" and other property which the insured shall sustain resulting directly from one or more "fraudulent or dishonest acts" committed by an "employee, acting alone or in collusion with others, the amount of insurance on each of the "employees" being the amount stated in the limit of insurance on the "declarations" applicable to this Insuring Agreement I, Form B.

### Loss Inside the Premises Coverage

- II. "Loss" of "money" and "securities" by the actual destruction, disappearance or wrongful abstraction thereof within the "premises" or within any "banking premises" or similar recognized places of safe deposit.  
"Loss" of (a) other property by "safe burglary" or "robbery" within the "premises" or attempt thereat, and (b) a locked cash drawer, cash box or cash register by felonious entry into such container within the "premises" or attempt thereat or by felonious abstraction of such container from within the "premises" or attempt thereat.  
Damage to the "premises" by such "safe burglary", "robbery" or felonious abstraction, or by or following burglarious entry into the "premises" or attempt thereat, provided with respect to damage to the "premises" the insured is the owner thereof or is liable for such damage.

### Loss Outside the Premises Coverage

- III. "Loss" of "money" and "securities" by the actual destruction, disappearance or wrongful abstraction thereof outside the "premises" while being conveyed by a "messenger" or any armoured motor vehicle company or while within the living quarters in the home of any "messenger". "loss" of other property by "robbery" outside the "premises" or attempt thereat while such property is being conveyed by a "messenger" or any armoured motor vehicle company or by theft while within the living quarters in the home of any "messenger".

### Money Orders and Counterfeit Paper Currency Coverage

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

### Depositors Forgery Coverage

- V. "Loss" which the insured or any bank which is included in the insured's proof of loss and in which the insured carries a chequing or savings account, as their respective interests may appear, shall sustain through forgery or alteration of, on or in any cheque, draft, promissory note, bill of exchange, or similar written promise, order or direction to pay a sum certain in money, made or drawn by or drawn upon the insured, or made or drawn by one acting as agent of the insured, or purporting to have been made or drawn as hereinbefore set forth, including:
  - (a) any cheque or draft made or drawn in the name of the insured, payable to a fictitious payee and endorsed in the name of such fictitious payee;
  - (b) any cheque or draft procured in a face to face transaction with the insured, or with one acting as agent of the insured, by anyone impersonating another and made or drawn payable to the one so impersonated and endorsed by anyone other than the one so impersonated; and
  - (c) any payroll cheque, payroll draft or payroll order made or drawn by the insured, payable to bearer as well as to a named payee and endorsed by anyone other than the named payee without authority from such payee;

whether or not any endorsement mentioned in (a), (b) or (c) be a forgery within the law of the place controlling the construction thereof. Mechanically reproduced facsimile signatures are treated the same as handwritten signatures.

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

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

### Credit Card Forgery

#### The Insuring Agreement VI applies only if specified on the "declarations".

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

## Court Costs and Attorneys' Fees Coverage

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

Any reference to "V" in Sections 1, 3, 8, 12 and 13, and in the second paragraph of Section 11, is amended by adding "VI".

Any reference to "V" in the first paragraph of General Agreement C or in the first paragraph of Section 11, is amended by adding "or VI".

The reference to "I or V" in Section 13 is amended by adding "or VI".

That part of General Agreement C, beginning with the words "Insuring Agreement V shall also cover" and continuing to the end of General Agreement C, shall likewise apply to Insuring Agreement VI with like force and effect as if fully set forth herein, subject, for the purposes of Insuring Agreement VI, to the substitution of the words "Insuring Agreement VI" for the words "Insuring Agreement V" wherever the latter appear.

## EXTENSIONS OF COVERAGE

The following extensions of coverage A and B apply only if specified on the "declarations" and shall not increase the amount of insurance under Insuring Agreement I.

### A. Third Party Extension

It is agreed that under **Insuring Agreement I**:

The insurer agrees to indemnify the insured in trust, for those persons or corporations, in whose premises the insured does business for loss of money, securities and other property that the insured shall sustain, to an amount not exceeding in the aggregate, the amount stated on the "declarations" through any fraudulent or dishonest act or acts committed by any "employee(s)" acting alone or in collusion with others.

Wherever used in this extension:

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

### B. Proprietor and Partners Extension

It is agreed that under **Insuring Agreement I**:

1. With respect to the loss of money or other property sustained by any person, firm, corporation, or association in whose premises the insured performs business operations, as described on the "declarations", the definition of the term "employee" as stated within Definitions, Section 3 of the Comprehensive Dishonesty, Disappearance and Destruction Form shall also be deemed to include any proprietor or partner(s) of the business of the insured. In the event of such loss, proof of loss shall be furnished by the said person, firm, corporation, or association to the insurer and when the insurer is satisfied that they have a valid claim under this endorsement, the proceeds available under the Comprehensive Dishonesty, Disappearance and Destruction Form shall be held in trust by the insurer on behalf of the said person, firm, corporation, or association.
2. Liability under the Comprehensive Dishonesty, Disappearance and Destruction Form, and as extended by this endorsement on account of loss caused by any such proprietor or partner(s), shall not exceed the amount of insurance stated on the "declarations."
3. There shall be no liability, except for the loss of money and other property through the fraudulent or dishonest misapplication, misappropriation, or conversion thereof by any such proprietor or partner(s), to their own use or otherwise, acting alone or in collusion with others while carrying out the said business operations and occurring during the policy period described on the "declarations" of the policy or any extension thereof under the policy issued by the insurer.
4. The coverage provided by this endorsement is for the use and benefit only of such person, firm, corporation, or association for which the business operations of the insured described on the "declarations" are carried out and no proprietor or partner who has committed or has been implicated in fraudulent or dishonest acts covered hereunder, shall have any right to, or interest in, any payment made hereunder.
5. In the event of any payment to any person, firm, corporation, or association with respect to the loss of money or other property sustained by such person, firm, corporation, or association, in whose premises the business operations of the insured have been engaged, the insurer to the extent of such payment shall be subrogated to such person, firm, corporation, or association rights of recovery therefore against any person or organization and Section 14 of the Comprehensive Dishonesty, Disappearance and Destruction Form shall not apply. Such person, firm, corporation, or association shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights and shall do nothing to prejudice such rights.

## DEDUCTIBLE

The insurer is liable for the amount by which the loss or damage caused by any of the perils insured against exceeds the amount of the deductible specified on the "declarations" in any one occurrence.

## GENERAL AGREEMENTS

### Consolidation-Merger

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

### Joint Insured

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

### Loss Under Prior Bond or Policy

C. If the coverage of an Insuring Agreement of this form, other than Insuring Agreement V, is substituted for any prior bond or policy of insurance carried by the insured or by any predecessor in the interest of the insured, which prior bond or policy is terminated, cancelled or allowed to expire as of the time of such substitution, the insurer agrees that such Insuring Agreement applies to "loss" which is discovered as provided in Section 1 of the Conditions and Limitations and which would have been recoverable by the insured or such predecessor under such prior bond or policy except for the fact that the time within which to discover "loss" thereunder had expired, provided:

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

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

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

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

#### POLICY PERIOD, TERRITORY, DISCOVERY

**Section 1.** "Loss" is covered under this form only if discovered not later than one year from the end of the policy period, except that under Insuring Agreement 1, form B, "loss" is covered only if discovered not later than two years from the end of the policy period.

#### Subject to General Agreement C:

- (a) this form, except under Insuring Agreements I and V, applies only to "loss" which occurs during the policy period within Canada, the United States of America;
- (b) Insuring Agreement I applies only to "loss" sustained by the insured through "fraudulent or dishonest acts" committed during the policy period by any of the "employees" engaged in the regular service of the insured within the territory designated above or while such "employees" are elsewhere for a limited period;
- (c) Insuring Agreement V applies only to "loss" sustained during the policy period.

#### EXCLUSIONS

##### Section 2. This form does not apply:

- (a) to "loss" due to any fraudulent, dishonest, or criminal act by any insured or a partner therein, whether acting alone or in collusion with others;
- (b) under Insuring Agreement I, to "loss", or to that part of any "loss", as the case may be, the proof of which, either as to its factual existence or as to its amount, is dependent upon an inventory computation or a profit and loss computation;
- (c) under Insuring Agreements II and III, to "loss" due to any fraudulent, dishonest or criminal act by an "employee", director, trustee or authorized representative of any insured, while working or otherwise and whether acting alone or in collusion with others; provided, this exclusion does not apply to "safe burglary" or "robbery" or attempt thereat;
- (d) under Insuring Agreements II and III, to "loss" (1) due to the giving or surrendering of "money" or "securities" in any exchange or purchase; (2) due to accounting or arithmetical errors or omissions; or (3) of manuscripts, books of account or records, except for blank value;
- (e) under Insuring Agreement II, to "loss" of "money" contained in coin operated amusement devices or vending machines, unless the amount of "money" deposited within the device or machine is recorded by a continuous recording instrument therein;

- (f) under Insuring Agreement III, to "loss" of insured property while in the custody of any armoured motor vehicle company, unless such "loss" is in excess of the amount recovered or received by the insured under (1) the insured's contract with said armoured motor vehicle company, (2) insurance carried by said armoured motor vehicle company for the benefit of users of its service, and (3) all other insurance and indemnity in force in whatsoever form carried by or for the benefit of users of said armoured motor vehicle company's service, and then this form shall cover only such excess;
- (g) under Insuring Agreement II, to "loss", other than to "money", "securities", a safe or vault, by fire whether or not such fire is caused by, contributed to by or arises out of the occurrence of a hazard insured against;
- (h) to "loss" due to the surrender of "money", "securities" or other property away from the "premises" as a result of the threat to do:
  - (1) bodily harm to any person; or
  - (2) damage to the "premises" or property owned by the insured or held by the insured in any capacity; provided, however, these exclusions do not apply:
    - (a) to Insuring Agreement I if coverage is afforded thereunder; or
    - (b) under Insuring Agreement III if coverage is afforded thereunder, to "loss" of "money", "securities" or other property while being conveyed by a "messenger" when there was no knowledge by the insured of any such threat at the time the conveyance was initiated;
- (i) to the defence of any legal proceeding brought against the insured, or to fees, costs or expenses incurred or paid by the insured in prosecuting or defending any legal proceeding whether or not such proceeding results or would result in a "loss" to the insured covered by this form, except as may be specifically stated to the contrary in this form;
- (j) to potential income, including but not limited to interest and dividends, not realized by the insured because of a "loss" covered under this form;
- (k) to all damages of any type for which the insured is legally liable, except direct compensatory damages arising from a "loss" covered under this form;
- (l) to all costs, fees and other expenses incurred by the insured in establishing the existence of, or amount of "loss" covered under this form;
- (m) under Insuring Agreement II, to "loss" of "money", "securities" and other property which has been transferred by any computer to a person or to a place outside the covered "premises" on the basis of unauthorized electronic instructions;
- (n) against loss or damage however caused which results, directly or indirectly, from any "illegal substance activity" regardless of the insured being unaware or able to control such activity.

### Cyber Loss and Data Exclusion

This form does not insure any:

- (a) "cyber loss"; or
- (b) loss or damage, directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any "data", including any amount pertaining to the value of such "data".

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 exclusion supersedes and, if in conflict with any other wording, exclusion or exception to an exclusion in the policy or any endorsement thereto having a bearing on "cyber loss" or "data", replaces such wording, exclusion or exception to an exclusion.

### DEFINITIONS

**Section 3.** The following terms, as used in this form, shall have the respective meanings stated in this section:

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

**"Computer System"** means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility.

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

**"Data"** means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a "computer system".

**"Declarations"** means the policy declarations applicable to this policy for the current policy period, including any supplementary pages or schedules.

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

**"Fraudulent or Dishonest Acts"** shall mean only fraudulent or dishonest acts committed by an "employee" with the manifest intent:

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

This definition of "fraudulent or dishonest acts" does not apply to Section 7 or Section 15 of this policy.

**"Illegal Substance"** means any substance that is not legal for you or any other party of interest, your employees or agents, tenants or any person to whom the insured has entrusted the property insured, to process, obtain, produce, provide, sell, traffic or use, and includes any controlled substance enumerated in the Schedule of the Controlled Drugs and Substances Act currently in force.

**“Illegal Substance Activity”** means any activity relating to the growing, cultivating, propagating or harvesting, manufacturing, distributing, storing or selling of any illegal substance.

**“Loss”** except under Insuring Agreements I and V, includes damage.

**“Messenger”** means the insured or a partner of the insured or any “employee” who is duly authorized by the insured to have the care and custody of the insured property outside the “premises”.

**“Money”** means currency, coins, bank notes and bullion; and travellers’ cheques, register cheques and money orders held for sale to the public.

**“Premises”** means the interior of that portion of any building which is occupied by the insured in conducting its business. As respects “robbery” only, the premises shall also include the space immediately surrounding such building.

**“Robbery”** means the taking of insured property (1) by violence inflicted upon a “messenger” or a “custodian”; (2) by putting him in fear of violence; (3) by any other overt felonious act committed in his presence and of which he was actually cognizant, provided such other act is not committed by a partner or “employee” of the insured; (4) from the person or direct care and custody of a “messenger” or “custodian” who has been killed or rendered unconscious; (5) from within the “premises” by means of compelling a “messenger” or “custodian” by violence or threat of violence while outside the “premises” to admit a person into the “premises” or to furnish him with means of ingress into the “premises”; or (6) from a showcase or show windows within the “premises” while regularly open for business, by a person who has broken the glass thereof from outside the “premises”.

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

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

**“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”.

**“Cyber incident”** means:

- (i) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any “computer system”; or
- (ii) any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any “computer system”.

**“Cyber loss”** means: any loss or damage directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any “cyber act” or cyber incident” including, but not limited to, any action taken or to be taken in controlling, preventing, suppressing or remediating any “cyber act” or “cyber incident”.

#### **LOSS CAUSED BY UNIDENTIFIABLE EMPLOYEES**

**Section 4.** If a “loss” is alleged to have been caused by the “fraudulent or dishonest acts” of any one or more of the “employees” and the insured shall be unable to designate the specific “employee” or “employees” causing such “loss”, the insured shall nevertheless have the benefit of Insuring Agreement I, subject to the provisions of Section (2b) of this form, provided that the evidence submitted reasonably proves that the “loss” was in fact due to the “fraudulent or dishonest acts” of one or more of the said “employees”, and provided, further, that the aggregate liability of the Insurer for any such loss shall not exceed the limit of insurance applicable to Insuring Agreement I.

#### **OWNERSHIP OF PROPERTY; INTERESTS COVERED**

**Section 5.** The insured property may be owned by the insured, or held by the insured in any capacity whether or not the insured is liable for the “loss” thereof, or may be property as respects which the insured is legally liable; provided, Insuring Agreements II, III, and IV apply only to the interest of the insured in such property, including the insured’s liability to others, and do not apply to the interest of any other person or organization if any of the said property unless included in the insured’s proof of loss, in which event the third paragraph of Section 8 is applicable to them.

#### **BOOKS AND RECORDS**

**Section 6.** The insured shall keep records of all the insured property in such manner that the insurer can accurately determine therefrom the amount of loss.

#### **PRIOR FRAUD, DISHONESTY OR CANCELLATION**

**Section 7.** The coverage of Insuring Agreement I shall not apply to any “employee” from and after the time that the insured or any partner or officer thereof not in collusion with such “employee” shall have knowledge or information that such “employee” has committed any “fraudulent or dishonest act” in the service of the insured or otherwise, whether such act be committed before or after the date of employment by the insured. If, prior to the issuance of this 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 “employees” shall have been cancelled as to any of such “employees” by reason of the giving of written notice of cancellation by the insurer issuing such fidelity insurance, whether the insurer or not, and if such “employees” shall not have been reinstated under the coverage of said fidelity insurance or superseding fidelity insurance, the insurer shall not be liable on account of such “employees” unless the insurer shall agree in writing to include such “employees” within the coverage of Insuring Agreement I.

#### **LOSS-NOTICE-PROOF-ACTION AGAINST INSURER**

**Section 8.** Upon knowledge or discovery of “loss” or of an occurrence which may give rise to a claim for “loss”, the insured shall: (a) give notice thereof as soon as practicable to the insurer or any of its authorized agents and, except under Insuring Agreements I and V, also to the police if the “loss” is due to a violation of law (b) file detailed proof of loss, duly sworn to, with the insurer within four months after the discovery of the “loss”.

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

Upon the insurer’s request, the insured shall submit to examination by the insurer, subscribe the same, under oath if required, and produce for the insurer’s examination all pertinent records, all at such reasonable times and places as the insurer shall designate, and shall cooperate with the insurer in all matters pertaining to “loss” or claims with respect thereto.

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

#### **VALUATION - PAYMENT - REPLACEMENT**

**Section 9.** In no event shall the insurer be liable as respects "securities" for more than the actual cash value thereof at the close of business on the business day next preceding the day on which the "loss" was discovered, nor as respects other property, for more than the actual cash value thereof at the time of "loss", provided, however, the actual cash value of such other property held by the insured as a pledge, or as collateral for an advance or a loan, shall be deemed not to exceed the value of the property as determined and recorded by the insured when making the advance or loan, nor, in the absence of such record, the unpaid portion of the advance or loan plus accrued interest thereon at legal rates.

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

In case of damage to the "premises" or loss of property other than "securities", the insurer shall not be liable for more than the actual cash value of such property, or for more than the actual cost of repairing such "premises" or property or of replacing same with property or material of like quality and value. The 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.

#### **RECOVERIES**

**Section 10.** If the insured shall sustain any "loss" covered by this form which exceeds the applicable amount of insurance hereunder, the insured shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security or indemnity taken by or for the benefit of the insurer) by whomsoever made, on account of such "loss" under this form until fully reimbursed, less the actual cost of effecting the same, and any remainder shall be applied to the reimbursement of the insurer.

#### **LIMIT OF INSURANCE**

**Section 11.** Payment of "loss" under Insuring Agreement I or V shall not reduce the insurer's liability for other "losses" under the applicable Insuring Agreement whenever sustained. The insurer's total liability (a) under Insuring Agreement 1, Form A, for all "loss" caused by any "employee" or in which such "employee" is concerned or implicated or (b) under Insuring Agreement 1, Form B, as to each "employee" or (c) under Insuring Agreement V, for all "loss" by forgery or alteration committed by any person or in which such person is concerned or implicated, whether such forgery or alteration involves one or more instruments, is limited to the applicable amount of insurance specified in the limit of insurance on the "declarations" or endorsement amendatory thereto. The liability of the insurer for "loss" sustained by any or all of the insureds shall not exceed the amount for which the insurer would be liable had all such "loss" been sustained by any one of the insureds.

