



## 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, B.C. 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, B.C. 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:

FORM NUMBER	COVERAGE AND/OR FORM NAME
403700-14	REIN Investor Guard Protection (Commercial Property Broad Form)
403700-14	LANDLORD CONTENTS IN FURNISHED RENTALS (Commercial Property Broad Form)
400510-04	Replacement Cost Endorsement
RIGP-01	Guaranteed Replacement Cost
402008-01	Extended Rental Income (Broad Form Perils)
RIGP-02	Rental Income Benefit – Actual Loss Sustained
402098-01	General Policy Conditions
402026-02	Flood Insurance Endorsement (applies to Rental Income and Extra Expense forms)
450610-01	Flood Endorsement
403900-05	Earthquake Endorsement
404104-02	Earthquake Endorsement (applies to Rental Income and Extra Expense forms)
450608-01	Sewer Back Up Coverage Endorsement
402025-02	Backing Up of Sewers Endorsement (applies to Rental Income and Extra Expense forms)
RIGP-03	REIN Program Endorsement – Rented Dwellings, Duplex, Triplex, Fourplex, Fiveplex and Sixplex Units.
403772S	Deluxe Plus Schedule
403772-01	Deluxe Plus Endorsement including Crime
RIGP-04	REIN – Condominium Endorsement (Rented Dwellings, Duplex, Triplex, Fourplex, Fiveplex and Sixplex Units)
RIGP-05	REIN – Endorsement – Rented Dwellings, Duplex, Triplex, Fourplex, Fiveplex and Sixplex Units.
021280-02	Illegal Drug Operations Exclusion
002690-01	Privacy Breach Expense Coverage
1997CP-01	Clarification of Statutory Conditions
1999CP-01	Fungi and Fungal Derivatives Exclusion
2000CP-04	Data and Dishonest or Criminal Act Exclusion Endorsement
2002CP-02	Terrorism Exclusion Endorsement
780023	Boiler and Machinery
150000-02	Insuring Agreements – Multi Peril
000102-10	Commercial General Liability Coverage Form
RIGP-06	REIN Program Endorsement – Designated Premises Limitation
335002-02	Non-Owned Automobile – SPF#6
335300-02	SEF#99 – Excluding Long Term Leased Vehicle Endorsement

**COMMERCIAL PROPERTY BROAD FORM**

**WORDS AND PHRASES IN QUOTATION HAVE SPECIAL MEANING AS  
DEFINED IN CLAUSE 17**

**1. INDEMNITY AGREEMENT**

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

- (a) the value of the lost or damaged property as determined in Clause 14;
- (b) the interest of the Insured in the property;
- (c) the amount of insurance specified on the "Declarations Page" for the lost or damaged property.

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

**2. INSURED PROPERTY**

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

"Building"

"Equipment"

"Stock"

"Contents"

"All Property"

**3. DEDUCTIBLE**

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

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

**4. CO-INSURANCE**

This clause applies separately to each item for which a co-insurance percentage is specified on the "Declarations Page" and only where the amount of loss or damage to each such item exceeds the lesser of 2% of the applicable amount of insurance or \$5,000.

The Insured shall maintain insurance concurrent with this form on the insured property to the extent of at least the amount produced by multiplying the value of the property as determined in Clause 14 by the co-insurance percentage specified on the "Declarations Page". If the Insured fails to do so, the Insured shall only be entitled to recover that portion of any loss that the amount of insurance in force at the time of loss bears to the amount of insurance required to be maintained by this clause.

**5. INSURED PERILS**

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

**6. EXCLUSIONS**

**A. EXCLUDED PROPERTY**

This form does not insure loss of or damage to:

- (a) sewers, drains or watermains located beyond the outside bearing walls or foundations of the "building", outside communication towers, antennae (including satellite receivers) and attached equipment, street clocks, or exterior signs. 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;

- (c) electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing . This exclusion does not apply to loss or damage caused directly by resultant fire or explosion as described in Clause 17 (l);
- (d) growing plants, trees, shrubs or flowers, all while outside the "building" except as provided elsewhere in this policy;
- (e) animals, fish or birds. This exclusion does not apply to loss or damage caused directly by "Named Perils" or by theft or attempted theft;
- (f) money, "cash cards", bullion, platinum and other precious metals and alloys, securities, stamps, tickets (except lottery tickets) and tokens, or 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. This exclusion does not apply to watercraft or amphibious or air cushion vehicles held for sale, or to unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the "premises";
- (h) furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, or precious and semi-precious stones. This exclusion does not apply to:
  - (i) the first one thousand dollars (\$1,000) of any loss otherwise insured; or
  - (ii) loss or damage caused directly by "Named Perils";
- (i) 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;
- (j) property from the time of leaving the Insured's custody if it is:
  - (i) loaned or rented or leased to others; or
  - (ii) sold by the Insured under conditional sale or installment payment or other deferred payment plan.

This exclusion (j) 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;

- (k) property in the custody of a sales representative outside the "premises", unless an amount of insurance is shown on the "Declarations Page" for Sales Representative;
  - (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) (i) any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure;
  - (ii) any boiler, including its connected piping and equipment, which contains steam or water under steam pressure (except tanks having an internal diameter of 610 millimetres (24 inches) or less used for the storage of hot water for domestic use);
- caused directly or indirectly by explosion, rupture, bursting, cracking, burning out or bulging of such property while connected ready for use.

This exclusion (m) does not apply to:

- (1) manually portable gas cylinders;
  - (2) explosion of natural, coal or manufactured gas;
  - (3) explosion of gas or unconsumed fuel within a furnace or within the gas passages from the furnace to the atmosphere;
- (n) roadways, walkways, exterior parking lots or other similar paved or unpaved surfaces. This exclusion does not apply to the first \$10,000 or any other amount stated on the "Declarations Page", of any loss otherwise insured;
  - (o) "equipment" or "stock" while actually being worked upon and directly resulting from such work or caused by any repairing, adjusting, or servicing of "equipment" or "stock". This exclusion does not apply to loss or damage caused directly by resultant fire or explosion as described in Clause 17(l);
  - (p) exterior glass or vitrolite and its lettering or ornamentation. This exclusion does not apply to loss or damage caused directly by "Named Perils".