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

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

#### **LIMIT OF INSURANCE UNDER THIS FORM AND PRIOR INSURANCE**

**Section 12.** This Section shall apply only to Insuring Agreements I and V.

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

#### **OTHER INSURANCE**

**Section 13.** Except in the province of Quebec, if there is available to the insured any other insurance or indemnity covering any "loss" covered by Insuring Agreement I or V. The insurer shall be liable hereunder only for that part of such "loss" which is in excess of the amount recoverable or recovered from such other insurance or indemnity, except that if such other insurance or indemnity is a bond or policy of fidelity insurance, any "loss" covered under both such fidelity insurance and Insuring Agreement V shall first be paid under Insuring Agreement V. Any "loss" covered under both Insuring Agreements I and V shall first be paid under Insuring Agreement V and the excess, if any, shall be paid under Insuring Agreement I. If this policy is governed by the law of Quebec, each of the insurers under its respective contract is liable to the insured for its ratable proportion of the "loss". The insurer waives any right of contribution which it may have against any forgery insurance carried by any depository bank which is indemnified under Insuring Agreement V.

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

#### **SUBROGATION**

**Section 14.** In the event of any payment under this form, the insurer shall be subrogated to all the insured's rights or recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after "loss" to prejudice such rights.

#### **CANCELLATION AS TO ANY "EMPLOYEE"**

**Section 15.** Insuring Agreement I shall be deemed cancelled as to any "employee": (a) immediately upon discovery by the insured, or by any partner or officer thereof not in collusion with such "employee", of any "fraudulent or dishonest act" on the part of such "employee"; or (b) except in the province of Quebec at 12:01 a.m., standard time as aforesaid, upon the effective date specified in a written notice mailed to the insured. Such date shall be not less than fifteen days after the date of mailing. The mailing by the insurer of notice as aforesaid to the insured at the address shown in this Policy shall be sufficient proof of notice. Delivery of such written notice by the insurer shall be equivalent to mailing. In the

province of Quebec, cancellation shall be made by endorsement only.

#### **CANCELLATION OF FORM OR INSURING AGREEMENT**

**Section 16.** This form or any Insuring Agreement may be cancelled by the insured by mailing to the insurer written notice stating when thereafter the cancellation shall be effective. This form or any Insuring Agreement may be cancelled by the insurer by mailing to the insured at the address shown in this policy written notice stating when not less than fifteen days thereafter such cancellation shall be effective, except in the province of Quebec where the notice of cancellation takes effect fifteen days after receipt of the notice at the last known address. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date of cancellation stated in the notice shall become the end of the policy period for any affected Insuring Agreement. Delivery of such written notice either by the insured or by the insurer shall be equivalent to mailing.

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

#### **NO BENEFIT TO BAILER**

**Section 17.** This section shall apply only to Insuring Agreements II and III.

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

#### **ASSIGNMENT**

**Section 18.** Assignment of interest under this form shall not bind the insurer until its consent is endorsed hereon; if, however, the insured shall die or in the province of Quebec be declared bankrupt, this form shall cover the insured's legal representative, or in the province of Quebec the trustee in bankruptcy as insured; provided that notice of cancellation addressed to the insured named on the "declarations" and mailed to the address shown in this policy shall be sufficient notice to effect cancellation of this form.

#### **CHANGES**

**Section 19.** Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this form or estop the insurer from asserting any right under the terms of this form; nor shall the terms of this form be waived or changed, except by endorsement issued to form a part of this form signed by an authorized representative of the insurer.

**By acceptance of this form, the insured agrees that it embodies all agreements existing between the insured and the insurer or any of its brokers relating to this insurance.**

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



# Statutory Conditions & Additional Conditions – Alberta

## 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

The insurer is not liable for loss or damage to property owned by a person other than the insured unless

- (a) otherwise specifically stated in the contract, or
- (b) the interest of the insured in that property is stated in the contract.

### 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

- (1) The insured must promptly give notice in writing to the insurer or its agent of a change that is
  - (a) material to the risk, and
  - (b) within the control and knowledge of the insured.
- (2) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.
- (3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may
  - (a) terminate the contract in accordance with Statutory Condition 5, or
  - (b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.
- (4) If the insured fails to pay an additional premium when required to do so under subparagraph (3) (b) of this condition, the contract is terminated at that time and Statutory Condition 5 (2) (a) applies in respect of the unearned portion of the premium.

### 5. TERMINATION OF INSURANCE

- (1) The CONTRACT may be terminated
  - (a) by the insurer giving to the insured 15 days' notice of termination by recorded mail or 5 days' written notice of termination personally delivered, or
  - (b) by the insured at any time on request.
- (2) If the contract is terminated by the insurer,
  - (a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and
  - (b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.
- (3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.
- (4) The 15 day period referred to in subparagraph (1) (a) of this condition starts to run on the day the recorded letter or notification of it is delivered to the insured's postal address.

### 6. REQUIREMENTS AFTER LOSS

- (1) On the happening of any loss of or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,
  - (a) immediately give notice in writing to the insurer,
  - (b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration,
    - (i) giving a complete inventory of that property and showing in detail quantities and cost of that property and particulars of the amount of loss claimed,

- (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
  - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
  - (iv) stating the amount of other insurances and the names of other insurers,
  - (v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
  - (vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
  - (vii) stating the place where the insured property was at the time of loss,
- (c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
- (d) if required by the insurer and if practicable,
- (i) produce books of account and inventory lists,
  - (ii) furnish invoices and other vouchers verified by statutory declaration, and
  - (iii) furnish a copy of the written portion of any other relevant contract.
- (2) The evidence given, produced or furnished under subparagraph (1) (c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

## **7. FRAUD**

Any fraud or wilfully false statement in a statutory declaration in relation to the particulars required under Statutory Condition 6 invalidates the claim of the person who made the declaration.

## **8. WHO MAY GIVE NOTICE AND PROOF**

Notice of loss under Statutory Condition 6 (1) (a) may be given and the proof of loss under Statutory Condition 6 (1) (b) may be made

- (a) by the agent of the insured, if
  - (i) the insured is absent or unable to give the notice or make the proof, and
  - (ii) the absence or inability is satisfactorily accounted for, or
- (b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so or in the circumstances described in clause (a) of this condition.

## **9. SALVAGE**

- (1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.
- (2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

## **10. ENTRY, CONTROL, ABANDONMENT**

After loss or damage to insured property, the insurer has

- (a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and
- (b) after the insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but
  - (i) without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and
  - (ii) without the insurer's consent, there can be no abandonment to it of the insured property.

## **11. IN CASE OF DISAGREEMENT**

- (1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the Insurance Act, whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.
- (2) There is no right to a dispute resolution process under this condition until
  - (a) a specific demand is made for it in writing, and
  - (b) the proof of loss has been delivered to the insurer.

## **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**

- (1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.
- (2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

### **14. NOTICE**

- (1) Written notice to the insurer may be delivered at, or sent by recorded mail to, the chief agency or head office of the insurer in the province.
- (2) Written notice to the insured may be personally delivered at, or sent by recorded mail addressed to, the insured's last known address as provided to the insurer by the insured.

## **ADDITIONAL CONDITIONS**

### **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 to the police or other authorities having jurisdiction.

### **2. NO BENEFIT TO BAILEE**

It is warranted by the Insured that this insurance shall in no wise ensure directly or indirectly to the benefit of any carrier or other bailee.

### **3. PAIR AND SET**

In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are a part of a set, the measure of loss of or damage to such article or articles shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of the set.

### **4. PARTS**

In the case of loss of or damage to any part of the insured property, whether scheduled or unscheduled, consisting, when complete for use, of several parts, the Insurer is not liable for more than the insured value of the part lost or damaged, including the cost of installation.

### **5. SUE AND LABOUR**

It is the duty of the Insured in the event that any property insured hereunder is lost to take all reasonable steps in and about the recovery of such property. The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with the foregoing according to the respective interests of the parties.

### **6. BASIS OF SETTLEMENT**

Unless otherwise provided, the Insurer is not liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality.

### **7. SUBROGATION**

The Insurer, upon making any payment or assuming liability therefore under this policy, shall be subrogated to all rights of recovery of the Insured against others, and may bring action to enforce such rights. Where the net amount recovered, after deducting the costs of recovery, is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in the 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.

### **8. OTHER INSURANCE**

If, on the happening of any loss, there is in force more than one policy covering the same interest, irrespective of whether by any term in such contract the insurance granted thereby shall not cover, come into force, attach, or become insurance until after full or partial payment of

any loss under any other policy, it is a condition of this policy that the claim hereunder shall be adjusted with the insured, on the basis that such policy or policies will contribute on a rateable proportion of the loss unless it is otherwise expressly agreed in writing.

**9. ACTION**

An action or proceeding against an insurer in relation to a contract must be commenced,

- (a) in the case of loss or damage to insured property, not later than 2 years after the date the insured knew or ought to have known the loss or damage occurred, and
- (b) in any other case, not later than 2 years after the date the cause of action against the insurer arose.

**10. CANADIAN CURRENCY CLAUSE**

All limits of insurance, premiums and other amount as expressed in this policy are in Canadian currency.

In Witness Whereof THE INSURERS through their representatives duly authorized by them for this purpose have executed and signed this Policy.

# Statutory Conditions & Additional Conditions – British Columbia and Manitoba

## 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

The insurer is not liable for loss or damage to property owned by a person other than the insured unless

- (a) otherwise specifically stated in the contract, or
- (b) the interest of the insured in that property is stated in the contract.

### 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

- (1) The insured must promptly give notice in writing to the insurer or its agent of a change that is
  - (a) material to the risk, and
  - (b) within the control and knowledge of the insured.
- (2) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.
- (3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may
  - (a) terminate the contract in accordance with Statutory Condition 5, or
  - (b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.
- (4) If the insured fails to pay an additional premium when required to do so under subparagraph (3) (b) of this condition, the contract is terminated at that time and Statutory Condition 5 (2) (a) applies in respect of the unearned portion of the premium.

### 5. TERMINATION OF INSURANCE

- (1) The CONTRACT may be terminated
  - (a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or
  - (b) by the insured at any time on request.
- (2) If the contract is terminated by the insurer,
  - (a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and
  - (b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.
- (3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.
- (4) The 15 day period referred to in subparagraph (1) (a) of this condition starts to run on the day the registered letter or notification of it is delivered to the insured's postal address.

### 6. REQUIREMENTS AFTER LOSS

- (1) On the happening of any loss of or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,
  - (a) immediately give notice in writing to the insurer,
  - (b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration,
    - (i) giving a complete inventory of that property and showing in detail quantities and cost of that property and particulars of the amount of loss claimed,
    - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,

- (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
  - (iv) stating the amount of other insurances and the names of other insurers,
  - (v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
  - (vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
  - (vii) stating the place where the insured property was at the time of loss,
  - (c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
  - (d) if required by the insurer and if practicable,
    - (i) produce books of account and inventory lists,
    - (ii) furnish invoices and other vouchers verified by statutory declaration, and
    - (iii) furnish a copy of the written portion of any other relevant contract.
- (2) The evidence given, produced or furnished under subparagraph (1) (c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

## **7. FRAUD**

Any fraud or wilfully false statement in a statutory declaration in relation to the particulars required under Statutory Condition 6 invalidates the claim of the person who made the declaration.

## **8. WHO MAY GIVE NOTICE AND PROOF**

Notice of loss under Statutory Condition 6 (1) (a) may be given and the proof of loss under Statutory Condition 6 (1) (b) may be made

- (a) by the agent of the insured, if
  - (i) the insured is absent or unable to give the notice or make the proof, and
  - (ii) the absence or inability is satisfactorily accounted for, or
- (b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so or in the circumstances described in clause (a) of this condition.

## **9. SALVAGE**

- (1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.
- (2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

## **10. ENTRY, CONTROL, ABANDONMENT**

After loss or damage to insured property, the insurer has

- (a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and
- (b) after the insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but
  - (i) without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and
  - (ii) without the insurer's consent, there can be no abandonment to it of the insured property.

## **11. IN CASE OF DISAGREEMENT**

- (1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the Insurance Act, whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.
- (2) There is no right to a dispute resolution process under this condition until
  - (a) a specific demand is made for it in writing, and
  - (b) the proof of loss has been delivered to the insurer.

## **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**

- (1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.
- (2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

#### **14. NOTICE**

- (1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.
- (2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.

### **ADDITIONAL CONDITIONS**

#### **1. NOTICE TO AUTHORITIES**

Where the loss is due to malicious mischief, burglary, robbery, theft, or attempt thereat, or is suspected to be so due, the Insured shall give immediate notice to the police or other authorities having jurisdiction.

#### **2. NO BENEFIT TO BAILEE**

It is warranted by the Insured that this insurance shall in no wise ensure directly or indirectly to the benefit of any carrier or other bailee.

#### **3. PAIR AND SET**

In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are a part of a set, the measure of loss of or damage to such article or articles shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of the set.

#### **4. PARTS**

In the case of loss of or damage to any part of the insured property, whether scheduled or unscheduled, consisting, when complete for use, of several parts, the Insurer is not liable for more than the insured value of the part lost or damaged, including the cost of installation.

#### **5. SUE AND LABOUR**

It is the duty of the Insured in the event that any property insured hereunder is lost to take all reasonable steps in and about the recovery of such property. The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with the foregoing according to the respective interests of the parties.

#### **6. BASIS OF SETTLEMENT**

Unless otherwise provided, the Insurer is not liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality.

#### **7. SUBROGATION**

The Insurer, upon making any payment or assuming liability therefore under this policy, shall be subrogated to all rights of recovery of the Insured against others, and may bring action to enforce such rights. Where the net amount recovered, after deducting the costs of recovery, is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in the 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.

#### **8. OTHER INSURANCE**

If, on the happening of any loss, there is in force more than one policy covering the same interest, irrespective of whether by any term in such contract the insurance granted thereby shall not cover, come into force, attach, or become insurance until after full or partial payment of any loss under any other policy, it is a condition of this policy that the claim hereunder shall be adjusted with the insured, on the basis that such policy or policies will contribute on a rateable proportion of the loss unless it is otherwise expressly agreed in writing.

#### **9. ACTION**

An action or proceeding against an insurer in relation to a contract must be commenced,

- (a) in the case of loss or damage to insured property, not later than 2 years after the date the insured knew or ought to have known the loss or damage occurred, and
- (b) in any other case, not later than 2 years after the date the cause of action against the insurer arose.

**10. CANADIAN CURRENCY CLAUSE**

All limits of insurance, premiums and other amounts as expressed in this policy are in Canadian currency.

In Witness Whereof THE INSURERS through their representatives duly authorized by them for this purpose have executed and signed this Policy.



# Statutory Conditions & Additional Conditions

(Applicable to All Common Law Provinces and Territories except Alberta, British Columbia, Manitoba and Ontario)

## 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 Act (Canada) or change of title by succession, by operation of law, or by death.

### 4. MATERIAL CHANGE IN RISK

Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected by the change, unless the change is promptly notified in writing to the Insurer or its local agent. The Insurer, when so notified, may return the unearned portion, if any, of the premium paid and cancel the contract. Alternatively, the Insurer may notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within fifteen days of the receipt of the notice, pay to the Insurer an additional premium. In default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

### 5. TERMINATION OF INSURANCE

- (1) This contract may be terminated,
  - (a) by the Insurer giving to the Insured written notice of termination at least:
    - (i) five days before the effective date of termination if personally delivered;
    - (ii) fifteen days before the effective date of termination if the contract is terminated by registered mail for nonpayment of premium; or
    - (iii) thirty days before the effective date of termination if the contract is terminated by registered mail for any other reason.
  - (b) by the Insured at any time on request.
- (2) When this contract is terminated by the Insurer,
  - (a) the Insurer shall refund the excess of premium actually paid by the Insured over the proportionate premium for the expired time, subject to any minimum retained premium specified; and
  - (b) the refund shall accompany the notice, unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
- (3) When this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
- (4) The refund may be made by money, postal or express company money order or cheque payable at par.
- (5) The fifteen and thirty days mentioned in clauses (1)(a)(ii) and (iii) of this condition commence to run on the day following the receipt of the registered letter at the post office to which it is addressed.

### 6. REQUIREMENTS AFTER LOSS

- (1) Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11,
  - (a) immediately give notice of the loss or damage in writing to the Insurer;
  - (b) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration,
    - (i) giving a complete inventory of the lost or damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed,
    - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes,
    - (iii) stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the Insured,
    - (iv) showing the amount of other insurances and the names of other Insurers,
    - (v) showing the interest of the Insured and of all others in the property with particulars of all mortgages, liens, encumbrances and other charges upon the property,
    - (vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract,
    - (vii) (vii) showing the place where the insured property was located at the time of loss or damage;

- (c) if required, give a complete inventory of undamaged property, showing in detail quantities, cost, actual cash value;
  - (d) if required and if practicable, produce accounts, warehouse receipts, stock lists, invoices and other pertinent records, verified by statutory declaration, as well as any relevant contracts or agreements with others.
- (2) The evidence furnished under clauses (1) (c) and (d) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

**7. FRAUD**

Any fraud or willfully false statement in a statutory declaration in relation to any of the above particulars, vitiates the claim of the person making the declaration.

**8. WHO MAY GIVE NOTICE AND PROOF**

In case of absence or inability of the Insured to give notice of loss or make proof of loss, notice of loss may be given and proof of loss may be made by the agent of the Insured. If the Insured fails to give notice immediately, the notice of loss may be given and the proof of loss may be made by a person to whom any part of the insurance money is payable.

**9. SALVAGE**

- (1) The Insured, in the event of any loss or damage to any insured property, shall take all reasonable steps to prevent further damage to such property and to prevent damage to other insured property, including, if necessary, removal to a secure location.
- (2) The Insurer shall contribute proportionately, according to the respective interests of the parties, towards any reasonable and proper expenses in connection with steps taken by the Insured and required under subsection (1) of this condition.

**10. ENTRY, CONTROL, ABANDONMENT**

After loss or damage to insured property, the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage. After the Insured has secured the property, the Insurer has a further right of access and entry sufficient to enable its agents to make 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 days after completion of the proof of loss, unless the contract provides for a shorter period.

**13. REPLACEMENT**

- (1) The Insurer, instead of making payment, may repair, rebuild, or replace the property lost or damaged, giving written notice of its intention to do so within thirty days after receipt of the proof of loss.
- (2) In that event, the Insurer shall commence to repair, rebuild, or replace the property within forty-five days after receipt of the proof of loss, and shall proceed with all due diligence to completion of the work.

**14. ACTION**

Every action or proceeding against the Insurer for the recovery of any claim shall be absolutely barred unless commenced within one year after the loss or damage occurs, unless legislation provides otherwise.

**15. NOTICE**

Any written notice to the Insurer may be sent by registered mail or delivered to the chief agency or any office of the Insurer in Canada. Written notice may be given to the Insured by letter personally delivered to the Insured or by registered mail addressed to the Insured at the Insured's latest post office address as notified to the Insurer. In this condition, the expression "registered" means registered in or outside Canada.

**ADDITIONAL CONDITIONS**

**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 to the police or other authorities having jurisdiction.

**2. NO BENEFIT TO BAILEE**

It is warranted by the Insured that this insurance shall in no wise ensure directly or indirectly to the benefit of any carrier or other bailee.

**3. PAIR AND SET**

In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are a part of a set, the measure of loss of or damage to such article or articles shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of the set.

**4. PARTS**

In the case of loss of or damage to any part of the insured property, whether scheduled or unscheduled, consisting, when complete for use, of several parts, the Insurer is not liable for more than the insured value of the part lost or damaged, including the cost of installation.

**5. SUE AND LABOUR**

It is the duty of the Insured in the event that any property insured hereunder is lost to take all reasonable steps in and about the recovery of such property. The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with the foregoing according to the respective interests of the parties.

**6. BASIS OF SETTLEMENT**

Unless otherwise provided, the Insurer is not liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality.

**7. SUBROGATION**

The Insurer, upon making any payment or assuming liability therefore under this policy, shall be subrogated to all rights of recovery of the Insured against others, and may bring action to enforce such rights. Where the net amount recovered, after deducting the costs of recovery, is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in the 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.

**8. OTHER INSURANCE**

If, on the happening of any loss, there is in force more than one policy covering the same interest, irrespective of whether by any term in such contract the insurance granted thereby shall not cover, come into force, attach, or become insurance until after full or partial payment of any loss under any other policy, it is a condition of this policy that the claim hereunder shall be adjusted with the insured, on the basis that such policy or policies will contribute on a rateable proportion of the loss unless it is otherwise expressly agreed in writing.

**9. CANADIAN CURRENCY CLAUSE**

All limits of insurance, premiums and other amount as expressed in this policy are in Canadian currency.

In Witness Whereof THE INSURERS through their representatives duly authorized by them for this purpose have executed and signed this Policy.

# Statutory Conditions & Additional Conditions – Ontario

## 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 Act (Canada) or change of title by succession, by operation of law, or by death.

### 4. MATERIAL CHANGE IN RISK

Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected by the change, unless the change is promptly notified in writing to the Insurer or its local agent. The Insurer, when so notified, may return the unearned portion, if any, of the premium paid and cancel the contract. Alternatively, the Insurer may notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within fifteen days of the receipt of the notice, pay to the Insurer an additional premium. In default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

### 5. TERMINATION OF INSURANCE

- (1) This contract may be terminated,
  - (a) by the Insurer giving to the Insured written notice of termination at least:
    - (i) five days before the effective date of termination if personally delivered or delivered by prepaid courier if there is a record by the person who delivered it that the notice has been sent;
    - (ii) fifteen days before the effective date of termination if the contract is terminated by registered mail for nonpayment of premium; or
    - (iii) thirty days before the effective date of termination if the contract is terminated by registered mail for any other reason.
  - (b) by the Insured at any time on request.
- (2) When this contract is terminated by the Insurer,
  - (a) the Insurer shall refund the excess of premium actually paid by the Insured over the proportionate premium for the expired time, subject to any minimum retained premium specified; and
  - (b) the refund shall accompany the notice, unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
- (3) When this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
- (4) The refund may be made by money, postal or express company money order or cheque payable at par.
- (5) The fifteen and thirty days mentioned in clauses (1)(a)(ii) and (iii) of this condition commence to run on the day following the receipt of the registered letter at the post office to which it is addressed.

### 6. REQUIREMENTS AFTER LOSS

- (1) Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11,
  - (a) immediately give notice of the loss or damage in writing to the Insurer;
  - (b) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration,
    - (i) giving a complete inventory of the lost or damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed,
    - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes,
    - (iii) stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the Insured,
    - (iv) showing the amount of other insurances and the names of other Insurers,
    - (v) showing the interest of the Insured and of all others in the property with particulars of all mortgages, liens, encumbrances and other charges upon the property,

- (vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract,
  - (vii) showing the place where the insured property was located at the time of loss or damage;
  - (c) if required, give a complete inventory of undamaged property, showing in detail quantities, cost, actual cash value;
  - (d) if required and if practicable, produce accounts, warehouse receipts, stock lists, invoices and other pertinent records, verified by statutory declaration, as well as any relevant contracts or agreements with others.
- (2) The evidence furnished under clauses (1) (c) and (d) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

#### **7. FRAUD**

Any fraud or willfully false statement in a statutory declaration in relation to any of the above particulars, vitiates the claim of the person making the declaration.

#### **8. WHO MAY GIVE NOTICE AND PROOF**

In case of absence or inability of the Insured to give notice of loss or make proof of loss, notice of loss may be given and proof of loss may be made by the agent of the Insured. If the Insured fails to give notice immediately, the notice of loss may be given and the proof of loss may be made by a person to whom any part of the insurance money is payable.

#### **9. SALVAGE**

- (1) The Insured, in the event of any loss or damage to any insured property, shall take all reasonable steps to prevent further damage to such property and to prevent damage to other insured property, including, if necessary, removal to a secure location.
- (2) The Insurer shall contribute proportionately, according to the respective interests of the parties, towards any reasonable and proper expenses in connection with steps taken by the Insured and required under subsection (1) of this condition.

#### **10. ENTRY, CONTROL, ABANDONMENT**

After loss or damage to insured property, the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage. After the Insured has secured the property, the Insurer has a further right of access and entry sufficient to enable its agents to make 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 days after completion of the proof of loss, unless the contract provides for a shorter period.

#### **13. REPLACEMENT**

- (1) The Insurer, instead of making payment, may repair, rebuild, or replace the property lost or damaged, giving written notice of its intention to do so within thirty days after receipt of the proof of loss.
- (2) In that event, the Insurer shall commence to repair, rebuild, or replace the property within forty-five days after receipt of the proof of loss, and shall proceed with all due diligence to completion of the work.

#### **14. ACTION**

Every action or proceeding against the Insurer for the recovery of any claim shall be absolutely barred unless commenced within one year after the loss or damage occurs, unless legislation provides otherwise.

#### **15. NOTICE**

- (1) Written notice may be given to the insurer in the following ways:
  - (a) It may be personally delivered at the chief agency or head office of the insurer in the Province.
  - (b) It may be sent by registered mail to the chief agency or head office of the insurer in the Province.
  - (c) It may be delivered by electronic means.
- (2) Written notice may be given to the insured named in the contract in the following ways:
  - (a) It may be personally delivered.
  - (b) It may be delivered by prepaid courier to the latest address of the insured on the records of the insurer if there is a record by the person who has delivered it that the notice has been sent.
  - (c) It may be sent by registered mail to the latest address of the insured on the records of the insurer.
  - (d) It may be delivered by electronic means, if the insured consents to delivery by electronic means.
- (3) In this condition, the expression "registered" means registered in or outside Canada.

## **ADDITIONAL CONDITIONS**

### **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 to the police or other authorities having jurisdiction.

### **2. NO BENEFIT TO BAILEE**

It is warranted by the Insured that this insurance shall in no wise ensure directly or indirectly to the benefit of any carrier or other bailee.

### **3. PAIR AND SET**

In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are a part of a set, the measure of loss of or damage to such article or articles shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of the set.

### **4. PARTS**

In the case of loss of or damage to any part of the insured property, whether scheduled or unscheduled, consisting, when complete for use, of several parts, the Insurer is not liable for more than the insured value of the part lost or damaged, including the cost of installation.

### **5. SUE AND LABOUR**

It is the duty of the Insured in the event that any property insured hereunder is lost to take all reasonable steps in and about the recovery of such property. The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with the foregoing according to the respective interests of the parties.

### **6. BASIS OF SETTLEMENT**

Unless otherwise provided, the Insurer is not liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality.

### **7. SUBROGATION**

The Insurer, upon making any payment or assuming liability therefore under this policy, shall be subrogated to all rights of recovery of the Insured against others, and may bring action to enforce such rights. Where the net amount recovered, after deducting the costs of recovery, is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in the 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.

### **8. OTHER INSURANCE**

If, on the happening of any loss, there is in force more than one policy covering the same interest, irrespective of whether by any term in such contract the insurance granted thereby shall not cover, come into force, attach, or become insurance until after full or partial payment of any loss under any other policy, it is a condition of this policy that the claim hereunder shall be adjusted with the insured, on the basis that such policy or policies will contribute on a rateable proportion of the loss unless it is otherwise expressly agreed in writing.

### **9. CANADIAN CURRENCY CLAUSE**

All limits of insurance, premiums and other amounts as expressed in this policy are in Canadian currency.

In Witness Whereof THE INSURERS through their representatives duly authorized by them for this purpose have executed and signed this Policy.

# Commercial General Liability

**VARIOUS PROVISIONS IN THIS FORM RESTRICT COVERAGE. READ THE ENTIRE FORM CAREFULLY TO DETERMINE RIGHTS, DUTIES AND WHAT IS AND IS NOT COVERED.**

Throughout this Form the words "you" and "your" refer to the "Named Insured" shown on the "declarations", and any other person or organization qualifying as a "Named Insured" under 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 quotations, bold, capitalized or not have special meaning as defined in SECTION VI - DEFINITIONS.

## SECTION I – COVERAGES

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

#### 1. INSURING AGREEMENT

- (a) We will pay those sums that the Insured becomes legally obligated to pay as "compensatory damages" because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the Insured against any "action" seeking those "compensatory damages". However, we will have no duty to defend the Insured against any "action" seeking "compensatory damages" for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "action" that may result. But:
- (i) The amount we will pay for "compensatory damages" is limited as described in SECTION III - LIMITS OF INSURANCE;
  - (ii) We may investigate and settle any claim or "action" at our discretion; and
  - (iii) Our right and duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgements or settlements under Coverages A, B or D or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A, B AND D.

- (b) This insurance applies to "bodily injury" and "property damage" only if:
- (i) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
  - (ii) The "bodily injury" or "property damage" occurs during the policy period; and
  - (iii) 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 that "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- (c) "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by an 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, included any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- (d) "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when an Insured 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:
- (i) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other Insurer;
  - (ii) Receives a written or verbal demand or claim for "compensatory damages" because of the "bodily injury" or "property damage"; or
  - (iii) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- (e) "Compensatory damages" because of "bodily injury" include "compensatory damages" claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

#### 2. EXCLUSIONS

This insurance does not apply to:

(a) **Expected or Intended Injury**

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

(b) **Contractual Liability**

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

- (i) that the Insured would have in the absence of the contract or agreement; or
- (ii) 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 the "bodily injury" or "property damage", provided:
  - (a) liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) such legal fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which "compensatory damages" to which this insurance applies are alleged.

(c) **Workers' Compensation and Similar Laws**

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

(d) **Employer's Liability**

"Bodily injury" to:

- (i) an employee of the Insured arising out of and in the course of:

- (1) employment by the Insured, or
- (2) performing duties related to the conduct of the Insured's business; or
- (ii) the spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph 2.d.(1) above.

This exclusion applies:

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

This exclusion does not apply to:

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

(e) **Aircraft or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use, operation, "loading and unloading" or entrustment to others by or on behalf of any Insured of:

- (i) Any aircraft or any air cushion vehicle; or
- (ii) Any premises for the purpose of an airport or aircraft landing area and all operations necessary or incidental to them. However, this exclusion does not apply to:
  - (1) A retail store or restaurant located and operating within an airport terminal; or
  - (2) Maintenance performed by an Insured on such premises, provided
    - a. No Insured owns or occupies any part of such premises; and
    - b. The maintenance is not performed in a restricted area, as defined in applicable regulations
- (iii) Any watercraft

However, this exclusion does not apply to:

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

Exclusion (e) applies even if the claims against any Insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that Insured. If the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft or watercraft that is owned, operated by, rented or loaned to any Insured.

(f) **Automobile**

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

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

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

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

This exclusion does not apply to:

- (i) "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.
- (ii) "bodily injury" or "property damage" arising out of a defective condition in, or improper maintenance of, any "automobile" that is owned by the Insured while leased to others for a period of 30 days or more provided the lease is obligated under contract to ensure that the "automobile" is insured.
- (iii) "bodily injury" or "property damage" arising out of the ownership, use or operation of machinery, apparatus or equipment mounted on or attached to any vehicle while at the site of the use or operation of such equipment. This exception however does not apply when such equipment is mounted on or attached to any "automobile" and such equipment is used for the purpose of "loading and unloading".
- (iv) "bodily injury" or "property damage" arising out of "loading or unloading" if such operations are precluded from coverage under the motor vehicle section of any provincial or territorial act or regulation.

(g) **Damage to Property**

"Property damage" to:

- (i) 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 person or damage to another's property;
- (ii) premises you sell give away or abandon, if the "property damage" arises out of any part of those premises;
- (iii) property loaned to you;



- (iv) personal property in your care, custody or control;
- (v) that particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (vi) that particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph (ii) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (iii), (iv), (v) and (vi) of this exclusion do not apply to liability assumed under a side-track agreement.

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

(h) **Damage to Your Product**

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

(i) **Damage to Your Work**

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

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor, but this exception does not apply to work that is defective, deficient, inadequate or dangerous.

(j) **Damage to Impaired Property or Property Not Physically Injured**

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

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

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

(k) **Access or Disclosure of Confidential or Personal Information**

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

(l) **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:

- (i) "your product";
- (ii) "your work"; or
- (iii) "impaired property";

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

(m) **Damage from Blasting, Pile Driving, Removal or Weakening of Supports**

"Property damage" arising out of:

- (i) the use of explosives for blasting;
- (ii) vibration from pile driving or caisson work; or
- (iii) the removal or weakening of support of any property, building or land whether or not such support is natural or otherwise. This exclusion does not apply:

- (1) to "property damage" arising out of work performed on your behalf by any contractor or subcontractor; or
- (2) to "property damage" included within the "products-completed operations hazard".

(n) **Data**

"Compensatory damages" arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "data".

(o) **Personal and Advertising Injury**

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

(p) **Professional Services**

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

(q) **Abuse**

- (i) Claims or "actions" arising directly or indirectly from "abuse" committed or alleged to have been committed by an Insured, including the transmission of disease arising out of any act of "abuse".
- (ii) Claims or "actions" based the Named Insured's practices of "employee" hiring, acceptance of "volunteer workers" or supervision or retention of any person alleged to have committed "abuse".
- (iii) Claims or "actions" alleging knowledge by an Insured of, or failure to report, the alleged "abuse" to the appropriate authority(ies).

(r) **Asbestos** – see Common Exclusions

(s) **Fungi or Spores** – see Common Exclusions

(t) **Nuclear** – see Common Exclusions

(u) **Pollution** – see Common Exclusions

- (v) **Terrorism** – see Common Exclusions
- (w) **War Risks** – see Common Exclusions
- (x) **Cyber Risks** – see Common Exclusions

## COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY

### 1. INSURING AGREEMENT

- (a) We will pay those sums that the Insured becomes legally obligated to pay as “compensatory damages” because of “personal and advertising injury” to which this insurance applies. We will have the right and duty to defend the Insured against any “action” seeking those “compensatory damages”. However, we will have no duty to defend the Insured against any “action” seeking “compensatory damages” for “personal and advertising injury” to which this insurance does not apply. We may, at our discretion, investigate any offence and settle any claim or “action” that may result. But:
  - (i) the amount we will pay for “compensatory damages” is limited as described in SECTION III - LIMITS OF INSURANCE; and
  - (ii) our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under Coverages A., B. or D. or medical expenses under coverage C.
 No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverage A., B. and D.
- (b) This insurance applies to “personal and advertising injury” caused by an offence arising out of your business but only if the offense was committed in the “coverage territory” during the policy period.

### 2. EXCLUSIONS

This insurance does not apply to:

- (a) **Knowing Violation of Rights of Another**  
“Personal and advertising injury” caused by or at the direction of the Insured with the knowledge that the act would violate the rights of another and would inflict “personal and advertising injury”.
- (b) **Material Published with Knowledge of Falsity**  
“Personal and advertising injury” arising out of oral or written publication of material, if done by or at the direction of the Insured with knowledge of falsity.
- (c) **Material Published Prior to Policy Period**  
“Personal and advertising injury” arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.
- (d) **Criminal Acts**  
“Personal and advertising injury” arising out of a criminal act committed by or at the direction of the Insured.
- (e) **Contractual Liability**  
“Personal and advertising injury” for which the Insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for “compensatory damages” that the Insured would have in the absence of the contract or agreement.
- (f) **Breach of Contract**  
“Personal and advertising injury” arising out of a breach of contract, except an implied contract to use another’s advertising idea in your “advertisement”.
- (g) **Quality or Performance of Goods – Failure to Conform to Statements**  
“Personal and advertising injury” arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your “advertisement”.
- (h) **Wrong Description of Price**  
“Personal and advertising injury” arising out of the wrong description of the price of goods, products or services stated in your “advertisement”.
- (i) **Infringement of Copyright, Patent, Trademark or Trade Secret**  
“Personal and advertising injury” arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.  
However, this exclusion does not apply to infringement, in your “advertisement”, of copyright, trade dress or slogan.
- (j) **Insureds in Media and Internet Type Business**  
“Personal and advertising injury” committed by an Insured whose business is:
  - (i) Advertising, broadcasting, publishing or telecasting;
  - (ii) Designing or determining content of web-sites for others; or
  - (iii) An Internet search, access, content or service provider.
 However, this exclusion does not apply to Paragraphs 23. (a), (b) and (c) of Section VI – DEFINITIONS.  
For the purpose of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.
- (k) **Interactive Websites, Electronic Chatrooms, Interactive Forums, or Bulletin Boards**  
“Personal and advertising injury” arising out of, electronic interactive, chatroom, interactive forum or bulletin board the Insured hosts, owns, or over which the Insured exercises control.
- (l) **Unauthorized Use of Another’s Name or Product**  
“Personal and advertising injury” arising out of the unauthorized use of another’s name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another’s potential customers.

(m) **Access or Disclosure of Confidential or Personal Information**

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

(n) **Abuse**

- (i) Claims or "actions" arising directly or indirectly from "abuse" committed or alleged to have been committed by an Insured, including the transmission of disease arising out of any act of "abuse".
- (ii) Claims or "actions" based on the Named Insured's practices of "employee" hiring, acceptance of "volunteer workers" or supervision or retention of any person alleged to have committed "abuse".
- (iii) Claims or "actions" alleging knowledge by an Insured of, or failure to report, the alleged "abuse" to the appropriate authority(ies).

(o) **Asbestos** – see Common Exclusions

(p) **Fungi or Spores** – see Common Exclusions

(q) **Nuclear** – see Common Exclusions

(r) **Pollution** – see Common Exclusions

(s) **Terrorism** – see Common Exclusions

(t) **War Risks** – see Common Exclusions

(u) **Cyber Risks** – see Common Exclusions

## COVERAGE C – MEDICAL PAYMENTS

### 1. INSURING AGREEMENT

- (a) We will pay medical expenses as described below for "bodily injury" caused by an accident:
  - (i) on premises you own or rent;
  - (ii) on ways next to premises you own or rent; or
  - (iii) because of your operations;provided that:
  - (1) the accident takes place in the "coverage territory" and during the policy period;
  - (2) the expenses are incurred and reported to us within one year of the date of the accident; and
  - (3) the injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- (b) We will make these payments regardless of fault. These payments will not exceed the applicable Limit of Insurance as described in Section III.  
We will pay reasonable expenses for:
  - (i) first aid at the time of an accident;
  - (ii) necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
  - (iii) necessary ambulance, hospital, professional nursing and funeral services.