## B. EXCLUDED PERILS

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

- (a) in whole or in part by earthquake. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for loss or damage caused directly by resultant fire, explosion, smoke or leakage from "fire protective equipment", all as described in Clause 17(l). This exclusion does not apply to property in transit;

- (b) in whole or in part by flood, including "surface water", waves, tides, tidal waves, tsunamis, or the breaking out or overflow of, any natural or artificial body of water. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for loss or damage caused directly by resultant fire, explosion, smoke, leakage from "fire protective equipment", all as described in Clause 17(l). This exclusion does not apply to property in transit or loss or damage caused directly by leakage from a watermain;
- (c)
  - (i) by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings, foundations, basement floors, sidewalks or sidewalk lights, unless concurrently and directly caused by a peril not otherwise excluded in this form;
  - (ii) by the backing up or overflow of water from sewers, sumps, septic tanks or drains, wherever located, unless concurrently and directly caused by a peril not otherwise excluded in this form;
  - (iii) by the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings unless through an aperture concurrently and directly caused by a peril not otherwise excluded in this form;
- (d) by centrifugal force, mechanical or electrical breakdown or derangement, in or on the "premises". This exclusion does not apply to loss or damage caused directly by resultant fire;
- (e)
  - (i) by dampness or dryness of atmosphere;
  - (ii) by changes in or extremes of temperature, heating or freezing;
  - (iii) by total or partial interruption to the supply of electricity, water, gas or steam;

This exclusion (e) does not apply to:

- (1) loss or damage caused directly by rupture of pipes or breakage of apparatus not excluded in paragraph (m) of Clause 6.A.;
- (2) damage to pipes caused directly by freezing, unless such pipes are excluded in paragraph (m) of Clause 6.A.;
- (3) loss of or damage to "building" or "equipment" caused directly by "Named Perils", theft or attempted theft;
- (4) loss or damage caused directly by an accident to a transporting conveyance;

- (f)
  - (i) by shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, or change in colour or texture or finish;
  - (ii) by contamination;
  - (iii) by marring, scratching or crushing.

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

- (1) "Named Perils";
- (2) rupture of pipes or breakage of apparatus not excluded in paragraph (m) of Clause 6.A. ;
- (3) theft or attempted theft;
- (4) an accident to a transporting conveyance;

- (g) by smoke from agricultural smudging or industrial operations;
- (h) by rodents, insects, bats, raccoons, skunks or vermin. This exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded in this form;
- (i) by delay, loss of market, or loss of use or occupancy;
- (j) in whole or in part by war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage;
- (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, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas, all as described in Clause 17(l);
  - (ii) by contamination by radioactive material;

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

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

For the purpose of this exclusion

- (1) **criminal act** includes but is not limited to
  - (i) any act that would be considered an offence under the Criminal Code of Canada;
  - (ii) any act that would be considered an offence under any federal or provincial legislation whether or not such an offence is punishable by incarceration.

It is not necessary that an act result in a charge and/or conviction for the act to be a criminal act;

- (2) **agent** includes a property manager of the Insured, as well as any other person who would qualify as an agent of the Insured in law;

- (m) by snowslide, landslide, subsidence or other earth movement. This exclusion does not apply to property in transit, or to loss or damage caused directly by resultant fire, explosion, smoke or leakage from "fire protective equipment", all as described in Clause 17(l);
- (n) by explosion (except explosion of natural, coal, or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured:
  - (i) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
  - (ii) piping and apparatus or their parts normally containing steam or water under steam pressure from an external source and while under such pressure;
  - (iii) other vessels and apparatus and their connected pipes while under pressure, or while in use or in operation provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure, but this exclusion does not apply to loss or damage resulting directly from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimetres (24 inches) or less used for the heating and storage of hot water for domestic use;
  - (iv) moving or rotating machinery or parts;
  - (v) any vessels and apparatus and their connected pipes while undergoing pressure tests, but this exclusion does not apply to other insured property that has been damaged by such explosion;
  - (vi) gas turbines.

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

- (o) by settling, expansion, contraction, moving, shifting or cracking. This exclusion does not apply to loss or damage caused directly and concurrently by a peril not otherwise excluded in this form;
- (p) proximately or remotely, arising in consequence of or contributed to by the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which by-law, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss.

#### C. POLLUTION EXCLUSION

This form does not insure against:

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

#### D. DATA EXCLUSION

- (1) This form does not insure "data".
- (2) This form does not insure loss or damage caused directly or indirectly by "data problem". This exclusion (2) does not apply to loss or damage caused directly by a resultant Named Perils (excluding Named Peril (D)-Riot, Vandalism or Malicious Acts), all as described in Clause 17(l), or by the escape of water from any tank, apparatus or pipe.

#### 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 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 SPORES 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".  
This exclusion does not apply:
  - (i) if the "fungi" or "spores" are directly caused by a peril not otherwise excluded in this form, or
  - (ii) to loss or damage caused directly by a resultant peril not otherwise excluded in this form;
- (b) the cost or expense for any testing, monitoring, evaluating or assessing of "fungi" or "spores".

#### G. OTHER EXCLUDED LOSSES

This form does not insure:

- (a) (i) wear and tear;
- (ii) rust or corrosion;
- (iii) gradual deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself.

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

- (b) the cost of making good:
  - (i) faulty or improper material;
  - (ii) faulty or improper workmanship;
  - (iii) faulty or improper design.

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

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

#### **7. PERMISSION**

Permission is granted:

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

#### **8. BREACH OF CONDITION**

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

#### **9. REINSTATEMENT**

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

#### **10. SUBROGATION**

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

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

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

#### **11. PROPERTY PROTECTION SYSTEMS**

It is a condition of this insurance, for the purpose of Clause 8, that the Insured shall immediately notify the Insurer of any interruption to, or flaw or defect, coming to the knowledge of the Insured, in any:

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

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

#### **12. PREMIUM ADJUSTMENT**

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

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

#### **13. VERIFICATION OF VALUES**

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

#### **14. BASIS OF VALUATION**

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

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

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

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

## 15. 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.

## 16. LOCKED VEHICLE WARRANTY

This clause does not apply to property which is under the control of a common carrier.

Warranted by the Insured that any vehicle in which the insured property is carried is equipped with a fully enclosed body or compartment, and the Insurer shall be liable in case of loss by theft from an unattended vehicle only as a direct result of forcible entry (of which there shall be visible evidence) into such body or compartment, the doors of which shall have been securely locked and the windows closed.