### 2. EXCLUSIONS

We will not pay expenses for "bodily injury":

- (a) **Any Insured**  
To any Insured, except "volunteer workers".
- (b) **Hired Person**  
To a person hired to do work for or on behalf of any Insured or a tenant of any Insured.
- (c) **Injury to Normally Occupied Premises**  
To a person injured on that part of premises you own or rent that the person normally occupies.
- (d) **Workers Compensation and Similar Laws**  
To a person, whether or not an "employee" of any Insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- (e) **Athletic Activities**  
To a person, whether while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.
- (f) **Products-Completed Operations Hazard**  
Included within the "product-completed operations hazard".
- (g) **Coverage A Exclusions**  
Excluded under Coverage A.

## COVERAGE D – TENANTS' LEGAL LIABILITY

### 1. INSURING AGREEMENT

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

- (i) the amount we will pay for “compensatory damages” is limited as described in SECTION III - LIMITS OF INSURANCE; and
- (ii) our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgements or settlements under Coverages A, B or D, or medical expenses under Coverage C.

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

- (b) This insurance applies to “property damage” only if:
  - (i) The “property damage” is caused by an “occurrence” that takes place in the “coverage territory”;
  - (ii) The “property damage” occurs during the policy period; and

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 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 know prior to the policy period.
- (c) “Property damage” which occurs during the policy period and was not, prior to the policy period, known to have occurred by any Insured listed under Paragraph 1. of SECTION II - WHO IS AN INSURED or any “employee” authorized by you to give or receive notice of an “occurrence” or claim, includes any continuation, change or resumption of that “property damage” after the end of the policy period.
- (d) “Property damage” will be deemed to have been known to have occurred at the earliest time when any Insured listed under Paragraph 1. of SECTION II - WHO IS AN INSURED or an “employee” authorized by you to give or receive notice of an “occurrence” or claim:
  - (i) Reports all, or any part, of the “property damage” to us or any other Insurer;
  - (ii) Receives a written or verbal demand or claim for “compensatory damages” because of the “property damage”; or
  - (iii) Becomes aware by any other means that “property damage” has occurred or has begun to occur.

## 2. EXCLUSIONS

This insurance does not apply to:

- (a) **Expected of Intended Injury**  
“Property damage” expected or intended from the standpoint of the Insured.
- (b) **Contractual Liability**  
“Property damage” for which the Insured is obligated to pay “compensatory damages” by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for “compensatory damages” that the Insured would have in the absence of the contract or agreement.
- (c) **Asbestos** – see Common Exclusions
- (d) **Fungi or Spores** – see Common Exclusions
- (e) **Nuclear** – see Common Exclusions
- (f) **Pollution** – see Common Exclusions
- (g) **Terrorism** – see Common Exclusions
- (h) **War Risks** – see Common Exclusions
- (i) **Cyber Risks** – see Common Exclusions

### COMMON EXCLUSIONS – COVERAGES A, B, C AND D

This insurance does not apply to:

1. **Asbestos**  
“Bodily injury”, “property damage” or “personal and advertising injury” related to or arising from any actual or alleged liability for any legal remedy of any kind whatsoever (including but not limited to damages, interest, mandatory or other injunctive relief, statutory orders or penalties, legal or other costs, or expenses of any kind) in respect of or threatened loss, damage, cost or expense directly or indirectly caused by, resulting from, in consequence of or in any way involving, asbestos or any materials containing asbestos in whatever form or quantity.  
This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the “bodily injury”, “property damage” or “personal and advertising injury”.
2. **Fungi or Spores**
  - (a) “Bodily injury”, “property damage”, “personal and advertising injury” or any other cost, loss or expense incurred by others, arising directly or indirectly from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any “fungi” or “spores” however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of “fungi” or “spores”;
  - (b) any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with (a) above; or
  - (c) any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in (a) or (b) above.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to produce the “bodily injury”, “property damage” or “personal and advertising injury”.
3. **Nuclear**
  - (a) Liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof;
  - (b) “Bodily injury”, “property damage” or “personal and advertising injury” with respect to which an Insured under this Form is also insured under a contract of nuclear energy liability insurance (whether the Insured is unnamed in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other Insurer or group or pool of Insurers or would be an Insured under any such policy but for its termination upon exhaustion of its limit of liability;
  - (c) “Bodily injury”, “property damage” or “personal and advertising injury” resulting directly or indirectly from the “nuclear energy hazard”

arising from:

- (i) the ownership, maintenance, operation or use of a "nuclear facility" by or on behalf of an Insured;
- (ii) the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility";
- (iii) the possession, consumption, use, handling, disposal or transportation of "fissionable substances", or of other "radioactive material" (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be useable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an Insured.

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

#### 4. **Pollution**

- (a) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":
  - (i) at or from any premises, site or location which is or was at any time, owned or occupied by, or rented or loaned to any Insured. However, this subparagraph does not apply to:
    - (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;
    - (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 was never owned or occupied by, rented or loaned to, any Insured, other than that Additional Insured; or
    - (3) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
  - (ii) 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;
  - (iii) which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    - (1) any Insured; or
    - (2) any person or organization for whom you may be legally responsible;
  - (iv) at or from any premises, site or location on which any Insured or any contractors or subcontractors working directly or indirectly on any Insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such Insured, contractor or subcontractor. However, this subparagraph does not apply to:
    - (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 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;
    - (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 on your behalf by a contractor or subcontractor; or
    - (3) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or
  - (v) At or from any premises, site or location on which any Insured or any contractors or subcontractors working directly or indirectly on any Insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify, decontaminate, stabilize, remediate or neutralize, or in any way respond to, or assess the effect of "pollutants".
- (b) Any loss, cost or expense arising out of any:
  - (i) Request, demand or order or statutory or regulatory requirement that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effect of "pollutants", or
  - (ii) Claim or "action" by or on behalf of a governmental authority for "compensatory damages" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, assessing the effects of, "pollutants".

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

#### 5. **Terrorism**

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

#### 6. **War Risks**

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

#### 7. **Cyber Risks**

Notwithstanding any provision to the contrary within this policy or any endorsement thereto, this policy excludes any loss, damage, liability, claim, cost, expense of whatever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any "cyber loss" including but not limited to:

- (i) any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any "data", including any amount pertaining to the value of such "data" shall not be recoverable hereunder, nor be considered as physical loss or damage for the purposes of this exclusion.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence thereto.

## SUPPLEMENTARY PAYMENTS – COVERAGES A, B AND D

1. We will pay, with respect to any claim we investigate or settle, or any "action" against an Insured we defend:
  - (a) All expenses we incur.
  - (b) The cost of bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. We do not have to furnish these bonds.
  - (c) All reasonable expenses incurred by the Insured at our request to assist us in the investigation or defence of a claim or "action", including actual loss of earnings up to \$250 a day because of time off from work.
  - (d) All costs taxed against you in the "action".
  - (e) Any interest accruing after entry of judgement upon that part of the judgement, which is within the applicable Limit of Insurance and before we have paid, offered to pay, or deposited in the court the part of the judgement that is within the applicable Limit of Insurance.These payments will not reduce the Limits of Insurance.
2. If we defend an Insured against an "action" and an indemnitee of the Insured is also named as a party to the "action", we will defend that indemnity if all of the following conditions are met:
  - (a) The "action" against the indemnitee seeks "compensatory damages" for which the Insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
  - (b) This insurance applies to such liability assumed by the Insured;
  - (c) The obligation to defend, or the cost of the defence of, that indemnitee, has also been assumed by the Insured in the same "insured contract";
  - (d) The allegations in the "action" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the Insured and the interest of the indemnitee;
  - (e) 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
  - (f) The indemnitee:
    - (i) Agrees in writing to:
      - (1) Cooperate with us in the investigation, settlement or defence of the action;
      - (2) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "action";
      - (3) Notify any other Insurer whose coverage is available to the indemnitee; and
      - (4) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
    - (ii) Provides us with written authorization to:
      - (1) Obtain records and other information related to the "action"; and
      - (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 provision of Paragraph 2. (b) (ii) of SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, such payments will not reduce the Limits of Insurance.

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

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

## SECTION II – WHO IS AN INSURED

1. If you are designated on the "Declarations" as:
  - (a) An individual, you and your spouse are Insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - (b) A partnership, limited liability partnership or joint venture, you are an Insured. Your members, your partners, and their spouses are also Insureds, but only with respect to the conduct of your business.
  - (c) A limited liability company, you are an Insured. Your members are also Insureds, but only with respect to the conduct of your business. Your managers are Insureds, but only with respect to their duties as your managers.
  - (d) An organization other than a partnership limited liability partnership, joint venture or limited liability company, you are an Insured. Your "executive officers" and directors are Insureds, but only with respect to their duties as your officers or directors. Your shareholders are also Insureds, but only with respect to their liability as shareholders.
  - (e) A trust, you are an Insured. Your trustees are also Insureds, but only with respect to their duties as trustees.
2. Each of the following is also an Insured:
  - (a) Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, limited liability partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insured for:
    - (i) "Bodily injury" or "personal and advertising injury":
      - (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 related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
      - (2) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph 1. (a) above;
      - (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 Paragraph 1. (a) or (b) above;
      - (4) Arising out of his or her providing or failing to provide professional health care services; or
      - (5) To any person who at the time of the injury is entitled to benefits under any workers' compensation or disability benefits law or a similar law.

- (ii) "Property damage" to property that is:
    - (1) Owned, occupied or used by,
    - (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).
  - (b) Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
  - (c) Any person or organization having proper temporary custody of your property if you die, but only:
    - (i) With respect to liability arising out of the maintenance or use of that property; and
    - (ii) Until your legal representative has been appointed.
  - (d) Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Form.
  - (e) Your unit or strata lot owners and any tenants, but only with respect to the conduct of the corporation for liability arising out of the common property, excluding liability arising out of the owner's or tenant's possession, occupation or use of property designated for exclusive use;
  - (f) Any person or organization under the Named Insured's management control and for which the Named Insured is responsible for arranging insurance, but only with respect to the Named Insured's premises, the Named Insured's operations, "the Named Insured's product" and "the Named Insured's work";
  - (g) Any person, firm or organization (other than an architect or engineering firm) for whom the Named Insured has contracted to provide liability insurance. Coverage under this provision is afforded as per the present Policy Forms, limits and conditions and only with respect to the Named Insured's premises, "the Named Insured's product" or the "the Named Insured's work".
3. Any organization you newly acquire or form, other than a partnership, limited liability partnership or joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- (a) Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - (b) Coverages A and D do not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  - (c) Coverage B does not apply to "personal and advertising injury" arising out of an 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 on the "Declarations".

### SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown on the "Declarations" and the rules below fix the most we will pay regardless of the number of:
  - (a) Insureds;
  - (b) Claims made or "actions" brought; or
  - (c) Persons or organizations making claims or bringing "actions".
2. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A "compensatory damages" because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
3. Subject to 2. above, the Each Occurrence Limit is the most we will pay for the sum of:
  - (a) "Compensatory damages" under Coverage A; and
  - (b) Medical expenses under Coverage C;
 because of all "bodily injury" and "property damage" arising out of any one "occurrence".
4. Subject to 2. above, the Personal and Advertising Injury limit is the most we will pay under Coverage B for the sum of all "compensatory damages" because of all "personal and advertising injury" sustained by any one person or organization.
5. 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.
6. Subject to 3. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Form apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown on the "Declarations", unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

### SECTION IV – DEDUCTIBLE

1. Our obligation under Bodily Injury Liability, 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 on the "Declarations" as applicable to such coverages, and the Limits of Insurance applicable to each "occurrence" for Bodily Injury Liability and Property Damage Liability and any one premises for Tenants' Legal Liability will be reduced by the amount of such deductible.
2. The deductible amounts apply as follows:
  - (a) Under coverage A;
    - (i) Bodily Injury Liability or Property Damage Liability respectively:
      - (1) to all "compensatory damages" because of "bodily injury" as the result of any one "occurrence", or
      - (2) 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".
    - (ii) Bodily Injury Liability and Property Damage Liability combined, to all "compensatory damages" because of "bodily injury" and "property damage" as the result of any one "occurrence", regardless of the number of persons or organizations who sustain "compensatory damages" because of that "occurrence".
  - (b) Under coverage D, Tenants' Legal Liability, to all "compensatory damages" because of "property damage" as the result of any one "occurrence", regardless of the number of persons or organizations who sustain compensatory damages because of that "occurrence".

3. The terms of this insurance, including those in respect to:
  - (a) our right and duty to defend any "action" seeking those "compensatory damages"; and
  - (b) your duties in the event of an "occurrence", claim or "action" apply irrespective of the application of the deductible amount.
4. We may pay any part or all of the deductible amount to effect settlement of any claim or "action" and, upon notification of the actions taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

## SECTION V – COMMERCIAL GENERAL LIABILITY CONDITIONS

### 1. **Bankruptcy**

Bankruptcy or insolvency of the Insured or of the Insured's estate will not relieve us of our obligations under this Form.

### 2. **Canadian Currency Clause**

All Limits of Insurance, premiums and other amounts as expressed in this Form are in Canadian currency.

### 3. **Changes**

This Form contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown on the "Declarations" is authorized to make changes in the terms of this Form with our consent. This Form's terms can be amended or waived only by endorsement issued by us and made a part of this Form.

### 4. **Duties in the Event of Occurrence, Claim or Action**

- (a) You must see to it that we are notified as soon as practicable of an "occurrence" which may result in a claim. To the extent possible, notice should include:
  - (i) How, when and where the "occurrence" or offence took place;
  - (ii) The names and addresses of any injured persons and witnesses; and
  - (iii) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- (b) If a claim is made or "action" is brought against any Insured, you must:
  - (i) Immediately record the specifics of the claim or "action" and the date received; and
  - (ii) Notify us as soon as practicable.
- (c) You and any other involved Insured must:
  - (i) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "action";
  - (ii) Authorize us to obtain records and other information;
  - (iii) Co-operate with us in the investigation, settlement or defence of the claim or "action"; and
  - (iv) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the Insured because of injury or damage to which this insurance may also apply.
- (d) No Insureds will, except at the Insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

### 5. **Examination of Your Books and Records**

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

### 6. **Inspections and Surveys**

- (a) We have the right to:
  - (i) Make inspections and surveys at any time;
  - (ii) Give you reports on the conditions we find; and
  - (iii) Recommend changes.
- (b) We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - (i) Are safe or healthful; or
  - (ii) Comply with laws, regulations, codes or standards.
- (c) Paragraphs (a) and (b) of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization, which makes insurance inspections surveys, reports or recommendations.
- (d) Paragraph (b) of this condition does not apply to any inspections, surveys, reports or recommendations we make relative to certification, under provincial or municipal statutes, ordinances, bylaws or regulations, of boilers, pressure vessels or elevators.

### 7. **Legal Action Against Us**

No person or organization has a right under this Form:

- (a) To join us as a party or otherwise bring us into an "action" asking for "compensatory damages" from an Insured; or
- (b) To sue us on this Form unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgement against an Insured; but we will not be liable for "compensatory damages" that are not payable under the terms of this Form or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the Insured and the claimant or the claimant's legal representative.

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

### 8. **Other Insurance**

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

#### (a) **Primary Insurance**

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

#### (b) **Excess Insurance**



This insurance is excess over:

1. Any of the other insurance, whether primary, excess, contingent or on any other basis:
  - (i) That is Fire, Extended Coverage;
  - (ii) Builder's Risk, Installation Risk or similar coverage for "your work";
  - (iii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner; or
  - (iv) If the loss arises out of the maintenance or use of watercraft or "automobile" to the extent not subject to exclusion (e) or (f) of SECTION I - COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY.
2. Any other primary insurance available to you covering liability for "compensatory damages" arising out of the premises or operations or products-completed operations for which you have been added as an Additional Insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under Coverage A, B, or D, to defend the Insured against any "action" if any other Insurer has a duty to defend the Insured against the "action". If no other Insurer defends, we will undertake to do so, but we will be entitled to all 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:

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

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 on the "Declarations" of this policy.

(c) **Method of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each Insurer contributes equal amounts until it has paid its applicable Limit of Insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each Insurer's share is based on the ratio of its applicable limit of insurance to the total applicable Limits of Insurance of all Insurers.

9. **Premium Audit**

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

10. **Premiums**

The first Named Insured shown on the "Declarations":

- (a) Is responsible for the payment of all premiums; and
- (b) Will be the payee for any return premiums we pay.

11. **Representations**

By accepting this Form, you agree:

- (a) The statements on the "Declarations" are accurate and complete;
- (b) Those statements are based upon representations you made to us; and
- (c) We have issued this policy in reliance upon your representations;
- (d) This policy is void in any case of fraud by you as it relates to this policy or any claim under this Form.

12. **Separation of Insureds, Cross Liability**

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

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

13. **Termination**

- (a) The first Named Insured shown on the "Declarations" may terminate this policy by mailing or delivering to us advance written notice of termination.
- (b) We may terminate this policy by mailing or delivering to the first Named Insured written notice of termination at least:
  - (i) 5 days before the effective date of termination if personally delivered;
  - (ii) 15 days before the effective date of termination if we terminate for non-payment of premium; or
  - (iii) 30 days before the effective date of termination if we terminate for any other reason.

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

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

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

14. **Transfer of Rights of Recovery Against Others to Us**

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

enforce them.

15. **Transfer of your Rights and Duties Under this Form**

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

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

**SECTION VI – 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" or "personal and advertising injury" to which this insurance applies are alleged. "Action" includes:
  - (a) an arbitration proceeding alleging such "compensatory damages" are claimed and to which the Insured must submit or does submit with our consent; or
  - (b) Any other alternative dispute resolution proceeding in which such "compensatory damages" are claimed and to which the Insured submits with our consent.
3. **"Advertisement"** means a notice that is broadcast or published to the general public or specific markets segments about your goods, products or services for the purpose of attracting customers or supporters. For the purpose of this definition:
  - (a) Notices that are published include materials placed on the Internet or similar electronic means of communication; and
  - (b) Regarding web-sites, only that part of a web-site that is about goods, products or services for the purpose of attracting customers or supporters is considered an advertisement.
4. **"Automobile"** means a land motor vehicle, trailer or semi-trailer that is required by law to be insured under a contract evidenced by a motor vehicle liability policy, or any vehicle used under such contract, including any attached machinery or equipment.
5. **"Bodily Injury"** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
6. **"Compensatory Damages"** means damages due or awarded in payment for actual injury or economic loss. "Compensatory damages" does not include punitive or exemplary damages or the multiple portions of any multiplied damage award.
7. **"Coverage Territory"** means:
  - (a) Canada and the United States of America, (including its territories or possessions);
  - (b) International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in (a) above; or
  - (c) All parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in (a) above;
    - (2) The activities of an insured person whose home is in the territory described in (a) above, but is away for a short time on your business; or
    - (3) "Personal and Advertising Injury" offenses that take place through the Internet or similar electronic means of communication provided the Insured's responsibility to pay "compensatory damages" is determined in an "action" on the merits, in the territory described in (a) above or in a settlement we agree to.
8. **"Declarations"** means the policy declarations applicable to this policy for the current policy period, including any supplementary pages or schedules.
9. **"Data"** means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a "computer system".
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.
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 one which 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:
  - (a) It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - (b) You have failed to fulfil the terms of a contract or agreement; if such property can be restored to use by:
    - (i) The repair, replacement, adjustment or removal of "your product" or "your work"; or
    - (ii) Your fulfilling the terms of the contract or agreement.
16. **"Incidental Medical Malpractice Injury"** means "bodily injury" arising out of the rendering of or the failure to render, during the Policy Period, the following services:
  - (a) Medical, surgical, dental, x-ray or nursing services or treatment or the furnishing of food or beverages in connection with; or
  - (b) 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 (a) and (b) above.
17. **"Insured Contract"** means:
  - (a) A contract for lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
  - (b) A side-track agreement;
  - (c) An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;

- (d) Any other easement agreement;
  - (e) An obligation, as required by ordinance or bylaw, to indemnify a municipality, except in connection with work for a municipality;
  - (f) An elevator maintenance agreement; or
  - (g) That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay "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 those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
- Paragraph (g) does not include that part of any contract or agreement:
- (i) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - (1) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
    - (2) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage.
  - (ii) Under which the Insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the Insured's rendering or failure to render "professional services", including those listed in (1) above and supervisory, inspection, architectural or engineering activities.
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:
- (a) After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "automobile";
  - (b) While it is in or on an aircraft, watercraft or "automobile" to the place where it is finally delivered;
  - (c) While it is being moved from an aircraft, watercraft or "automobile" to the places where it is finally delivered;
- But "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "automobile".
20. **"Nuclear Energy Hazard"** means the radioactive, toxic, explosive, or other hazardous properties of radioactive materials.
21. **"Nuclear Facility"** means:
- (a) Any apparatus designed or used to sustain fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
  - (b) Any equipment or device designed or used for (i) separating the isotopes of plutonium, thorium and uranium or any one or more of them, (ii) processing or packaging of waste;
  - (c) Any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the Insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination of, or more than 250 grams of uranium 235;
  - (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste radioactive material; and includes the site on which any of the foregoing is located, together with all operations being conducted on the premises 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 and Advertising Injury"** means injury, including consequential "bodily injury", arising out of one or more of the following offences:
- (a) False arrest, detention or imprisonment;
  - (b) Malicious prosecution;
  - (c) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premise that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  - (d) Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - (e) Oral or written publication, in any manner, of material that violates a person's right of privacy;
  - (f) The use of another's advertising idea in your "advertisement"; or
  - (g) Infringing upon another's copyright, trade dress or slogan in your "advertisement".
24. **"Pollutants"** means 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.
25. **"Products-Completed Operations Hazard"**
- (a) Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
    - (i) Products that are still in your physical possession; or
    - (ii) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
      - (1) When all of the work called for in your contract has been completed.
      - (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.
      - (3) When that part of work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
 Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
  - (b) Does not include "bodily injury" or "property damage" arising out of:
    - (i) The existence of tools, uninstalled equipment or abandoned or unused materials.
26. **"Professional Services"** shall include but not be limited to:
- (a) Medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection therewith;
  - (b) Any professional service or treatment conducive to health;
  - (c) Professional services of a pharmacist;
  - (d) The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
  - (e) The handling or treatment of deceased human bodies including autopsies, organ donations or other procedures;

- (f) Any cosmetic, body piercing, tonsorial, massage, physiotherapy, chiropody, hearing aids, optical or optometric services or treatments;
  - (g) The preparation or approval of maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications;
  - (h) Supervisory, inspection, architectural, design or engineering services;
  - (i) Accountant's, advertiser's, notary's (Quebec), public notary's, paralegal's, lawyer's, real estate broker's or agent's, insurance broker's or agent's, travel agent's, financial institution's, or consultant's professional advices or activities;
  - (j) Any computer programming or re-programming, consulting, advisory or related services; or
  - (k) Claims, investigation, adjustment, appraisal, survey or audit services.
27. **"Property Damage"** means:
- (a) Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
  - (b) Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.
- For the purpose of this insurance, "data" is not tangible property.
28. **"Radioactive Material"** means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances which may be designed 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.
29. **"Spores"** includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".
30. **"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.
31. **"Terrorism"** means an act, including but not limited to the use of violence or force and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.
32. **"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.
33. **"Your Product"**:
- (a) Means:
    - (i) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
      - (1) You;
      - (2) Others trading under your name; or
      - (3) A person or organization whose business or assets you have acquired; and
    - (ii) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
  - (b) Includes:
    - (i) Warranties or representations made at any time with respect to the fitness, quality, durability or performance or use of "your product"; and
    - (ii) The providing of or failure to provide warnings or instructions.
  - (c) Does not include vending machines or other property rented to or located for the use of others but not sold.
34. **"Your Work"**
- (a) Means:
    - (i) Work or operations performed by you or on your behalf; and
    - (ii) Materials, parts or equipment furnished in connection with such work or operations.
  - (b) Includes:
    - (i) Warranties or representations made at any time with respect to the fitness, quality, durability or performance or use of "your work", and
    - (ii) The providing or failure to provide warnings or instructions.
35. **"Cyber Loss"** means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any "cyber act" or "cyber incident" including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any "cyber act" or "cyber incident".
36. **"Cyber Act"** means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any "computer system".
37. **"Cyber Incident"** means:
- (a) 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
  - (b) 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".
38. **"Computer System"** means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, "data" storage device, networking equipment or back up facility.

## Limitation of Coverage to Designated Premises

THIS ENDORSEMENT MODIFIES THE COVERAGES PROVIDED AND IS SUBJECT TO THE CONDITIONS, LIMITATIONS, ADDITIONAL DEFINITIONS AND OTHER TERMS OF THIS ENDORSEMENT AND THE FORM TO WHICH IT IS ATTACHED TO.

WORDS AND PHRASES IN QUOTATIONS HAVE SPECIAL MEANING AS DESCRIBED IN THE DEFINITIONS OF THE FORM TO WHICH THIS ATTACHES.

This insurance applies only to "bodily injury", "property damage", "personal and advertising injury", and medical expenses arising out of the ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises.

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

# S.P.F. No. 6 - Standard Non-Owned Automobile Liability

WITH RESPECT TO VEHICLES USED IN THE INSURED'S BUSINESS

## 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 Form:

1. 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
- \* 2. For any liability imposed upon any person insured by this Form;
  - (i) by any worker's compensation law; or
  - (ii) 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
3. For any liability assumed by any person insured by this Form voluntarily under any contract or agreement unless it is in written form; or
4. For loss or damage to property carried in or upon an automobile personally driven by any person insured by this Form or to any property owned or rented by, or in the care, custody or control of any such person;
5. For any amount in excess of the limit stated on the "Declarations" and expenditures provided for in the Additional Agreements of this Form, 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 Form the Insurer further agrees:

6. Upon receipt of notice of loss or damage caused to persons or property to serve any person insured by this Form by such investigation thereof, or by such negotiations with the claimant, or by such settlement of any resulting claims, as may be deemed expedient by the Insurer; and
7. To defend in the named and on behalf of any person insured by this Form 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
8. To pay all costs taxed against any person insured by this Form in any civic action defended by the Insurer and any interest accruing after entry of judgement upon that part of the judgement which is within the limits of the Insurer's liability; and
9. In case the injury be to a person, reimburse any person insured by this Form for outlay for such medical aid as may be immediately necessary at the time of such injury; and
10. 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 on the "Declarations"; and
11. Not set up any defense to a claim that might not be set up if the Form 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 Form, every person insured by this Form

- (a) by the acceptance of this Form, 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 Form.

## GENERAL PROVISIONS AND DEFINITIONS

### 1. Additional Insureds

The Insurer agrees to indemnify in the same manner and to the same extent as if named herein as the Insured, every partner, officer or employee of the Insured who, with the consent of the owner thereof, personally drives (a) in the business of the Insured stated on the "Declarations", 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 Form 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 Form means automobiles hired or leased from others with or without drivers, used under the control of the Insured in the business stated on the "Declarations" 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 Form shall mean automobiles operated in the business of the Insured stated on 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 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 Form 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. Limits of Liability**

**Non-Owned Automobile**

Each accident: The Limit of Liability stated in the "Declarations" for Non-Owned Automobiles as applicable to "each accident" is limit of the Insurer's liability (exclusive of interest and costs) for loss of 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.

**STATUTORY CONDITIONS**

**(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 contained in the above wording. However,

- In the Yukon Territory, the following additional sections appears:  
"With respect to Section B only Statutory Condition 1, 8 and 9 shall apply"
- In Alberta, the following additional sentence appears:  
"Statutory Conditions 2, 3, 4, 5, 6, and 7 shall not apply to Section B – Accident Benefits"
- In the Northwest Territories there is an additional wording reading:  
"and the words 'insured person' means an Insured and includes any person to whom benefits may be payable under the Accident Benefits set out in the schedule of Insurance Ordinance. With respect to Section B only Statutory Conditions 1, 8, and 9 shall apply."

**1. MATERIAL CHANGE IN RISK**

- (a) The Insured named in this contract shall promptly notify the Insurer or its local agent in writing of any change in the risk material to the contact and within his knowledge.
- (b) Without restricting the generality of the foregoing, the words "change in the risk material to the contract" include:
  - (i) 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,
  - (ii) Any mortgage, lien or encumbrance affecting the automobile after the application for this contract.
  - (iii) 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.

**(1) PROHIBITED USE BY INSURED**

The Insured shall not drive or operate the automobile:

- (a) Unless he is for the time being either authorized by law or qualified to drive or operate the automobile; or
- (b) While his licence to drive or operate an automobile is suspended or while his rights to obtain a licence is suspended or while he is prohibited under order of any court from driving or operating an automobile; or
- (c) While he is under the age of 16 years or under such other age as is prescribed by law of the province in which he 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
- (d) For any illicit or prohibited trade or transportation; or
- (e) In any race or speed test.

**(2) PROHIBITED USE BY OTHERS**

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 his licence to drive or operate an automobile is suspended or while his right to obtain a licence is suspended or while he is prohibited under order of any court from driving or operating an automobile; or
  - (iii) While that person is under the age of 16 years or under such other age is prescribed by the law of the province in which he resides at the time under order of any court from driving or operating an automobile; or
  - (iv) For any illicit or prohibited trade or transportation; or
  - (v) In race or speed test.

**(c) REQUIREMENTS WHERE LOSS OR DAMAGE TO PERSONS OR PROPERTY**

- (i) The Insured shall:
  - (a) Promptly give 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 Insured, 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 from or on behalf of the claimant.
- (ii) The Insurer shall not:
  - (a) Voluntarily assume any liability or settle any claim except at his own cost; or
  - (b) Interfere in any negotiations for settlement or in any legal proceeding.
- (iii) The Insured shall, whenever requested by the Insurer, aid in securing information and evidence and the attendance of any witness and shall cooperate with the Insurer, except in a pecuniary way, in the defence of any action or proceeding or in the prosecution of any appeal.

## 2. REQUIREMENTS WHERE LOSS OR DAMAGE TO AUTOMOBILE

- (a) Where loss or damage of the automobile occurs, the Insurer shall, if the loss or damage is covered by this contract,
  - (i) Promptly give notice thereof in writing to the Insurer with the fullest information obtainable at the time;
  - (ii) At the expense of the Insurer, and as far as reasonably possible, protect the automobile from further loss or damage; and
  - (iii) Deliver to the Insurer within 90 days after the date of the loss or damage a statutory declaration stating, to the best of his 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 willful act or neglect, procurement, means or connivance of the Insured.
- (b) Any further loss or damage accruing to the automobile directly or indirectly from a failure to protect it as required under subcondition (a) of this condition is not recoverable under this contract.
- (c) 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,
  - (i) Without the written consent of the Insurer; or
  - (ii) Until the Insurer has had a reasonable time to make the examination for which provision is made in Statutory Condition 5.

### Examination of Insured

- (d) The Insured shall submit to examination under oath, and shall produce for examination at such reasonable place and times as is designated by the Insurer or its representative all documents in his possession or control that related to the matters in question and shall permit extracts and copies to be made.

### Insurer Liable for Cash Value of Automobile

- (e) 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 with 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..

### Repair or Replacement

- (f) 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 7 days after the receipt of the proof of loss, it gives written notice of its intention to do so.

### No Abandonment; Salvage

- (g) 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.

### In Case of Disagreement

- (h) In the event of disagreement as to the nature and extent of the repairs and replacements required, or as 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 thereof is made in writing and until after proof of loss has been delivered.

## 3. INSPECTION OF AUTOMOBILE

The Insured shall permit the Insurer at all reasonable time to inspect the automobile and its equipment.

## 4. (a) Time and Manner of Payment of Insurance Money

The Insurer shall pay the insurance money for which it is liable under this contract within 60 days after the award is rendered by the appraisers.

### (b) 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.

### (c) Limitation of Action

Every action or proceeding against the Insurer under this contract in respect of loss or damage to the automobile shall be commenced within 1 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 1 year next after the cause of action arose and not afterwards.

NOTE: In Yukon Territory, Northwest Territories and New Brunswick, the 1 year limitation period in subcondition (c) should read 2 years.

In the case of Nova Scotia and Newfoundland subcondition (c) reads as follows:

"(c) Every action or proceeding under this contract against the Insurer under this contract 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 2 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 2 years from the time the loss or damage was sustained and not afterwards."

## 5. WHO MAY GIVE NOTICE AND PROOFS OF CLAIM

Notice of claim may be given and proofs of claim may be made by the agent of the Insured named in this contract in case of absence or inability of the Insured to give 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.



**6. TERMINATION**

- (a) This contract may be terminated:
  - (i) By the Insurer giving to the Insured 15 days' notice of termination by registered mail or 5 days written notice of termination personally delivered;
  - (ii) By the Insured at any time on request.
- (b) Where this contract is terminated by the Insurer:
  - (i) The Insurer shall refund the excess of premium actually paid by the Insured over the pro rata premium for the expired time, but in no event shall the pro rata premium for the expired time be deemed to be less than any minimum retained premium specified; and
  - (ii) 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.
- (c) 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.
- (d) The refund may be made by money, postal or express company money order or cheque payable at par.
- (e) The 15 days mentioned in clause (i) of sub-condition (a) 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 (i) of sub-condition (a) has the following words added:  
"and by notifying the registrar of motor vehicles as required by the "Vehicles Ordinance."

**7. 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 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.

NOTE: In the Northwest Territories, the reference to Territories and in the Yukon Territory the reference is to Territory rather than Province.

In Witness Whereof, the Insurer has executed and attested these presents but this Form shall not be valid unless countersigned by a duly authorized representative of the Insurer.

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

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

GENERAL PROVISIONS AND DEFINITIONS, 3. Hired Automobiles Defined is amended as follows:

The term "hired automobiles" as used in this Form 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 on the "Declarations" but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

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

# Communicable Disease Exclusion Endorsement

## Applies to all liability coverage forms and endorsements

WORDS AND PHRASES IN QUOTATIONS HAVE SPECIAL MEANING AS DESCRIBED IN THE COMMON EXCLUSIONS, DEFINITIONS, ADDITIONAL DEFINITIONS, EXCLUSIONS AND PROVISIONS OF THE UNDERLYING POLICY FORM(S) TO WHICH THIS ENDORSEMENT IS ATTACHED.

### COMMUNICABLE DISEASE EXCLUSION

Notwithstanding any provision to the contrary within this policy, this policy excludes all "action"(s), actual or alleged loss, liability, damage, "compensatory damages", "bodily injury", sickness, disease, death, medical payment, defence cost, cost, expense, "property damage" or any other amount incurred by or accruing to the insured, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with a "communicable disease" or the fear or threat (whether actual or perceived) of a "communicable disease".

### ADDITIONAL DEFINITIONS

"**Communicable disease**" means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- (a) the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
- (b) the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
- (c) the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

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

## **Non-Stacking of Limits**

THIS ENDORSEMENT MODIFIES THE COVERAGES PROVIDED AND IS SUBJECT TO THE CONDITIONS, LIMITATIONS, ADDITIONAL DEFINITIONS AND OTHER TERMS OF THIS ENDORSEMENT AND THE FORM TO WHICH IT IS ATTACHED TO.

WORDS AND PHRASES IN QUOTATIONS HAVE SPECIAL MEANING AS DESCRIBED IN THE DEFINITIONS OF THE FORM TO WHICH THIS ATTACHES.

The following condition is added:

In the event it is determined that any other policy or policies issued by us applies to any loss, damages, expenses, or other amounts covered under this Policy, then the maximum aggregate Limit of Insurance under all such policies, including this Policy, for all such loss, damages, expenses, or other amounts shall not exceed the Limit of Insurance under this Policy.

In no event shall the Limits of Insurance for this Policy be cumulative with any of the Limits of Insurance of any other policies issued by us.

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

## **Amendment to Vacant Property Exclusion**

THIS ENDORSEMENT MODIFIES THE COVERAGES PROVIDED AND IS SUBJECT TO THE CONDITIONS, LIMITATIONS, ADDITIONAL DEFINITIONS AND OTHER TERMS OF THIS ENDORSEMENT AND THE FORM TO WHICH IT IS ATTACHED TO.

WORDS AND PHRASES THAT APPEAR IN QUOTATIONS, BOLD, CAPITALIZED OR NOT HAVE SPECIAL MEANING AS DEFINED IN THE DEFINITIONS OF THE FORM TO WHICH THIS ATTACHES.

This endorsement modifies Commercial Building, Equipment and Stock Form - Broad Form G00001.

Item 6. EXCLUSIONS - A. PROPERTY EXCLUDED (b) is deleted and replaced by the following:

- (b) property at locations, which to the knowledge of the insured, are vacant, unoccupied or shut down for more than Sixty (60) consecutive days.

**All other terms and conditions in this policy remain unchanged.**

## **Tenants Vandalism or Malicious Acts Endorsement**

THIS ENDORSEMENT MODIFIES THE COVERAGES PROVIDED AND IS SUBJECT TO THE CONDITIONS, LIMITATIONS, ADDITIONAL DEFINITIONS AND OTHER TERMS OF THIS ENDORSEMENT AND THE FORM TO WHICH IT IS ATTACHED TO.

WORDS AND PHRASES THAT APPEAR IN QUOTATIONS, BOLD, CAPITALIZED OR NOT HAVE SPECIAL MEANING AS DEFINED IN THE DEFINITIONS OF THE FORM TO WHICH THIS ATTACHES.

This endorsement modifies Commercial Building, Equipment and Stock Form - Broad Form G00001.

The following exclusion is added to 6. EXCLUSIONS – B. PERILS EXCLUDED.

Any loss or damage resulting from or contributed to by vandalism or malicious acts committed by a person(s) occupying or by any invitee(s) of the person(s) occupying the “building” or “condominium unit” insured under this policy.

This exclusion does not apply to the first twenty-five thousand dollars (\$25,000).

**All other terms and conditions in this policy remain unchanged.**

## **Liberalization Clause**

THIS ENDORSEMENT MODIFIES THE COVERAGES PROVIDED AND IS SUBJECT TO THE CONDITIONS, LIMITATIONS, ADDITIONAL DEFINITIONS AND OTHER TERMS OF THIS ENDORSEMENT AND THE FORM TO WHICH IT IS ATTACHED TO.