## 17. DEFINITIONS

Wherever used in this form:

- (a) **"All Property"** means: "building", "equipment" and "stock".
- (b) **"Building"** means:
  - the building(s) described on the "Declarations Page" and includes:
    - (i) fixed structures pertaining to the building(s) and located on the "premises";
    - (ii) additions and extensions communicating and in contact with the building(s);
    - (iii) permanent fittings and fixtures attached to and forming part of the building(s);
    - (iv) materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to the "building" or for building services;
    - (v) growing plants, trees, shrubs or flowers inside the "building" used for decorative purposes when the Insured is the owner of the "building".
- (c) **"Cash Cards"** means cards designed to store a cash value by electronic means as a mode of payment, without a personal identification number and without direct access to a bank or other account.
- (d) **"Clean Up"** means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to any of these processes.
- (e) **"Contents"** means "equipment" and "stock".
- (f) **"Data"** means representations of information or concepts, in any form.
- (g) **"Data problem"** means:
  - (i) erasure, destruction, corruption, misappropriation, misinterpretation of "data";
  - (ii) error in creating, amending, entering, deleting or using "data"; or
  - (iii) inability to receive, transmit or use "data".
- (h) **"Declarations Page"** means the Declarations Page, including any supplementary pages or schedule of coverages attached thereto, applicable to this policy.
- (i) **"Equipment"** means:
  - (i) generally all contents usual to the Insured's business, including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances, other than "building" or "stock";



- (ii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;
  - (iii) tenant's improvements, which are defined as building improvements, alterations and betterments made at the expense of the Insured to a "building" occupied by the Insured and which are not otherwise insured, provided the Insured is not the owner of such "building". If the Insured purchased the use interest in tenant's improvements made by a predecessor tenant, this form applies as though such tenant's improvements had been made at the expense of the Insured.
- (j) **"Fire Protective Equipment"** includes tanks, watermains, hydrants, valves and any other apparatus whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:
- (i) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
  - (ii) any watermains or appurtenances located outside of the "premises" and forming a part of the public water distribution system;
  - (iii) any pond or reservoir in which the water is impounded by a dam.
- (k) **"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.
- (l) **"Named Perils"** means
- A) **FIRE OR LIGHTNING**
  - B) **EXPLOSION:** Except with respect to the explosion of natural, coal or manufactured gas, there shall in no event be any liability for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the Insured:
    - (i) a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
    - b) piping and apparatus or their parts normally containing steam or water under steam pressure from an external source and while under such pressure;
    - c) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion from them;
    - d) smelt dissolving tanks;
    - (ii) other vessels and apparatus and connected pipes, while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure, except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders;
    - (iii) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
    - (iv) any vessels and apparatus and connected pipes while undergoing pressure tests, but this exclusion shall not apply to other insured property that has been damaged by such explosion;
    - (v) gas turbines;

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

    - a) electric arcing or any coincident rupture of electrical equipment due to such arcing;
    - b) bursting or rupture caused by hydrostatic pressure or freezing;
    - c) bursting or rupture of any safety disc, rupture diaphragm or fusible plug.
  - C) **IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE:** The terms Aircraft and Spacecraft include articles dropped from them. There shall in no event be any liability for cumulative damage or for loss or damage:
    - (i) caused by land vehicles belonging to or under the control of the Insured or any of his employees;
    - (ii) to aircraft, spacecraft or land vehicles causing the loss;
    - (iii) caused by any aircraft or spacecraft when being taxied or moved inside or outside of a "building".
  - D) **RIOT, VANDALISM OR MALICIOUS ACTS:** The term Riot includes open assemblies of strikers inside or outside the "premises" who have quitted work and of locked-out employees. There shall in no event be any liability for loss or damage:
    - (i) due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
    - (ii) due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under Clause 17(l)(B);
    - (iii) due to theft or attempted theft.
  - E) **SMOKE:** The term Smoke means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability for any cumulative damage.
  - F) **LEAKAGE FROM "FIRE PROTECTIVE EQUIPMENT":** The term Leakage From "Fire Protective Equipment" means:
    - (i) the leakage or discharge of water or other substances from;
    - (ii) the collapse of;
    - (iii) the rupture due to the freezing of;

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

- G) **WINDSTORM OR HAIL:** There shall in no event be any liability for loss or damage:
- (i) to the interior of the "building" or to "contents" unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
  - (ii) directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslip.
- (m) **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- (n) **"Premises"** means the entire area within the property lines and areas under adjoining sidewalks and driveways at each location described on the "Declarations Page" and in or on vehicles within 100 metres (328 feet) of such locations.
- (o) **"Spores"** includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any "fungi".
- (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) **"Surface water"** means water or natural precipitation temporarily diffused over the surface of the ground.
- (r) **"Terrorism"** means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or section of the public.

**REPLACEMENT COST ENDORSEMENT-SAME SITE RESTRICTION REMOVED**

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

This Endorsement modifies insurance provided under the property form(s) to which it is attached.

This endorsement applies separately to each location for which Replacement Cost is specified on the "Declarations Page":

1. The Insurer agrees to amend the Basis of Valuation from actual cash value to "replacement cost" subject to the following provisions:
  - (a) replacement shall be effected by the Insured with due diligence and dispatch;
  - (b) settlement on a "replacement cost" basis shall be made only when "replacement" has been effected by the Insured and in no event shall it exceed the amount actually and necessarily expended for such "replacement";
  - (c) any other insurance effected by or on behalf of the Insured in respect of the perils insured against by this Policy on the property to which this endorsement is applicable shall be on the basis of "replacement cost";
  - (d) failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this endorsement had not been in effect;
2. In the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that lost or damaged and which is capable of performing the same function shall be deemed to be new property of like kind and quality for the purpose of this endorsement.

**3. Exclusions**

This endorsement does not apply to:

- (a) "stock";
- (b) patterns, dies and 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) business records, including those which exist on electronic or magnetic media (other than pre-packaged software programs);
- (e) any increase in the cost of "replacement" occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.

**4. Definitions**

- (a) "replacement" includes repair, construction or re-construction with new property of like kind and quality; and
- (b) "replacement cost" means whichever is the least of the cost of replacing, repairing, constructing or re-constructing the property on the same site with new property of like kind and quality and for like occupancy without deduction for depreciation.

**All other terms and conditions remain unchanged.**

**THIS ENDORSEMENT CHANGES THE POLICY  
PLEASE READ IT CAREFULLY**

**REIN PROGRAM ENDORSEMENT - RENTED DWELLINGS, DUPLEX, TRIPLEX, FOURPLEX, FIVEPLEX AND SIXPLEX UNITS**

**GUARANTEED REPLACEMENT COST ENDORSEMENT**

This endorsement modifies insurance provided under Commercial Property Broad Form (Form 403700) to which it is attached as follows:

In the event that any insured building, as defined in item 2, Insured Property, be lost or damaged by an insured peril, the Insurer will indemnify the Insured against the direct loss so caused to an amount not exceeding whichever is the least of

- (a) the replacement cost of the property at the time of the loss or damage but in no event to exceed the amount actually expended on replacement

or

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

**PROVIDED**

- (1) all the terms and conditions of Replacement Cost Endorsement, form 400510, have been complied with;
- (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 as the limit of liability, by \$10,000 or more.

In the event of an increase in the cost of replacement occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law, the Insurer will indemnify the Insured to a maximum of \$100,000 per occurrence.

Further, wherever used in this endorsement

- (i) replacement cost means the cost of replacing, repairing, constructing or re-constructing (whichever is the least) the property on the same site with new property of like kind and quality and for like occupancy without deduction for depreciation;
- (ii) replacement includes repair, construction or re-construction with new property of like kind and quality.

**All other terms and conditions remain unchanged.**

## EXTENDED RENTAL INCOME (BROAD FORM PERILS)

Words and phrases that appear in quotation marks have special meaning as defined in Clause 17.

### 1 INDEMNITY AGREEMENT

The Insurer shall pay to the Insured the loss of "Rental Income" suffered during the "Indemnity Period" as a direct result of "Damage", in accordance with the terms and conditions of this Form.

### 2 LIMITS OF INSURANCE

The Insurer, regardless of the number of persons and interests insured under this Form, shall not be liable for more than the applicable amount of insurance specified the "Declarations Page".

### 3 CO-INSURANCE

The Insurer shall not be liable for a greater proportion of any loss than the amount of insurance specified on the "Declarations Page" bears to 100% of the "Annual Rental Income" or a proportionately increased multiple thereof where the maximum "Indemnity Period" exceeds twelve (12) months.

### 4 PERILS INSURED

The perils insured against are all risks except as otherwise excluded in this Form.

### 5A EXCLUSIONS

The Insurer shall not be liable for loss of "Rental Income" resulting from loss of or damage to:

- a) sewers, drains or watermains located beyond the outside bearing walls or foundations of the property insured, outside communication towers, antennae (including satellite receivers) and equipment attached thereto, streetclocks, 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;
- c) electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing, unless fire or explosion as described in Clause 17 (e) ensues and then only for such ensuing loss or damage;
- d) growing plants, trees, shrubs or flowers, all while in the open;
- 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 thereof;
- f) money, bullion, platinum and other precious metals and alloys, securities, stamps, tickets and tokens, evidence of debt or title;
- g) automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors and 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, costume jewellery, watches, pearls, precious and semi-precious stones, and pre-recorded video tapes but this exclusion does not apply to any loss or damage caused directly by "Named Perils";
- i) property insured under the terms of any Marine Insurance, and property while waterborne;
- j) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
- k) i) any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure;

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

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

## 5B PERILS EXCLUDED

The Insurer shall not be liable for loss of "Rental Income" resulting from loss or damage caused directly or indirectly:

- a) 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 Clause 17 e);
- b) by flood, including waves, tides, tidal waves, tsunamis, 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 Clause 17 e) or leakage from a watermain;
- c) 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 of sewers, sumps, septic tanks or drains, unless concurrently and directly caused by a peril not otherwise excluded in Clause 5.B. hereof;
- d) 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 Clause 5.B. hereof;
- e) 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;
- f) by dampness or dryness of atmosphere, changes of temperature, freezing (except with respect to insured water pipes), heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, contamination, pollution, 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 paragraph k) of Clause 5.A. hereof or theft or attempt thereat;
- g) by smoke from agricultural smudging or industrial operations;
- h) by rodents, insects or vermin, but this exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded in Clause 5.B. hereof;
- i) by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- j) caused by any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof) or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
- k) caused by contamination by radioactive material;
- l) 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;
- m) by 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 Clause 17 e);

- n) by 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:
  - i) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
  - ii) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
  - iii) other vessels and apparatus and pipes connected therewith while under pressure, or while in use or in operation provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure but this exclusion does not apply to loss or damage resulting from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimetres (24 inches) or less used for the heating and storage of hot water for domestic use;
  - iv) moving or rotating machinery or parts thereof;
  - v) 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;
  - vi) gas turbines;
- o) by settling, expansion, contraction, moving, shifting or cracking unless concurrently and directly caused by a peril not otherwise excluded in Clause 5B hereof;

Nor shall the Insurer be liable for loss of "Rental Income" resulting directly or indirectly from:

- 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, loss of "Rental Income" resulting from resultant damage to the property is insured;
- q) mysterious disappearance or shortage disclosed on taking inventory;
- r) loss or damage sustained to contents while actually being worked upon and directly resulting therefrom or caused by any repairing adjusting or servicing of contents, unless fire or explosion as described in Clause 17 (e) ensues and then only for loss of "Rental Income" resulting from such ensuing loss or damage;
- s) disturbance or erasure of electronic recordings by electric or magnetic injury except lightning.

## 6 DETERMINATION OF PAYMENT

This insurance, subject to the limit of the amount of insurance stated on the "Declarations Page", is limited to (a) Loss of "Rental Income" and (b) Increase in Cost of Operations and the amount payable will be

- a) IN RESPECT OF LOSS OF "RENTAL INCOME": The amount by which the "Rental Income" during the "Indemnity Period" shall, in consequence of the "Damage", fall short of the "Expected Rental Income";
- b) IN RESPECT OF INCREASE IN COST OF OPERATIONS: The additional expenditure necessarily incurred for the sole purpose of avoiding or diminishing the loss of "Rental Income", which but for that expenditure would have taken place during the "Indemnity Period" in consequence of the "Damage", but not exceeding the reduction of "Rental Income" thereby avoided;

less any sum saved during the "Indemnity Period" in respect of such charges and expenses payable out of "Rental Income" as may cease or be reduced in consequence of the "Damage".

## 7 INTERRUPTION BY CIVIL AUTHORITY

This Form subject to its terms and conditions, is extended to insure the loss of "Rental Income" suffered by the Insured during the period of time, not exceeding two weeks, while access to the "Premises" is prohibited by order of civil authority, but only when such order is given as a direct result of damage to neighboring premises by a peril insured against under this Form.

**8 ACCOUNTANTS' FEES**

The Insurer will pay to the Insured the reasonable charges payable by the Insured to their professional accountants for producing such particulars or details or other proofs, information or evidence as may be required by the Insurer for the purpose of investigating or verifying any claim hereunder and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents.

The amount payable under this clause shall in no case exceed \$2,000.00 (or such other amount specified on the "Declarations Page" for accountants' fees).

**9 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.

**10 BREACH OF CONDITIONS**

Where a loss occurs and there has been a breach of condition relating to a matter before the happening of the loss, which breach would otherwise disentitle the Insured from recovery under this Form, the breach shall not disentitle the Insured from recovery if the Insured establishes that the loss was not caused or contributed to by the breach of condition or if the breach of condition occurred in any portion of the premises over which the Insured has no control.

**11 REINSTATEMENT**

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

**12 SUBROGATION**

The Insurer, upon making any payment or assuming liability therefor 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 Form.

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 damage shall not affect the right of the Insured to recover.