WORDS AND PHRASES THAT APPEAR IN QUOTATIONS, BOLD, CAPITALIZED OR NOT HAVE SPECIAL MEANING AS DEFINED IN THE DEFINITIONS OF THE FORM TO WHICH THIS ATTACHES.

This endorsement modifies Commercial Building, Equipment and Stock Form - Broad Form G00001.

The following is added to GENERAL CONDITIONS.

### LIBERALIZATION 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.

**All other terms and conditions in this policy remain unchanged.**

## Enhanced Replacement Cost Endorsement

THIS ENDORSEMENT MODIFIES THE COVERAGES PROVIDED AND IS SUBJECT TO THE CONDITIONS, LIMITATIONS, ADDITIONAL DEFINITIONS AND OTHER TERMS OF THIS ENDORSEMENT AND THE FORM TO WHICH IT IS ATTACHED TO.

WORDS AND PHRASES THAT APPEAR IN QUOTATIONS, BOLD, CAPITALIZED OR NOT HAVE SPECIAL MEANING AS DEFINED IN THE DEFINITIONS OF THE FORM TO WHICH THIS ATTACHES.

**This endorsement attaches to and modifies Commercial Building, Equipment and Stock Form – Broad Form G00001.**

In the event that any insured “building” be lost or damaged 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 least of

- (a) the “replacement cost” of the “building” at the time of the loss or damage but in no event to exceed the amount actually expended on replacement;
- (b) the interest of the insured in the “building”; or
- (c) 115% of the amount of insurance shown on the policy “declarations” for the insured “building”.

### PROVIDED

- (1) the insured agrees to insure the “building” for an amount not less than determined by a home evaluation worksheet that is not more than 18 months old and insured to 100% of replacement value;
- (2) the insurer is notified within 30 days of commencement of any addition, alteration, extension or improvement to the “building” which would increase the estimated replacement value shown on the policy “declarations” by \$10,000 or more;
- (3) the insured agrees to increase the limit of insurance within 60 days following completion of any alterations, repairs or additions to the insured “building” that results in an increase of more than \$100,000 to the replacement cost of the “building”;
- (4) “replacement” shall be effected by the insured with due diligence and dispatch;
- (5) settlement on a “replacement cost” basis shall be made only when “replacement” has been completed by the insured.

If the insured does not comply with the requirements (1) to (5) above, settlement shall be made as if this endorsement was not in effect.

**All other terms and conditions in this policy remain unchanged.**



## **Condominium Unit Owner's Loss Assessment Coverage - Liability**

THIS ENDORSEMENT MODIFIES THE COVERAGES PROVIDED AND IS SUBJECT TO THE CONDITIONS, LIMITATIONS, ADDITIONAL DEFINITIONS AND OTHER TERMS OF THIS ENDORSEMENT AND THE FORM TO WHICH IT IS ATTACHED TO.

WORDS AND PHRASES THAT APPEAR IN QUOTATIONS, BOLD, CAPITALIZED OR NOT HAVE SPECIAL MEANING AS DEFINED IN THE DEFINITIONS OF THE FORM TO WHICH THIS ATTACHES.

**This endorsement modifies Commercial General Liability Form G20001.**

The insurer agrees to pay up to a maximum of \$100,000 per insured unit as described in the policy declaration, in any one policy period for the insured's share of any special assessments, if:

1. the assessment is valid under the Condominium Corporations governing rules; and
2. the assessment is made necessary by an occurrence to which COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY applies.

We will not pay more than \$100,000 per insured unit for that part of an assessment made necessary by a deductible in the insurance policy of the Condominium Corporation.

This coverage does not increase the amount of insurance under Coverage A – Bodily Injury and Property Damage Liability.

**All other terms and conditions in this policy remain unchanged**

## Standard Mortgage Clause

(approved by The Insurance Bureau of Canada)

IT IS HEREBY PROVIDED AND AGREED THAT:

- 1. Breach of Conditions by Mortgagor, Owner or Occupant.** This insurance and every documented renewal thereof - AS TO THE INTEREST OF THE MORTGAGEE ONLY THEREIN - is and shall be in force notwithstanding any act, neglect, omission or misrepresentation attributable to the mortgagor, owner or occupant of the property insured, including transfer of interest, any vacancy or non-occupancy, or the occupation of the property for purposes more hazardous than specified in the description of the risk;

PROVIDED ALWAYS that the Mortgagee shall notify forthwith the Insurer (if known) of any vacancy or non-occupancy extending beyond thirty (30) consecutive days, or of any transfer of interest or increased hazard THAT SHALL COME TO HIS KNOWLEDGE; and that every increase of hazard (not permitted by the policy) shall be paid for by the Mortgagee - on reasonable demand - from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.

- 2. Right of Subrogation.** Whenever the Insurer pays the Mortgagee any loss award under this policy and claims that - as to the Mortgagor or Owner - no liability therefor existed, it shall be legally subrogated to all rights of the Mortgagee against the Insured; but any subrogation shall be limited to the amount of such loss payment and shall be subordinate and subject to the basic right of the Mortgagee to recover the full amount of its mortgage equity in priority to the Insurer; or the Insurer may at its option pay the Mortgagee all amounts due or to become due under the mortgage or on the security thereof, and shall thereupon receive a full assignment and transfer of the mortgage together with all securities held as collateral to the mortgage debt.
- 3. Other Insurance.** If there be other valid and collectible insurance upon the property with loss payable to the Mortgagee - at law or in equity - then any amount payable thereunder shall be taken into account in determining the amount payable to the Mortgagee.
- 4. Who May Give Proof of Loss.** In the absence of the Insured, or the inability, refusal or neglect of the Insured to give notice of loss or deliver the required Proof of Loss under the policy, then the Mortgagee may give the notice upon becoming aware of the loss and deliver as soon as practicable the Proof of Loss.
- 5. Termination.** The term of this mortgage clause coincides with the term of the policy:
  - (a)** PROVIDED ALWAYS that, in all the Provinces except Quebec, 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, and
  - (b)** PROVIDED ALWAYS that, in the province of Quebec, the Insurer reserves the right to cancel the Policy as provided by Statutory Condition 19 as set forth in section 240 of the Insurance Act of Quebec but agrees that the Insurer will neither terminate nor alter the Policy to the prejudice of the Mortgagee without 15 days' notice to the Mortgagee by registered letter.
- 6. Foreclosure.** Should title or ownership to said property become vested in the Mortgagee and or assign 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 provision in conflict therewith BUT ONLY AS TO THE INTEREST OF THE MORTGAGEE), loss under this policy is made payable to the Mortgagee.

# PADLOCK

## – Cyber & Data Protection

### CYBER AND DATA PROTECTION DECLARATIONS

THIS ENDORSEMENT'S LIABILITY INSURING AGREEMENTS PROVIDE COVERAGE ON A CLAIMS MADE AND REPORTED BASIS AND APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE ENDORSEMENT PERIOD OR THE OPTIONAL EXTENSION PERIOD (IF APPLICABLE) AND REPORTED TO US IN ACCORDANCE WITH THE TERMS OF THIS ENDORSEMENT. AMOUNTS INCURRED AS CLAIMS EXPENSES UNDER THIS ENDORSEMENT WILL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO RETENTIONS. CERTAIN COVERAGES REQUIRE OUR PRIOR CONSENT OR APPROVAL. PLEASE READ THIS ENDORSEMENT CAREFULLY.

	Aggregate Limit	Retention
<b>Endorsement Aggregate Limit of Liability:</b>	\$50,000	
<b>First Party Loss</b>		
Business Interruption Loss:	\$20,000	each incident \$1,000
Cyber Extortion Loss:	\$20,000	each incident \$1,000
Data Recovery Costs:	\$20,000	each incident \$1,000
Reputational Loss:	\$20,000	each incident \$1,000
<b>Liability</b>		
Data & Network Liability:	\$50,000	each claim \$1,000
Regulatory Defence & Penalties:	\$10,000	each claim \$1,000
Payment Card Liabilities & Costs:	\$5,000	each claim \$1,000
Media Liability:	\$50,000	each claim \$1,000
<b>eCrime</b>		
Fraudulent Instruction:	\$5,000	each loss \$2,500
Funds Transfer Fraud:	\$5,000	each loss \$2,500
Telephone Fraud:	\$5,000	each loss \$2,500
Criminal Reward:	\$2,500	
*The above sublimits are in addition to the Endorsement Aggregate Limit of Liability		
<b>Breach Response Aggregate Limit of Coverage</b> In addition to the Endorsement Aggregate Limit of Liability		
Breach Response :	\$25,000	each incident \$1,000

# CYBER AND DATA PROTECTION

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This Endorsement modifies insurance provided under the following:

**THIS ENDORSEMENT'S LIABILITY INSURING AGREEMENTS PROVIDE COVERAGE ON A CLAIMS MADE AND REPORTED BASIS AND APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE ENDORSEMENT PERIOD OR THE OPTIONAL EXTENSION PERIOD (IF APPLICABLE) AND REPORTED TO US IN ACCORDANCE WITH THE TERMS OF THIS ENDORSEMENT. AMOUNTS INCURRED AS CLAIMS EXPENSES UNDER THIS ENDORSEMENT WILL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO RETENTIONS. CERTAIN COVERAGES REQUIRE OUR PRIOR CONSENT OR APPROVAL. PLEASE READ THIS ENDORSEMENT CAREFULLY.**

This Breach Response Endorsement is added to the Policy and the terms and conditions of this Endorsement govern the scope of coverage and your and our duties. This Endorsement amends the Policy to provide breach response coverage. Various provisions in this Endorsement restrict coverage. Read the entire Endorsement carefully to determine your rights and duties and what is and is not covered. The terms, conditions, exclusions and limits of liability set forth in this Endorsement apply only to the coverage provided by this Endorsement.

The words **we**, **us** and **our** refer to the company providing this coverage. The term **Policy** refers to the policy to which this Endorsement is attached. Words and phrases that appear in **bold** have special meaning. Refer to **DEFINITIONS**. To the extent any words or phrases used in this Endorsement are defined elsewhere in the Policy, such definitions provided elsewhere do not apply to give meaning to the words or phrases used in this Endorsement.

The terms and conditions of the Cancellation provision of the Policy, and any amendment to such terms, are incorporated herein and shall apply to coverage as is afforded by this Endorsement, unless specifically stated otherwise in an endorsement(s) attached hereto.

We agree with the **Named Insured**, in consideration of the payment of the premium and reliance upon the statements contained in the information and materials provided to us in connection with the underwriting and issuance of this Endorsement and subject to all the provisions, terms and conditions of this Endorsement:

## SECTION I – INSURING AGREEMENTS

### Breach Response

To provide **Breach Response Services** to the **Insured Organization** because of an actual or reasonably suspected **Data Breach** or **Security Breach** that the **Insured** first discovers during the **Endorsement Period**.

### First Party Loss

To indemnify the **Insured Organization** for:

#### *Business Interruption Loss*

**Business Interruption Loss** that the **Insured Organization** sustains as a result of a **Security Breach** that the **Insured** first discovers during the **Endorsement Period**.

#### *Cyber Extortion Loss*

**Cyber Extortion Loss** that the **Insured Organization** incurs as a result of an **Extortion Threat** first made against the **Insured Organization** during the **Endorsement Period**.

#### *Data Recovery Costs*

**Data Recovery Costs** that the **Insured Organization** incurs as a direct result of a **Security Breach** that the **Insured** first discovers during the **Endorsement Period**.

#### *Reputational Loss*

**Reputational Loss** that the **Insured Organization** incurs during the **Notification Period** as a result of (i) an actual or reasonably suspected **Data Breach** or **Security Breach** that the **Insured Organization** first discovers during the **Endorsement Period** and (ii) for which individuals have been notified pursuant to part 4. of the **Breach Response Services** definition.

### Liability

#### *Data & Network Liability*

To pay **Damages** and **Claims Expenses**, which the **Insured** is legally obligated to pay because of any **Claim** first made against any **Insured** during the **Endorsement Period** for

1. a **Data Breach**;
2. a **Security Breach**;
3. the **Insured Organization's** failure to timely disclose a **Data Breach** or **Security Breach**;

4. failure by the **Insured** to comply with that part of a **Privacy Policy** that specifically:
- (a) prohibits or restricts the **Insured Organization's** disclosure, sharing or selling of **Personally Identifiable Information**;
  - (b) requires the **Insured Organization** to provide an individual access to **Personally Identifiable Information** or to correct incomplete or inaccurate **Personally Identifiable Information** after a request is made; or
  - (c) mandates procedures and requirements to prevent the loss of **Personally Identifiable Information**;
- provided the **Insured Organization** has in force, at the time of such failure, a **Privacy Policy** that addresses those subsections above that are relevant to such **Claim**.

#### *Regulatory Defence & Penalties*

To pay **Penalties** and **Claims Expenses**, which the **Insured** is legally obligated to pay because of a **Regulatory Proceeding** first made against any **Insured** during the **Endorsement Period** for a **Data Breach** or a **Security Breach**.

#### *Payment Card Liabilities & Costs*

To indemnify the **Insured Organization** for **PCI Fines, Expenses and Costs** which it is legally obligated to pay because of a **Claim** first made against any **Insured** during the **Endorsement Period**.

#### *Media Liability*

To pay **Damages** and **Claims Expenses**, which the **Insured** is legally obligated to pay because of any **Claim** first made against any **Insured** during the **Endorsement Period** for **Media Liability**.

#### **eCrime**

To indemnify the **Insured Organization** for any direct financial loss sustained resulting from:

1. **Fraudulent Instruction**;
2. **Funds Transfer Fraud**; or
3. **Telephone Fraud**;

that the **Insured** first discovers during the **Endorsement Period** or to indemnify the **Insured Organization** for **Criminal Reward Funds**.

## **SECTION II – DEFINITIONS**

**Additional Insured** means any person or entity that the **Insured Organization** has agreed in writing to add as an **Additional Insured** under the Policy or Endorsement prior to the commission of any act for which such person or entity would be provided coverage under this Endorsement, but only to the extent the **Insured Organization** would have been liable and coverage would have been afforded under the terms and conditions of this Endorsement had such **Claim** been made against the **Insured Organization**.

**Breach Notice Law** means any statute or regulation that requires notice to persons whose personal information was accessed or reasonably may have been accessed by an unauthorized person. **Breach Notice Law** also includes any statute or regulation requiring notice of a **Data Breach** to be provided to governmental or regulatory authorities.

**Breach Response Services** means the following fees and costs in response to an actual or reasonably suspected **Data Breach** or **Security Breach**:

1. for an attorney to provide necessary legal advice to the **Insured Organization** to evaluate its obligations pursuant to **Breach Notice Laws** or a **Merchant Services Agreement** and in connection with providing the **Breach Response Services** described below;
2. for a computer security expert to determine the existence, cause and scope of an actual or reasonably suspected **Data Breach**, and if such **Data Breach** is actively in progress on the **Insured Organization's Computer Systems**, to assist in containing it;
3. for a PCI Forensic Investigator to investigate the existence and extent of an actual or reasonably suspected **Data Breach** involving payment card data and for a Qualified Security Assessor to certify and assist in attesting to the **Insured Organization's** PCI compliance, as required by a **Merchant Services Agreement**;
4. to notify those individuals whose **Personally Identifiable Information** was potentially impacted by a **Data Breach**;
5. to provide a call center to respond to inquiries about a **Data Breach**;
6. to provide a credit monitoring, identity monitoring or other solution approved by us to individuals whose **Personally Identifiable Information** was potentially impacted by a **Data Breach**; and
7. public relations and crisis management costs directly related to mitigating harm to the **Insured Organization** which are approved in advance by us in our discretion.

**Breach Response Services** will be provided by providers chosen by us, from our panel, in consultation with the **Insured**, will be subject to the terms and conditions of this Endorsement, and will not include any internal salary or overhead expenses of the **Insured Organization**.

**Business Interruption Loss** means:

1. **Income Loss**;
2. **Forensic Expenses**; and
3. **Extra Expense**;

actually sustained during the **Period of Restoration** as a result of the actual interruption of the **Insured Organization's** business operations caused by a **Security Breach**. Coverage for **Business Interruption Loss** will apply only after the **Waiting Period** has elapsed.

**Business Interruption Loss** will not include (i) loss arising out of any liability to any third party; (ii) legal costs or legal expenses; (iii) loss incurred as a result of unfavorable business conditions; (iv) loss of market or any other consequential loss; or (v) **Data Recovery Costs**.

**Claim** means:

1. a written demand received by any **Insured** for money or services;
2. with respect to coverage provided under the Regulatory Defence & Penalties insuring agreement only, institution of a **Regulatory Proceeding** against any **Insured**; and
3. with respect to coverage provided under part 1. of the Data & Network Liability insuring agreement only, a demand received by any **Insured** to fulfill the **Insured Organization's** contractual obligation to provide notice of a **Data Breach** pursuant to a **Breach Notice Law**;

Multiple **Claims** arising from the same or a series of related, repeated or continuing acts, errors, omissions or events will be considered a single **Claim** for the purposes of this Endorsement. All such **Claims** will be deemed to have been made at the time of the first such **Claim**.

**Claims Expenses** means:

1. all reasonable and necessary legal costs and expenses resulting from the investigation, defence and appeal of a **Claim**, if incurred by us, or by the **Insured** with our prior written consent.; and
2. the premium cost for appeal bonds for covered judgments or bonds to release property used to secure a legal obligation, if required in any **Claim** against an **Insured**; provided we will have no obligation to appeal or to obtain bonds.

**Claims Expenses** will not include any salary, overhead, or other charges by the **Insured** for any time spent in cooperating in the defence and investigation of any **Claim** or circumstance that might lead to a **Claim** notified under this Endorsement, or costs to comply with any regulatory orders, settlements or judgments.

**Computer Systems** means computers, any software residing on such computers and any associated devices or equipment:

1. operated by and either owned by or leased to the **Insured Organization**; or
2. with respect to coverage under the Breach Response and Liability insuring agreements, operated by a third party pursuant to written contract with the **Insured Organization** and used for the purpose of providing hosted computer application services to the **Insured Organization** or for processing, maintaining, hosting or storing the **Insured Organization's** electronic data.

**Control Group** means any principal, partner, corporate officer, director, general counsel (or most senior legal counsel) or risk manager of the **Insured Organization** and any individual in a substantially similar position.

**Criminal Reward Funds** means any amount offered and paid by the **Insured Organization** with our prior written consent for information that leads to the arrest and conviction of any individual(s) committing or trying to commit any illegal act related to any coverage under this Endorsement; but will not include any amount based upon information provided by the **Insured**, the **Insured's** auditors or any individual hired or retained to investigate the illegal acts. All **Criminal Reward Funds** offered pursuant to this Endorsement must expire no later than 6 months following the end of the **Endorsement Period**.