**13 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.

**14 ALTERNATE ACCOMMODATION**

If during the "Indemnity Period" alternate accommodation shall be provided elsewhere than at the "Premises", either by the Insured or by others on the Insured's behalf, the money paid or payable in respect of such accommodation shall be brought into account in arriving at the "Rental Income" during the "Indemnity Period".



## 15 OBLIGATION TO MINIMIZE LOSS

In the event of "Damage" in consequence of which a claim is or may be made under this Form, the Insured shall with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimize or check any interruption of or interference with the "Business" or to avoid or diminish the loss.

## 16 PREMIUM ADJUSTMENT

If within 12 months after the expiry or anniversary date of this policy the Insured shall file with the Insurer a premium adjustment application Form showing that 100% of "Rental Income" as defined herein, certified by the Insured's auditors as earned during the Insured's financial year most nearly concurrent with the annual term of the policy (or a proportionately increased multiple thereof where the maximum "Indemnity Period" exceeds twelve (12) months)

**was less than the total amount of insurance an "Rental Income" under this Form,**

then the Insurer will allow in respect of the difference a return of premium not exceeding 50% of the premium paid by the Insured under this Form in respect of such "Rental Income".

The Insurer reserves the right to inspect the Insured's books and records which relate to this insurance for verification of any statement filed for the purpose of adjusting the premium of this insurance.

## 17 DEFINITIONS

- a) "Business" means the business of the Insured as specified on the "Declarations Page".
- b) "Damage" means the direct physical loss of or damage to property at the "Premises" from a Peril Insured.
- c) "Declarations Page" means the Declarations Page applicable to this Form.
- d) "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 "Declarations Page" as the maximum indemnity period) thereafter 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 thereon be lost or damaged by a peril insured against then the "Indemnity Period" in respect thereof shall not extend beyond:
  - i) 30 consecutive days after the occurrence of such "Damage"; or
  - ii) the date upon which liability ceases under this Form for loss arising from other property lost or damaged by the same occurrence; whichever shall be the later.
- e) "Named Perils" means:
  - i) Fire or Lightning
  - ii) Explosion: Except with respect to explosion of natural, coal, or manufactured gas, there shall in no event be any liability hereunder for loss of "Rental Income" resulting from loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or Controlled by the Insured:
    - 1)
      - 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;
    - 2) other vessels and apparatus, and pipes connected therewith, other than manually portable gas cylinders, while under pressure, or while in use or in operations provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure;

- 3) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
- 4) any vessels and apparatus, and pipes connected therewith while undergoing pressure tests, but this exclusion shall not apply to other property that has been damaged by such explosion;
- 5) 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.
- iii) 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 for loss of "Rental Income" due to cumulative damage or for loss of "Rental Income" resulting from loss or damage:
- a) caused by land vehicles belonging to or under the control of the Insured or any of his employees;
  - b) to aircraft, spacecraft or land vehicles causing the loss;
  - c) caused by any aircraft or spacecraft when being taxied or moved inside or outside of buildings.
- iv) 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 of "Rental Income" resulting from loss or damage due to:
- i) cessation of work or by interruption to process or business operations or by change(s) in temperature;
  - ii) flood or release of water impounded by a dam;
  - iii) any explosion other than any explosion in respect of which there is insurance under Clause 17 e) ii);
  - iv) theft or attempt thereat.
- v) 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 loss of "Rental Income" due to cumulative damage.
- vi) 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 Page" or for adjoining premises and loss or damage caused by the fall or breakage or freezing of such equipment. Fire Protective Equipment includes tanks, watermains, 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.
- vii) Windstorm or Hail: There shall in no event be any liability hereunder for loss of "Rental Income" resulting from loss or damage:
- a) to the interior of the buildings insured or their contents unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
  - b) 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, tsunamis, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslide.
- f) "Premises" means the entire area within the property lines and areas under adjoining sidewalks and driveways at the location(s) described on the "Declarations Page" and in or on vehicles within 100 metres (328 feet) of such location(s).

- g) "Rental Income" means the sum of the money paid or payable to the Insured by tenants in respect of rental of the "Premises" plus a fair rental value of the proportion(s), if any, of the building(s) occupied by the insured.
- h) "Annual Rental Income" means the "Rental Income" during the twelve months immediately before the date of the "Damage" to which such adjustments shall be made as may be necessary to provide for trends and variations in or other circumstances affecting "Rental Income" either before or after the "Damage" or which would have affected the "Rental Income" had the "Damage" not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the "Damage" would have been obtained during the relative period after the "Damage".
- i) "Expected Rental Income" means the "Rental Income" during the period corresponding with the "Indemnity Period" in the twelve months immediately before the date of the "Damage" to which such adjustments shall be made as may be necessary to provide for trends and variations in or other circumstances affecting "Rental Income" either before or after the "Damage" or which would have affected the "Rental Income" had the "Damage" not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the "Damage" would have been obtained during the relative period after the "Damage".

**THIS ENDORSEMENT CHANGES THE POLICY  
PLEASE READ IT CAREFULLY**

**REIN PROGRAM ENDORSEMENT - RENTAL INCOME  
ACTUAL LOSS SUSTAINED**

This endorsement modifies insurance provided under Extended Rental Income (Broad Form Perils) Form 402008-01 as follows:

- I. Clause 2, Limits of Insurance, is deleted in its entirety and replaced by the following:

**2. LIMITS OF INSURANCE**

The Insurer, regardless of the number of persons and interests insured under this form, shall not be liable for more than the actual loss of "Rental Income" suffered during the indemnity period as a result of the "damage" in accordance with the terms and condition of this policy.

- II. Clause 16, Premium Adjustment, is deleted in its entirety.

- III. Wherever in this Rider there is reference to twelve (12) consecutive calendar months with respect to "Indemnity Period" the twelve (12) consecutive calendar months is amended to read twenty-four (24) consecutive calendar months.

**All other terms and conditions remain unchanged.**

## GENERAL POLICY CONDITIONS

### Applicable to: "Business Income" Forms, "Rental Income" Forms and "Extra Expense" Forms

This Policy is made and accepted subject to the provisions, stipulations and conditions printed herein which are hereby specially referred to and made a part of this Policy together with such other provisions, agreements, or conditions as may be endorsed hereon or added hereto. No term or condition of a contract 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 a contract by any act relating to the appraisal of the amount of loss or to the delivery and completion of proofs, or to the investigation or adjustment of any claim under the contract. By the acceptance of this Policy the Insured acknowledges the cancellation, from the effective date of this Policy, of any previous Policy, or the renewal thereof, which is stated as being replaced.

## POLICY CONDITIONS

### MISREPRESENTATION

1. This policy shall be voidable in the event of misrepresentation, misdescription or non-disclosure in any material particular.

### CHANGE OF INTEREST

2. This policy shall be avoided if
  - i) the business as specified on the Declaration Page is wound up or carried on by a liquidator or receiver or permanently discontinued; or
  - ii) the Insured's interest ceases otherwise than by death;at any time after the commencement of this insurance unless its continuance be admitted by endorsement signed by or on behalf of the Insurer.

### MATERIAL CHANGE

3. Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent; and the Insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the Insured in writing that, if 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, and in default of such payment the contract shall no longer be in force and the Insurer shall return the unearned portion, if any, of the premium paid.

### TERMINATION OF INSURANCE

4. 1) This 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.
  - b) by the Insured at any time on request.
- 2) Where this contract is terminated by the Insurer
  - a) the Insurer shall refund the excess of premium actually paid by the Insured over the pro rata premium for the expired time, but in no event shall the pro rata premium for the expired time be deemed to be less than any minimum retained premium specified; and
  - b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.

- 3) Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event, shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
- 4) The refund may be made by money, postal or express company money order, or by cheque payable at par.
- 5) The 15 days mentioned in Clause a) of Subcondition 1) of this Condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

#### **REQUIREMENTS AFTER LOSS**

5. Upon the occurrence of any loss of or damage to the property in consequence of which a claim is or may be made under this policy, the Insured shall
  - a) forthwith give notice thereof in writing to the Insurer;
  - b) at the Insured's own expense
    - i) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration setting forth particulars of the Insured's claim, together with details of any other insurances covering business income, business interruption or other consequential loss of any kind resulting from the lost or damaged property and stating the loss of or damage to the property did not occur through any wilful act or neglect or the procurement, means or connivance of the Insured;
    - ii) produce and furnish to the Insurer such books of accounts and other business books, vouches, invoices, balance sheets and other documents, proofs, information, explanation and other evidence as may reasonably be required by the Insurer for the purpose of investigating or verifying the claim.

#### **CLAIMS**

6. No claim under this policy shall be payable unless the terms of Condition 5 above have been complied with and in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to the Insurer forthwith.

#### **FRAUD**

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

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

8. Notice of loss may be given and proof of loss may be made by the agent of the Insured named in the contract in case of absence or inability of the Insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or if the Insured refuses to do so, by a person to whom any part of the insurance money is payable.

#### **APPRAISAL**

9. In the event of disagreement as to the amount to be paid under this policy (liability being otherwise admitted), such disagreement shall be referred to and resolved by appraisal as provided under The Insurance Act. There shall be no right to an appraisal until a specific demand therefor is made in writing and until after proof of loss has been delivered.

#### **WHEN LOSS PAYABLE**

10. The loss shall be payable within sixty days after completion of the proof of loss.

#### **ACTION**

11. Every action or proceeding against the Insurer for the recovery of any claim under or by virtue of this contract shall be absolutely barred unless commenced within one year next after the loss or damage occurs.

## NOTICE

12. Any written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the Insurer in the province. Written notice may be given to the Insured named in the contract by letter personally delivered to 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.

## CONTRIBUTION

13. If at the time of any damage resulting in a loss under this policy there shall be other insurance effected by or on behalf of the Insured covering such loss or any part of it, the liability of the Insurer hereunder shall be limited to its rateable proportion of such loss.
- N.B. To the extent that the Civil Code of the Province of Quebec is applicable to this contract General Conditions and Provisions as set out in the Civil Code of the Province of Quebec apply. These General Conditions and Provisions, a copy of which is available on request from the Insurer, apply to all perils insured and coverages provided by this policy, except where such conditions and provisions may be modified or supplemented in forms or endorsements attached to this policy.

FLOOD INSURANCE ENDORSEMENT

(For use with: "Business Income" Forms, "Rental Income" Forms and "Extra Expense" Forms)

This endorsement modifies the coverage provided under the Business Income, Rental Income, or Extra Expense form to which it is attached as follows:

This insurance is hereby extended to include loss, as insured by the form to which this endorsement is attached, resulting from loss or damage caused directly by the peril of flood subject to the following conditions:

1. FLOOD

For the purpose of this endorsement flood shall mean 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.

2. DEDUCTIBLE

The Insurer is liable for the amount by which the loss resulting from loss or damage caused by flood exceeds in any one occurrence the amount of the deductible \$ .....

3. EXCLUSIONS

This endorsement does not insure loss resulting from loss or damage caused directly or indirectly by:

- a) water which backs up through 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) any of the following perils whether or not caused by or attributable to flood: fire, explosion, smoke, leakage from fire protective equipment, leakage from a watermain, theft, riot, vandalism, or malicious acts.

4. EXTENSIONS

The Insurer shall be liable for loss resulting from 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 a flood.

5. PRO-RATA CLAUSE

The Insurer shall only be liable for that proportion of a loss payable under this endorsement which the amount insured hereunder bears to the total amount of insurance against the peril of fire on the same property. If the policy covers two or more items, this provision shall apply to each item separately.

All other terms and conditions remain unchanged.



## FLOOD ENDORSEMENT

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

This Endorsement modifies insurance provided under the property form(s) to which it is attached.

This endorsement applies separately to each location for which Flood is specified on the "Declarations Page".

#### 1. Insured Peril

This Policy is extended to include "flood".

#### 2. Deductible

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

This deductible applies separately to each "premises" to which this endorsement applies.

#### 3. Exclusions

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

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

#### 4. Extension of Coverage

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

#### 5. Definitions

- (a) "Flood" means the breaking out or overflow of any natural or artificial body of water and includes "surface water", waves, tides, tidal waves, and tsunamis.
- (b) "Flood occurrence" means all flooding which occurs within any 168 consecutive hours commencing during the policy period on or after the effective date of this endorsement. The expiration of this policy will not reduce the 168hour period.
- (c) "Surface Water" means water or natural precipitation temporarily diffused over the surface of the ground.

All other terms and conditions remain unchanged.

## EARTHQUAKE SHOCK ENDORSEMENT

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

This Endorsement modifies insurance provided under the property form(s) to which it is attached.

This endorsement applies separately to each location for which Earthquake Shock is specified on the "Declarations Page".

#### 1. Insured Peril

This insurance is hereby extended to include "earthquake".

#### 2. Deductible Clause

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

If a percentage deductible is specified, the amount of the deductible shall be that percentage of the amount of insurance for each item separately as specified on the "Declaration Page".

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

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

#### 3. Exclusions

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

- (a) fire, explosion, smoke;
- (b) leakage from a watermain or "fire protective equipment";
- (c) theft, vandalism and malicious acts;
- (d) flood, including "surface water", waves, tides, tidal waves, tsunamis, or the breaking out or overflow of any natural or artificial body of water, waterborne objects or ice.