**Cyber Extortion Loss** means:

1. any **Extortion Payment** that has been made by or on behalf of the **Insured Organization** with our prior written consent to prevent or terminate an **Extortion Threat**; and
2. reasonable and necessary expenses incurred by the **Insured Organization** with our prior written consent to prevent or respond to an **Extortion Threat**.

**Cyber War** means any harmful act, or any series of related, repeated or continuing harmful acts, conducted using one or more computers (which includes any software residing on such computer, and any associated devices or equipment) directed against one or more computers (which includes any software residing on such computer, and any associated devices or equipment) that is committed

by, or at the direction or under the control of, a sovereign state, and which:

1. is conducted as part of a **War**; or
2. causes a major detrimental impact on:
  - (i) the functioning of another sovereign state due to disruption to the availability, delivery or integrity of any **Essential Service** in that other sovereign state; and/or
  - (ii) the security or defense of another sovereign state,

provided however that **Cyber War** shall not mean the direct or indirect effect of such harmful act(s) which causes a major detrimental impact on a sovereign state as described in parts 2.(i). and/or 2.(ii) above, on any **Computer Systems** not physically located in a sovereign state which has suffered such major detrimental impact described in parts 2.(i). and/or 2.(ii) above.

**Damages** means a monetary judgment, award or settlement, including any award of prejudgment or post-judgment interest; but **Damages** will not include:

1. future profits, restitution, disgorgement of unjust enrichment or profits by an **Insured**, or the costs of complying with orders granting injunctive or equitable relief;
2. return or offset of fees, charges or commissions charged by or owed to an **Insured** for goods or services already provided or contracted to be provided;
3. taxes or loss of tax benefits;
4. fines, sanctions or penalties;
5. punitive or exemplary damages or any damages which are a multiple of compensatory damages, unless insurable by law in any applicable venue that most favors coverage for such punitive, exemplary or multiple damages;
6. discounts, coupons, prizes, awards or other incentives offered to the **Insured's** customers or clients;
7. liquidated damages, but only to the extent that such damages exceed the amount for which the **Insured** would have been liable in the absence of such liquidated damages agreement;
8. fines, costs or other amounts an **Insured** is responsible to pay under a **Merchant Services Agreement**; or
9. any amounts for which the **Insured** is not liable, or for which there is no legal recourse against the **Insured**.

**Data** means any software or electronic data that exists in **Computer Systems** and that is subject to regular back-up procedures.

**Data Breach** means the theft, loss, or **Unauthorized Disclosure** of **Personally Identifiable Information** or **Third Party Information** that is in the care, custody or control of the **Insured Organization** or a third party for whose theft, loss or **Unauthorized Disclosure** of **Personally Identifiable Information** or **Third Party Information** the **Insured Organization** is liable.

**Data Recovery Costs** means the reasonable and necessary costs incurred by the **Insured Organization** to regain access to, replace, or restore **Data**, or if **Data** cannot reasonably be accessed, replaced, or restored, then the reasonable and necessary costs incurred by the **Insured Organization** to reach this determination.

**Data Recovery Costs** will not include: (i) the monetary value of profits, royalties, or lost market share related to **Data**, including but not limited to trade secrets or other proprietary information or any other amount pertaining to the value of **Data**; (ii) legal costs or legal expenses; (iii) loss arising out of any liability to any third party; (iv) **Cyber Extortion Loss** or (v) any of the **Insured Organization's** internal salary or overhead expenses.

**Digital Currency** means a type of digital currency that:

1. requires cryptographic techniques to regulate the generation of units of currency and verify the transfer thereof;
2. is both stored and transferred electronically; and
3. operates independently of a central bank or other central authority.

**Endorsement Period** means the period of time between the inception date listed in the Supplemental Declarations and the effective date of termination, expiration or cancellation of this Endorsement and specifically excludes any Optional Extension Period or any prior **Endorsement Period** or renewal period.

**Essential Service** means a service that is essential for the maintenance of vital functions of a sovereign state, including but not limited to financial institutions and associated financial market infrastructure, emergency services, health services, utility services and/or services that are essential for the maintenance of the food, energy and/or transportation sector

**Extortion Payment** means **Money**, **Digital Currency**, marketable goods or services demanded to prevent or terminate an **Extortion Threat**.

**Extortion Threat** means a threat to:

1. alter, destroy, damage, delete or corrupt **Data**
2. perpetrate the **Unauthorized Access or Use of Computer Systems**;
3. prevent access to **Computer Systems** or **Data**;
4. steal, misuse or publicly disclose **Data, Personally Identifiable Information** or **Third Party Information**;
5. introduce malicious code into **Computer Systems** or to third party computer systems from **Computer Systems**; or
6. interrupt or suspend **Computer Systems**;

unless an **Extortion Payment** is received from or on behalf of the **Insured Organization**.

**Extra Expense** means reasonable and necessary expenses incurred by the **Insured Organization** during the **Period of Restoration** to minimize, reduce or avoid **Income Loss**, over and above those expenses the **Insured Organization** would have incurred had no **Security Breach** occurred.

**Financial Institution** means a bank, credit union, saving and loan association, trust company or other licenced financial service, securities broker-dealer, mutual fund, or liquid assets fund or similar investment company where the **Insured Organization** maintains a bank account.

**Forensic Expenses** means reasonable and necessary expenses incurred by the **Insured Organization** to investigate the source or cause of a **Business Interruption Loss**.

**Fraudulent Instruction** means the transfer, payment or delivery of **Money** or **Securities** by an **Insured** as a result of fraudulent written, electronic, telegraphic, cable, teletype or telephone instructions provided by a third party, that is intended to mislead an **Insured** through the misrepresentation of a material fact which is relied upon in good faith by such **Insured**.

**Fraudulent Instruction** will not include loss arising out of:

1. fraudulent instructions received by the **Insured** which are not first authenticated via a method other than the original means of request to verify the authenticity or validity of the request;
2. any actual or alleged use of credit, debit, charge, access, convenience, customer identification or other cards;
3. any transfer involving a third party who is not a natural person **Insured**, but had authorized access to the **Insured's** authentication mechanism;
4. the processing of, or the failure to process, credit, check, debit, personal identification number debit, electronic benefit transfers or mobile payments for merchant accounts;
5. accounting or arithmetical errors or omissions, or the failure, malfunction, inadequacy or illegitimacy of any product or service;
6. any liability to any third party, or any indirect or consequential loss of any kind;
7. any legal costs or legal expenses; or
8. proving or establishing the existence of **Fraudulent Instruction**.

**Funds Transfer Fraud** means the loss of **Money** or **Securities** contained in a **Transfer Account** at a **Financial Institution** resulting from fraudulent written, electronic, telegraphic, cable, teletype or telephone instructions by a third party issued to a **Financial Institution** directing such institution to transfer, pay or deliver **Money** or **Securities** from any account maintained by the **Insured Organization** at such institution, without the **Insured Organization's** knowledge or consent.

**Funds Transfer Fraud** will not include any loss arising out of:

1. the type or kind covered by the **Insured Organization's** financial institution bond or commercial crime policy;
2. any actual or alleged fraudulent, dishonest or criminal act or omission by, or involving, any natural person **Insured**;
3. any indirect or consequential loss of any kind;
4. punitive, exemplary or multiplied damages of any kind or any fines, penalties or loss of any tax benefit;
5. any liability to any third party, except for direct compensatory damages arising directly from **Funds Transfer Fraud**;
6. any legal costs or legal expenses; or proving or establishing the existence of **Funds Transfer Fraud**;
7. the theft, disappearance, destruction of, unauthorized access to, or unauthorized use of confidential information, including a PIN or security code;
8. any forged, altered or fraudulent negotiable instruments, securities, documents or instructions; or
9. any actual or alleged use of credit, debit, charge, access, convenience or other cards or the information contained on such cards.



**Income Loss** means an amount equal to:

1. net profit or loss before interest and tax that the **Insured Organization** would have earned or incurred; and
2. continuing normal operating expenses incurred by the **Insured Organization** (including payroll), but only to the extent that such operating expenses must necessarily continue during the **Period of Restoration**.

**Individual Contractor** means any natural person who performs labor or service for the **Insured Organization** pursuant to a written contract or agreement with the **Insured Organization**. The status of an individual as an **Individual Contractor** will be determined as of the date of an alleged act, error or omission by any such **Individual Contractor**.

**Insured** means:

1. the **Insured Organization**;
2. any director or officer of the **Insured Organization**, but only with respect to the performance of his or her duties as such on behalf of the **Insured Organization**;
3. an employee (including a part time, temporary, leased or seasonal employee or volunteer) or **Individual Contractor** of the **Insured Organization**, but only for work done while acting within the scope of his or her employment and related to the conduct of the **Insured Organization's** business;
4. a principal if the **Named Insured** is a sole proprietorship, or a partner if the **Named Insured** is a partnership, but only with respect to the performance of his or her duties as such on behalf of the **Insured Organization**;
5. any person who previously qualified as an **Insured** under parts 2. - 4., but only with respect to the performance of his or her duties as such on behalf of the **Insured Organization**;
6. the estate, heirs, executors, administrators, assigns and legal representatives of any **Insured** in the event of such **Insured's** death, incapacity, insolvency or bankruptcy, but only to the extent that such **Insured** would otherwise be provided coverage under this Endorsement;
7. the lawful spouse, including any natural person qualifying as a domestic partner of any **Insured**, but solely by reason of any act, error or omission of an **Insured** other than such spouse or domestic partner; and
8. an **Additional Insured**, but only as respects **Claims** against such person or entity for acts, errors or omissions of the **Insured Organization**.

**Insured Organization** means the **Named Insured** and any **Subsidiaries**.

**Loss** means **Breach Response Services, Business Interruption Loss, Claims Expenses, Criminal Reward Funds, Cyber Extortion Loss, Damages, Data Recovery Costs, PCI Fines, Expenses and Costs, Penalties, Reputational Loss**, loss covered under the eCrime insuring agreement and any other amounts covered under this Endorsement.

Multiple **Losses** arising from the same or a series of related, repeated or continuing acts, errors, omissions or events will be considered a single **Loss** for the purposes of this Endorsement.

With respect to the Breach Response and First Party Loss insuring agreements, all acts, errors, omissions or events (or series of related, repeated or continuing acts, errors, omissions or events) giving rise to a **Loss** or multiple **Losses** in connection with such insuring agreements will be deemed to have been discovered at the time the first such act, error, omission or event is discovered.

**Media Liability** means one or more of the following acts committed by, or on behalf of, the **Insured Organization** in the course of creating, displaying, broadcasting, disseminating or releasing **Media Material** to the public:

1. defamation, libel, slander, product disparagement, trade libel, infliction of emotional distress, outrage, outrageous conduct, or other tort related to disparagement or harm to the reputation or character of any person or organization;
2. a violation of the rights of privacy of an individual, including false light, intrusion upon seclusion and public disclosure of private facts;
3. invasion or interference with an individual's right of publicity, including commercial appropriation of name, persona, voice or likeness;
4. plagiarism, piracy, or misappropriation of ideas under implied contract;
5. infringement of copyright;
6. infringement of domain name, trademark, trade name, trade dress, logo, title, metatag, or slogan, service mark or service name;
7. improper deep-linking or framing;
8. false arrest, detention or imprisonment;

9. invasion of or interference with any right to private occupancy, including trespass, wrongful entry or eviction; or
10. unfair competition, if alleged in conjunction with any of the acts listed in parts 5. or 6. above.

**Media Material** means any information, including words, sounds, numbers, images or graphics, but will not include computer software or the actual goods, products or services described, illustrated or displayed in such **Media Material**.

**Merchant Services Agreement** means any agreement between an **Insured** and a financial institution, credit/debit card company, credit/debit card processor or independent service operator enabling an **Insured** to accept credit card, debit card, prepaid card or other payment cards for payments or donations.

**Money** means a medium of exchange in current use authorized or adopted by a domestic or foreign government as a part of its currency.

**Named Insured** means the Named Insured listed in the Supplemental Declarations.

**Notification Period** means the 30-day period that begins on the specific date on which notified individuals first receive notification of the incident for which notification services are provided.

**PCI Fines, Expenses and Costs** means the monetary amount owed by the **Insured Organization** under the terms of a **Merchant Services Agreement** as a direct result of a suspected **Data Breach**. With our prior consent, **PCI Fines, Expenses and Costs** includes reasonable and necessary legal costs and expenses incurred by the **Insured Organization** to appeal or negotiate an assessment of such monetary amount. **PCI Fines, Expenses and Costs** will not include any charge backs, interchange fees, discount fees or other fees unrelated to a **Data Breach**.

**Penalties** means:

1. any monetary civil fine or penalty payable to a governmental entity that was imposed in a **Regulatory Proceeding**; and
2. amounts which the **Insured** is legally obligated to deposit in a fund as equitable relief for the payment of consumer claims due to an adverse judgment or settlement of a **Regulatory Proceeding** (including such amounts required to be paid into a Consumer Redress Fund);

but will not include: (a) costs to remediate or improve **Computer Systems**; (b) costs to establish, implement, maintain, improve or remediate security or privacy practices, procedures, programs or policies; (c) audit, assessment, compliance or reporting costs; or (d) costs to protect the confidentiality, integrity and/or security of **Personally Identifiable Information** or other information.

The insurability of **Penalties** will be in accordance with the law in the applicable venue that most favors coverage for such **Penalties**.

**Period of Restoration** means the 180-day period of time that begins upon the actual and necessary interruption of the **Insured Organization's** business operations.

**Personally Identifiable Information** means:

1. any information concerning an individual that is defined as personal information under any **Breach Notice Law**; and
2. an individual's drivers licence or provincial identification number, social insurance number, unpublished telephone number, and credit, debit or other financial account numbers in combination with associated security codes, access codes, passwords or PINs; if such information allows an individual to be uniquely and reliably identified or contacted or allows access to the individual's financial account or medical record information.

but will not include information that is lawfully made available to the general public.

**Privacy Policy** means the **Insured Organization's** public declaration of its policy for collection, use, disclosure, sharing, dissemination and correction or supplementation of, and access to **Personally Identifiable Information**.

**Regulatory Proceeding** means a request for information, civil investigative demand, or civil proceeding brought by or on behalf of any federal, provincial, local or foreign governmental entity in such entity's regulatory or official capacity.

**Reputational Income Loss** means the net profit resulting directly from the **Insured Organization's** business operations, before income taxes, that the **Insured Organization** is prevented from earning as a direct result of damage to the **Insured Organization's** reputation caused by an actual or reasonably suspected **Data Breach** or **Security Breach**. In determining **Reputational Income Loss**, due consideration shall be given to the prior experience of the **Insured Organization's** business operations before the beginning of the **Notification Period** and to the reasonable and probable business operations the **Insured Organization** could have performed had the actual or reasonably suspected **Data Breach** or **Security Breach** not occurred.

**Reputational Income Loss** does not include any internal salary, costs or overhead expenses of the **Insured Organization**.

**Reputational Loss** means the **Reputational Income Loss** during the **Notification Period**; provided that **Reputational Loss** shall not mean and no coverage shall be available under this endorsement for any of the following: loss arising out of any liability to any third party for whatever reason; legal costs or legal expenses of any type; loss incurred as a result of unfavorable business conditions, loss of market or any other consequential loss; or costs or expenses the **Insured Organization** incurs to identify, investigate, respond to or remediate an actual or reasonably suspected **Data Breach** or **Security Breach**.

**Securities** means negotiable and non-negotiable instruments or contracts representing either **Money** or tangible property that has intrinsic value.

**Security Breach** means a failure of computer security to prevent:

1. **Unauthorized Access or Use of Computer Systems**, including **Unauthorized Access or Use** resulting from the theft of a password from a **Computer System** or from any **Insured**;
2. a denial of service attack affecting **Computer Systems**;
3. with respect to coverage under the Liability insuring agreements, a denial of service attack affecting computer systems that are not owned, operated or controlled by an **Insured**; or
4. infection of **Computer Systems** by malicious code or transmission of malicious code from **Computer Systems**.

**Subsidiary** means any entity:

1. which, on or prior to the inception date of this Endorsement, the **Named Insured** owns, directly or indirectly, more than 50% of the outstanding voting securities ("Management Control"); and
2. which the **Named Insured** acquires Management Control after the inception date of this Endorsement; provided that:
  - (i) the revenues of such entity do not exceed 15% of the **Named Insured's** annual revenues; or
  - (ii) if the revenues of such entity exceed 15% of the **Named Insured's** annual revenues, then coverage under this Endorsement will be afforded for a period of 60 days, but only for any **Claim** that arises out of any act, error, omission, incident or event first occurring after the entity becomes so owned. Coverage beyond such 60 day period will only be available if the **Named Insured** gives us written notice of the acquisition, obtains our written consent to extend coverage to the entity beyond such 60 day period and agrees to pay any additional premium required by us.

This Endorsement provides coverage only for acts, errors, omissions, incidents or events that occur while the **Named Insured** has Management Control over an entity.

**Telephone Fraud** means the act of a third party gaining access to and using the **Insured Organization's** telephone system in an unauthorized manner.

**Third Party Information** means any trade secret, data, design, interpretation, forecast, formula, method, practice, credit or debit card magnetic strip information, process, record, report or other item of information of a third party not insured under this Endorsement which is not available to the general public.

**Transfer Account** means an account maintained by the **Insured Organization** at a **Financial Institution** from which the **Insured Organization** can initiate the transfer, payment or delivery of **Money** or **Securities**.

**Unauthorized Access or Use** means the gaining of access to or use of **Computer Systems** by an unauthorized person(s) or the use of **Computer Systems** in an unauthorized manner.

**Unauthorized Disclosure** means the disclosure of (including disclosure resulting from phishing) or access to information in a manner that is not authorized by the **Insured Organization** and is without knowledge of, consent or acquiescence of any member of the **Control Group**.

**Waiting Period** means the period of time that begins upon the actual interruption of the **Insured Organization's** business operations caused by a **Security Breach**, and ends after the elapse of twelve (12) hours.

**War** means the use of physical force by a sovereign state against another sovereign state (whether war be declared or not) or as part of a civil war, rebellion, revolution, insurrection and/or military or usurped power.