#### 4. Extension of Coverage

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

#### 5. Definitions

- (a) "Earthquake" shall include snowslide, landslide or other earth movements occurring concurrently with and directly resulting from an earthquake shock.
- (b) "Earthquake occurrence" means all earthquake shocks which occur within (168) consecutive hours, commencing during the policy period on or after the effective date of this endorsement. The expiration of the policy will not reduce the 168 hour period.

All other terms and conditions remain unchanged.

## EARTHQUAKE ENDORSEMENT

(For use with: "Business Income" Forms, "Rental Income" Forms and "Extra Expense" Forms)

**This endorsement modifies the coverage provided under the Business Income, Rental Income , or Extra Expense form to which it is attached as follows:**

This insurance is hereby extended to include loss, as insured by the form to which this endorsement is attached, resulting from loss or damage caused directly by the peril of earthquake subject to the following conditions:

### 1. EARTHQUAKE

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.

Each loss caused by earthquake shall constitute a single claim hereunder, provided that more than one earthquake shock occurring within a period of one hundred and sixty-eight consecutive hours during the term of this policy shall be deemed a single earthquake within the meaning hereof. Notwithstanding the foregoing, this Insurer shall not be liable for any loss resulting from loss or damage caused by any earthquake shock occurring before this endorsement becomes effective nor for any loss or damage caused by any earthquake shock occurring after the expiration of this policy.

### 2. DEDUCTIBLE CLAUSE

The Insurer is liable for the amount by which the loss resulting from loss or damage caused by earthquake exceeds in any one occurrence the amount of the deductible specified in the Declarations. If a percentage deductible is specified, the amount of the deductible shall be that percentage of the amount of insurance specified in the Declarations.

### 3. EXCLUSIONS

This endorsement does not cover loss resulting from 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 or malicious acts, flood of any nature, waves, tidal waves, tsunamis, high water, waterborne objects or ice.

### 4. EXTENSIONS OF COVERAGE

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

### 5. PRO RATA CLAUSE

The Insurer shall only be liable for that proportion of a loss payable under this endorsement which the amount insured bears to the total amount of insurance covering the peril of fire on the same property. If the policy covers two or more items this provision shall apply to each item separately.

**All other terms and conditions remain unchanged.**

**SEWER BACK UP COVERAGE ENDORSEMENT**

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

This Endorsement modifies insurance provided under the property form(s) to which it is attached.

This endorsement applies separately to each location for which Sewer Back Up is specified on the "Declarations Page"

1. Insured Peril

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

2. Deductible

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

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

3. Definition

(a) "Sewer back up" means the backing up or overflow of water from within sewers, sumps, septic tanks or drains located inside buildings.

All other terms and conditions remain unchanged.

**BACKING-UP OF SEWERS ENDORSEMENT**

(For use with: "Business Income" Forms, "Rental Income" Forms and "Extra Expense" Forms)

**This endorsement modifies the coverage provided under the Business Income, Rental Income, or Extra Expense form to which it is attached as follows:**

Without increasing any existing Limit of Liability, the following extension is provided:

This policy is extended to insure against loss, as Insured by the form to which this endorsement is attached, resulting from loss or damage caused directly by the backing-up of sewers, sumps, septic tanks or drains.

The Insurer is liable for the amount by which the loss resulting from loss or damage caused by any of the perils insured against under this endorsement exceeds in any one occurrence the deductible \$ .....

The Insurer is not liable for loss resulting from loss or damage caused by any of the perils insured against in any one occurrence in excess of the sub-limit specified in the Declarations.

**All other terms and conditions remain unchanged.**

**THIS ENDORSEMENT CHANGES THE POLICY  
PLEASE READ IT CAREFULLY**

**REIN PROGRAM ENDORSEMENT - RENTED DWELLINGS, DUPLEX, TRIPLEX, FOURPLEX, FIVEPLEX AND SIXPLEX UNITS**

This endorsement modifies insurance provided under Commercial Property Broad Form (Form 403700-14) to which it is attached as follows:

- Item 3. Deductible is deleted in its entirety and replaced by the following:  
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 Page" in any one occurrence. However, if your claim exceeds \$10,000, the deductible will no longer apply. Notwithstanding the foregoing, this clause will not apply to Flood, Earthquake, Sewer Back-Up or Hail losses which retain their existing deductibles as stated in the Declarations Page.
- Item 6. Exclusions, A. Excluded Property, (b) is deleted in its entirety 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 one hundred and twenty (120) consecutive days, but this exclusion does not apply to periods of vacancy beyond this period that have been reported to the Insurer within the one hundred and twenty (120) day period and the Insurer has agreed to extend the period of vacancy as endorsed on the policy.
- Item 6. Exclusions, A. Excluded Property, (j) (i) is deleted in its entirety and replaced by the following.  
(i) Loaned or rented or leased to others outside the premises; or
- Item 6. Exclusions, A. Excluded Property, is modified to include the following exclusion:  
(q) property resulting from vandalism or malicious damage caused by a tenant of the described premises, or by a member of the tenants household, unless such loss or damage exceeds the sum of \$1,000 and then only for the amount of such excess but not exceeding the limit of fifty thousand dollars (\$50,000).  
This limit does not apply to loss or damage resulting from fire or explosion.
- Item 6. Exclusions, B. Excluded Perils, is modified to include the following exclusion:  
(q) Flood or Sewer Back-up for locations situated in High River, Alberta.
- Item 7. Permission, is modified to include the following item:  
Permission is granted:  
d) for the building or buildings described on the declaration page to be vacant or unoccupied for up to one hundred and twenty (120) consecutive days. Periods of vacancy in excess of one hundred and twenty (120) days must be immediately reported to and agreed to by the Insurer, subject to the following conditions:  
1) all doors and windows be securely closed and locked;  
2) all rubbish be removed from within the described buildings and premises;  
3) building(s) must be checked a minimum of once a week;  
4) you have shut off the water supply and drained the system and appliances of water, or you have maintained heat in the building and have made arrangements to assure heat is continued.  
otherwise this permission for vacancy and coverage shall be void.
- Item 17. Definitions, (b) is deleted in its entirety and replaced by the following:  
(b) "Building" means: the building(s) described on the "Declaration Page" and includes:  
(i) fixed structures pertaining to the building(s) and located on the "premises";  
(ii) additions and extensions communicating and in contact with the building(s);  
(iii) permanent fittings and fixtures attached to and forming part of the building(s);  
(iv) materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to the "building" or for building services;  
(v) growing plants, trees, shrubs or flowers inside the "building" used for decorative purposes when the Insured is the owner of the building  
(vi) dwellings and detached private structures;  
(vii) outdoor swimming pool and attached equipment on the premises;
- Item 17. Definitions, is modified to include the following definition.  
(s) "Ice damming" means the buildup of ice and water on the roof, or within the eaves trough and downspout system, caused by repeated thawing and freezing of ice and snow within the eaves trough and downspout system.
- Item 18. Liberalization is added to and forms part of this policy:  
LIBERALIZATION: If, during the policy period, the Insurer issues any authorized endorsement(s), or rules or regulations affecting the policy are revised by statute, so as to broaden the insurance coverage without an additional premium charge, such extended or broadened insurance will become a term of this policy.
- Item 19. Water Damage is added to and forms part of this policy:  
WATER DAMAGE: Each claim for water damage that is insured by this policy, except claims for "Flood" or "Sewer Back-Up" shall be adjusted separately and from the amount so determined. The amount of the deductible shall apply as specified on the "Declarations Page."