### SECTION III – EXCLUSIONS

The coverage under this Endorsement will not apply to any **Loss** arising out of:

#### **Bodily Injury or Property Damage**

1. physical injury, sickness, disease or death of any person, including any mental anguish or emotional distress resulting from such physical injury, sickness, disease or death; or
2. physical injury to or destruction of any tangible property, including the loss of use thereof; but electronic data will not be considered tangible property;

#### **Trade Practices and Antitrust**

any actual or alleged false, deceptive or unfair trade practices, antitrust violation, restraint of trade, unfair competition (except as provided in the Media Liability insuring agreement), or false or deceptive or misleading advertising or violation of the Competition Act, or any similar law or legislation; but this exclusion will not apply to:

1. the Breach Response insuring agreement; or

2. coverage for a **Data Breach** or **Security Breach**, provided no member of the **Control Group** participated or colluded in such **Data Breach** or **Security Breach**;

#### **Gathering or Distribution of Information**

1. the unlawful collection or retention of **Personally Identifiable Information** or other personal information by or on behalf of the **Insured Organization**; but this exclusion will not apply to **Claims Expenses** incurred in defending the **Insured** against allegations of unlawful collection of **Personally Identifiable Information**; or  
  
the distribution of unsolicited email, text messages, direct mail, facsimiles or other communications, wire tapping, audio or video recording, or telemarketing, if such distribution, wire tapping, recording or telemarketing is done by or on behalf of the **Insured Organization**; but this exclusion will not apply to **Claims Expenses** incurred in defending the **Insured** against allegations of unlawful audio or video recording;

#### **Prior Known Acts & Prior Noticed Claims**

1. any act, error, omission, incident or event committed or occurring prior to the inception date of this Endorsement if any member of the **Control Group** on or before the inception date of this Endorsement knew or could have reasonably foreseen that such act, error or omission, incident or event might be expected to be the basis of a **Claim** or **Loss**;
2. any **Claim**, **Loss**, incident or circumstance for which notice has been provided under any prior policy or endorsement of which this Endorsement is a renewal or replacement;

#### **Racketeering, Benefit Plans, Employment Liability & Discrimination**

1. any actual or alleged violation of any racketeering law or legislation (including any order, ruling or regulation issued pursuant thereto), whether such law is statutory, regulatory or common law;
2. any actual or alleged acts, errors or omissions related to any of the **Insured Organization's** pension, healthcare, Welfare, profit sharing, mutual or investment plans, funds or trusts;
3. any employer-employee relations, policies, practices, acts or omissions, or any actual or alleged refusal to employ any person, or misconduct with respect to employees; or
4. any actual or alleged discrimination;

but this exclusion will not apply to coverage under the Breach Response insuring agreement or parts 1., 2. or 3. of the Data & Network Liability insuring agreement that results from a **Data Breach**; provided no member of the **Control Group** participated or colluded in such **Data Breach**;

#### **Sale or Ownership of Securities & Violation of Securities Laws**

1. the ownership, sale or purchase of, or the offer to sell or purchase stock or other securities; or
2. an actual or alleged violation of a securities law or regulation;

#### **Criminal, Intentional or Fraudulent Acts**

any criminal, dishonest, fraudulent, or malicious act or omission, or intentional or knowing violation of the law, if committed by an **Insured**, or by others if the **Insured** colluded or participated in any such conduct or activity; but this exclusion will not apply to:

1. **Claims Expenses** incurred in defending any **Claim** alleging the foregoing until there is a final non-appealable adjudication establishing such conduct; or
2. with respect to a natural person **Insured**, if such **Insured** did not personally commit, participate in or know about any act, error, omission, incident or event giving rise to such **Claim** or **Loss**.

For purposes of this exclusion, only acts, errors, omissions or knowledge of a member of the **Control Group** will be imputed to the Insured Organization;

#### **Patent, Software Copyright, Misappropriation of Information**

1. infringement, misuse or abuse of patent or patent rights;
2. infringement of copyright arising from or related to software code or software products other than infringement resulting from a theft or **Unauthorized Access or Use** of software code by a person who is not a past, present or future employee, director, officer, partner or independent contractor of the **Insured Organization**; or
3. use or misappropriation of any ideas, trade secrets or **Third Party Information** (i) by, or on behalf of, the **Insured Organization**, or (ii) by any other person or entity if such use or misappropriation is done with the knowledge, consent or acquiescence of a member of the **Control Group**;

#### **Governmental Actions**

a **Claim** brought by or on behalf of any provincial, federal, local or foreign governmental entity, in such entity's regulatory or

official capacity; but this exclusion will not apply to the Regulatory Defence & Penalties insuring agreement;

#### **Other Insureds & Related Enterprises**

a **Claim** made by or on behalf of:

1. any **Insured**; but this exclusion will not apply to a **Claim** made by an **Additional Insured** or an individual that is not a member of the **Control Group** under the Data & Network Liability insuring agreement; or
2. any business enterprise in which any **Insured** has greater than 15% ownership interest or made by any parent company or other entity which owns more than 15% of the **Named Insured**;

#### **Trading Losses, Loss of Money & Discounts**

1. any trading losses, trading liabilities or change in value of accounts;
2. any loss, transfer or theft of monies, securities or tangible property of the **Insured** or others in the care, custody or control of the **Insured Organization**;
3. the monetary value of any transactions or electronic fund transfers by or on behalf of the **Insured** which is lost, diminished, or damaged during transfer from, into or between accounts; or
4. the value of coupons, price discounts, prizes, awards, or any other valuable consideration given in excess of the total contracted or expected amount;

but this exclusion will not apply to coverage under the eCrime insuring agreement;

#### **Media-Related Exposures**

with respect to the Media Liability insuring agreement:

1. any contractual liability or obligation; but this exclusion will not apply to a **Claim** for misappropriation of ideas under implied contract;
2. the actual or alleged obligation to make licensing fee or royalty payments;
3. any costs or expenses incurred or to be incurred by the **Insured** or others for the reprinting, reposting, recall, removal or disposal of any **Media Material** or any other information, content or media, including any media or products containing such **Media Material**, information, content or media;
4. any **Claim** brought by or on behalf of any intellectual property licensing bodies or organizations;
5. the actual or alleged inaccurate, inadequate or incomplete description of the price of goods, products or services, cost guarantees, cost representations, contract price estimates, or the failure of any goods or services to conform with any represented quality or performance;
6. any actual or alleged gambling, contest, lottery, promotional game or other game of chance; or
7. any **Claim** made by or on behalf of any independent contractor, joint venturer or venture partner arising out of or resulting from disputes over ownership of rights in **Media Material** or services provided by such independent contractor, joint venturer or venture partner;

#### **First Party Loss**

with respect to the First Party Loss insuring agreements:

1. seizure, nationalization, confiscation, or destruction of property or data by order of any governmental or public authority;
2. costs or expenses incurred by the **Insured** to identify or remediate software program errors or vulnerabilities or update, replace, restore, assemble, reproduce, recollect or enhance data or **Computer Systems** to a level beyond that which existed prior to a **Security Breach** or **Extortion Threat**;
3. failure or malfunction of satellites or of power, utility, mechanical or telecommunications (including internet) infrastructure or services that are not under the **Insured Organization's** direct operational control; or
4. fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God or other physical event;

#### **War and Cyber War**

The coverage under this Endorsement will not apply to any **Loss** arising:

1. directly or indirectly out of **War**; or
2. from a **Cyber War**

This exclusion applies notwithstanding anything to the contrary in this Endorsement or any appendix added to this Endorsement.

#### **Asbestos, Pollution, and Contamination**

1. asbestos, or any materials containing asbestos in whatever form or quantity;
2. the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, molds, spores or mycotoxins of any kind; any action taken by any party in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, molds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, molds, spores or mycotoxins; and any governmental or regulatory order, requirement, directive, mandate or decree that any party take action in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, molds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, molds, spores or mycotoxins;

We will have no duty or obligation to defend any **Insured** with respect to any **Claim** or governmental or regulatory order, requirement, directive, mandate or decree which either in whole or in part, directly or indirectly, arises out of or results from or in consequence of, or in any way involves the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, molds, spores or mycotoxins of any kind;

3. the existence, emission or discharge of any electromagnetic field, electromagnetic radiation or electromagnetism that actually or allegedly affects the health, safety or condition of any person or the environment, or that affects the value, marketability, condition or use of any property; or
4. the actual, alleged or threatened discharge, dispersal, release or escape of Pollutants; or any governmental, judicial or regulatory directive or request that the **Insured** or anyone acting under the direction or control of the **Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize Pollutants. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant including gas, acids, alkalis, chemicals, heat, smoke, vapor, soot, fumes or waste. Waste includes but is not limited to materials to be recycled, reconditioned or reclaimed.

#### **Radioactive Contamination**

ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;

#### **Sanction Limitation**

payment of a **Claim** or provision of a benefit that would expose us to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, law or regulations of Canada, the European Union, United Kingdom or United States of America.

### **SECTION IV – LIMIT OF LIABILITY AND COVERAGE**

The Endorsement Aggregate Limit of Liability listed in the Supplemental Declarations (the “**Endorsement Aggregate Limit of Liability**”) is our combined total limit of liability for all **Loss** payable under this Endorsement, other than **Breach Response Services**.

The limit of liability payable under each insuring agreement will be an amount equal to the **Endorsement Aggregate Limit of Liability** unless another amount is listed in the Supplemental Declarations. Such amount is the aggregate amount payable under this Endorsement pursuant to such insuring agreement and is part of, and not in addition to, the **Endorsement Aggregate Limit of Liability**.

The **Breach Response Aggregate Limit of Coverage** listed in the Supplemental Declarations (the “**Breach Response Aggregate Limit of Coverage**”) is our combined total limit of coverage for all legal, forensic, public relations and crisis management, notification, call center and credit or identity monitoring services payable under this Endorsement. Coverage under the **Breach Response Aggregate Limit of Coverage** is in addition to the **Endorsement Aggregate Limit of Liability**.

We will not be obligated to pay any **Damages, Penalties, PCI Fines, Expenses and Costs** or **Claims Expenses**, or to defend any **Claim**, after the **Endorsement Aggregate Limit of Liability** has been exhausted, or after deposit of the **Endorsement Aggregate Limit of Liability** in a court of competent jurisdiction.

### **SECTION V – RETENTIONS**

The Retention listed in the Supplemental Declarations applies separately to each incident, event or related incidents or events giving rise to a **Claim** or **Loss**. The Retention will be satisfied by monetary payments by the **Named Insured** of covered **Loss** under each insuring agreement. If any **Loss** arising out of an incident or **Claim** is subject to more than one Retention, the Retention for each applicable insuring agreement will apply to such **Loss**, provided that the sum of such Retention amounts will not exceed the largest applicable Retention amount.

Coverage for **Business Interruption Loss** will apply after the **Waiting Period** has elapsed and we will then indemnify the **Named Insured** for all **Business Interruption Loss** sustained during the **Period of Restoration** in excess of the Retention.

Satisfaction of the applicable Retention is a condition precedent to the payment of any **Loss** under this Endorsement, and we will be liable only for the amounts in excess of such Retention.

### **SECTION VI – OPTIONAL EXTENSION PERIOD**

Upon non-renewal or cancellation of this Endorsement for any reason except the non-payment of premium, the **Named Insured** will have

the right to purchase, for additional premium, an Optional Extension Period of twelve (12) months. Coverage provided by such Optional Extension Period will only apply to **Claims** first made against any **Insured** during the Optional Extension Period and reported to us during the Optional Extension Period, and arising out of any act, error or omission committed before the end of the **Endorsement Period**. In order for the **Named Insured** to invoke the Optional Extension Period option, the payment of the additional premium for the Optional Extension Period must be paid to us within 60 days of the termination of this Endorsement.

The purchase of the Optional Extension Period will in no way increase the **Endorsement Aggregate Limit of Liability** or any sublimit of liability. At the commencement of the Optional Extension Period the entire premium will be deemed earned, and in the event the **Named Insured** terminates the Optional Extension Period for any reason prior to its natural expiration, we will not be liable to return any premium paid for the Optional Extension Period.

## SECTION VII – GENERAL CONDITIONS

### Notice of Claim or Loss

The **Insured** must notify us of any **Claim** as soon as practicable, but in no event later than: (i) 60 days after the end of the **Endorsement Period**; or (ii) the end of the Optional Extension Period (if applicable).

With respect to **Breach Response Services**, the **Insured** must notify us of any actual or reasonably suspected **Data Breach** or **Security Breach** as soon as practicable after discovery by the **Insured**, but in no event later than 60 days after the end of the **Endorsement Period**. Notice of an actual or reasonably suspected **Data Breach** or **Security Breach** in conformance with this paragraph will also constitute notice of a circumstance that could reasonably be the basis for a **Claim**.

With respect to **Cyber Extortion Loss**, the **Named Insured** must notify us as soon as practicable after discovery of an **Extortion Threat** but no later than 60 days after the end of the **Endorsement Period**. The **Named Insured** must obtain our consent prior to incurring **Cyber Extortion Loss**.

With respect to **Data Recovery Costs**, **Business Interruption Loss** and **Reputational Loss**, the **Named Insured** must notify us as soon as practicable after discovery of the circumstance, incident or event giving rise to such loss. The **Named Insured** will provide us a proof of **Data Recovery Costs**, **Business Interruption Loss** and **Reputational Loss**. All loss described in this paragraph must be reported, and all proofs of loss must be provided, to us no later than 6 months after the end of the **Endorsement Period**.

The **Named Insured** must notify us of any loss covered under the eCrime insuring agreement as soon as practicable, but in no event later than 60 days after the end of the **Endorsement Period**.

Any **Claim** arising out of a **Loss** that is covered under the Breach Response, First Party Loss or eCrime insuring agreements and that is reported to us in conformance with the foregoing will be considered to have been made during the **Endorsement Period**.

### Notice of Circumstance

With respect to any circumstance that could reasonably be the basis for a **Claim** (other than a **Data Breach** or **Security Breach** noticed under the Breach Response insuring agreement) the **Insured** may give written notice of such circumstance to us as soon as practicable during the **Endorsement Period**. Such notice must include:

1. the specific details of the act, error, omission or event that could reasonably be the basis for a **Claim**;
2. the injury or damage which may result or has resulted from the circumstance; and
3. the facts by which the **Insured** first became aware of the act, error, omission or event.

Any subsequent **Claim** made against the **Insured** arising out of any circumstance reported to us in conformance with the foregoing will be considered to have been made at the time written notice complying with the above requirements was first given to Us during the **Endorsement Period**.

### Defence of Claims

Except with respect to coverage under the Payment Card Liabilities & Costs insuring agreement, We have the right and duty to defend any covered **Claim** or **Regulatory Proceeding**. Defence counsel will be mutually agreed by the **Named Insured** and us but, in the absence of such agreement, our decision will be final.

With respect to the Payment Card Liabilities & Costs insuring agreement, coverage will be provided on an indemnity basis and legal counsel will be mutually agreed by the **Named Insured** and us and will be selected from one of the firms on our panel.

### Settlement of Claims

If the **Insured** refuses to consent to any settlement recommended by us and acceptable to the claimant, our liability for such **Claim** will not exceed:

1. the amount for which the **Claim** could have been settled, less the remaining Retention, plus the **Claims Expenses** incurred up to the time of such refusal; plus
2. sixty percent (60%) of any **Claims Expenses** incurred after the date such settlement or compromise was recommended to the **Insured** plus sixty percent (60%) of any **Damages, Penalties and PCI Fines, Expenses and Costs** above the amount for which the **Claim** could have been settled;

and we will have the right to withdraw from the further defence of such **Claim**.

The **Insured** may settle any **Claim** where the **Damages, Penalties, PCI Fines, Expenses and Costs** and **Claims Expenses** do not exceed the Retention, provided that the entire **Claim** is resolved and the **Insured** obtains a full release on behalf of all **Insureds** from all claimants.

#### **Assistance and Cooperation**

We will have the right to make any investigation we deem necessary, and the **Insured** will cooperate with us in all investigations, including investigations regarding coverage under this Endorsement and the information and materials provided to us in connection with the underwriting and issuance of this Endorsement. The **Insured** will execute or cause to be executed all papers and render all assistance as is requested by us. The **Insured** agrees not to take any action which in any way increases our exposure under this Endorsement. Expenses incurred by the **Insured** in assisting and cooperating with us do not constitute **Claims Expenses** under the Endorsement.

The **Insured** will not admit liability, make any payment, assume any obligations, incur any expense, enter into any settlement, stipulate to any judgment or award or dispose of any **Claim** without our written consent, except as specifically provided in the Settlement of Claims clause above. Compliance with a **Breach Notice Law** will not be considered an admission of liability

#### **Subrogation**

If any payment is made under this Endorsement and there is available to us any of the **Insured's** rights of recovery against any other party, then we will maintain all such rights of recovery. The **Insured** will do whatever is reasonably necessary to secure such rights and will not do anything after an incident or event giving rise to a **Claim** or **Loss** to prejudice such rights. If the **Insured** has waived its right to subrogate against a third party through written agreement made before an incident or event giving rise to a **Claim** or **Loss** has occurred, then we waive our rights to subrogation against such third party. Any recoveries will be applied first to subrogation expenses, second to **Loss** paid by us, and lastly to the Retention. Any additional amounts recovered will be paid to the **Named Insured**.

#### **Other Insurance**

The insurance under this Endorsement will apply as primary over any other valid and collectible insurance available to any **Insured**.

#### **Action Against Us**

No action will lie against us or our representatives unless and until, as a condition precedent thereto, the **Insured** has fully complied with all provisions, terms and conditions of this Endorsement and the amount of the **Insured's** obligation to pay has been finally determined either by judgment or award against the **Insured** after trial, regulatory proceeding, arbitration or by written agreement of the **Insured**, the claimant, and us.

No person or organization will have the right under this Endorsement to join us as a party to an action or other proceeding against the **Insured** to determine the **Insured's** liability, nor will we be impleaded by the **Insured** or the **Insured's** legal representative.

The **Insured's** bankruptcy or insolvency of the **Insured's** estate will not relieve us of our obligations hereunder.

#### **Entire Agreement**

By acceptance of the Endorsement, all **Insureds** agree that this Endorsement embodies all agreements between us and the **Insured** relating to this Endorsement. Notice to any agent, or knowledge possessed by any agent or by any other person, will not affect a waiver or a change in any part of this Endorsement or stop us from asserting any right under the terms of this Endorsement; nor will the terms of this Endorsement be waived or changed, except by endorsement issued to form a part of this Endorsement signed by us.

#### **Assignment**

The interest hereunder of any **Insured** is not assignable. If the **Insured** dies or is adjudged incompetent, such insurance will cover the **Insured's** legal representative as if such representative were the **Insured**, in accordance with the terms and conditions of this Endorsement.

#### **Singular Form of a Word**

Whenever the singular form of a word is used herein, the same will include the plural when required by context.

#### **Headings**

The titles of paragraphs, clauses, provisions or endorsements of or to this Endorsement are intended solely for convenience and reference, and are not deemed in any way to limit or expand the provisions to which they relate and are not part of the Endorsement.

#### **Representation by the Insured**

All **Insureds** agree that the statements contained in the information and materials provided to us in connection with the underwriting and issuance of this Endorsement are true, accurate and are not misleading, and that we issued this Endorsement, and assume the risks hereunder, in reliance upon the truth thereof.



**Named Insured as Agent**

The **Named Insured** will be considered the agent of all **Insureds**, and will act on behalf of all **Insureds** with respect to the giving of or receipt of all notices pertaining to this Endorsement, and the acceptance of any endorsements to this Endorsement. The **Named Insured** is responsible for the payment of all premiums and Retentions and for receiving any return premiums.

**Territory**

This Insurance applies to **Claims** made, acts committed, or **Loss** occurring anywhere in the world.

**Antistacking**

In the event any incident, event or related incidents or events, giving rise to a **Claim, Loss** or an obligation to provide **Breach Response Services** triggers coverage under this Endorsement and any other endorsement issued by us, our liability under this Endorsement and such other endorsements combined shall not exceed the amount of the largest **Endorsement Aggregate Limit of Liability** or applicable sublimits of liability.