**All other terms and conditions remain unchanged.**

**Deluxe Plus Endorsement Schedule**

Attached to Form 403772-01

The limits of insurance specified below are the limits for the extensions of coverage provided in form 403772-01 which attaches to this schedule. The limits provided for Stock Spoilage, Building By-laws and the 25% sub-limit applicable to Debris Removal do not increase the amount of insurance provided by this policy. All other limits shown in this Schedule apply as additional amounts of insurance, however, if a specific monetary limit is shown on the "Declarations Page" for any coverage expressly provided for in this Schedule, the specific monetary limit on the "Declarations Page" shall apply and the limits shown below are not provided for the same item of coverage.

<b>Limits of Insurance</b>	<b>Coverage Extension</b>
	Personal Property of Officers and Employees
\$2,500	Any one officer/employee
\$25,000	Any one occurrence
\$10,000	<b>Growing Plants, Trees, Shrubs or Flowers in the Open</b>
\$25,000	<b>Accounts Receivable</b>
\$25,000	<b>Stock Spoilage</b>
Included	<b>Building By-Laws</b>
Included	<b>Inflation Protection</b>
\$25,000	<b>Exhibition Coverage</b>
\$25,000	<b>Automatic Fire Suppression System Recharge Expense</b>
\$25,000	<b>Brands and Labels</b>
\$25,000	<b>Fire Fighting Expenses</b>
\$25,000	<b>Temporary Locations</b>
	<b>New Acquired Locations (90 Days)</b>
\$1,000,000	Building
\$500,000	Equipment and Stock (Contents)
7 days	<b>Removal</b>
25%,	<b>Debris Removal</b>
\$50,000	
Additional	<b>Removal of Windstorm Debris</b>
Included	
\$10,000	<b>Transit</b>
25%	<b>Peak Season Increase</b>
\$10,000	<b>Contents Off Premises in the custody of Sales Representatives</b>
\$10,000	<b>Land and Water Pollution Clean Up Expense</b>
Aggregate	
\$10,000	<b>Building Damage by Theft</b>
\$50,000	<b>Extra Expense</b>
\$50,000	<b>Valuable Papers</b>
\$25,000	<b>Off Premises Services Interruption</b>
\$25,000	<b>Electronic Data Processing Equipment and Media</b>
\$25,000	<b>Systems Breakdown Coverage</b>
	<b>Fine Arts</b>
\$2,500	Maximum value any one item
\$25,000	Any one occurrence
\$10,000	<b>Installation Floater</b>
\$25,000	<b>Professional Fees</b>
Included	<b>Exterior Building Glass</b>
\$5,000	<b>Signs</b>
\$10,000	<b>Master Key</b>
	<b>3 D Crime Coverages:</b>
\$5,000	Employee Dishonesty
\$5,000	Loss Inside the Premises
\$5,000	Loss Outside the Premises
\$5,000	Money Orders and Counterfeit Paper Currency
\$5,000	Depositors Forgery
\$5,000	Computer Theft and Funds Transfer Fraud

## DELUXE PLUS ENDORSEMENT

### WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AND ARE DEFINED BELOW OR IN THE FORM (S) TO WHICH THIS ENDORSEMENT IS ATTACHED.

Extensions of coverage specified in this endorsement are subject to all the terms, definitions, limitations, provisions and other conditions of the Property form(s) to which this endorsement is attached, unless stated otherwise in this endorsement. If an extension of coverage provided under this form is more specifically insured elsewhere in the policy to which this form is attached, the extension coverage under this form does not apply.

The Co-insurance clause specified in the form to which this endorsement is attached applies to the following extensions of coverage:

- **Building By-Laws**
- **Stock Spoilage**
- **Removal**
- **Debris Removal**

#### 1. **Personal Property of Officers and Employees:**

The insurance under this policy is extended to insure personal property of officers and employees of the Insured. At the option of the Insured, "equipment" includes personal property of officers and employees of the Insured. The insurance on such property:

- (i) shall not attach if it is insured by the owner, unless the Insured is obliged to insure it or is liable for its loss or damage;
- (ii) is, in any event, limited to a maximum recovery;
  - 1) As shown in the Deluxe Plus Endorsement Schedule, in respect of any one officer or employee;
  - 2) As shown in the Deluxe Plus Endorsement Schedule, in any one occurrence;
- iii) shall apply only to loss or damage occurring at the "premises".

#### 2. **Growing Plants, Trees, Shrubs or Flowers in the Open**

The insurance under this policy is extended to insure loss of or damage to growing plants, trees, shrubs or flowers outside the "building" caused directly by "Named Perils" with the exception of windstorm or hail (as described in the form to which this endorsement is attached) or from theft or attempted theft. This extension is limited to a maximum recovery, including debris removal expense, as shown in the Deluxe Plus Endorsement Schedule in any one occurrence.

#### 3. **Accounts Receivable**

The insurance under this policy is extended to insure:

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

This extension does not insure against loss or damage:

- i) due to bookkeeping, accounting or billing errors or omissions;
- ii) 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;

Basis of Settlement: When there is proof that a loss covered by this extension has occurred but the Insured cannot accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount will be computed as follows:

The monthly average of accounts receivable for the previous twelve (12) months will be adjusted, taking into consideration any variance from that average for the particular month in which the loss occurs. The Insurer shall also consider normal fluctuations in the amount of accounts receivable within the fiscal month involved.

In determining the amount of the Insurer's liability for any loss hereunder there shall be deducted from the total amount of accounts receivable 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.

This extension is limited to a maximum recovery as shown in the Deluxe Plus Endorsement Schedule in any one occurrence.

#### 4. **Stock Spoilage**

The insurance under this Policy is extended to cover physical loss of or damage to "stock" on the "premises" caused by dampness or dryness of atmosphere or change of temperature.



The dampness or dryness of atmosphere or change of temperature must be the direct result of (a) or (b) below.

- (a) Physical loss of or damage to "building" or "equipment", including supply or transmission lines and pipes and their connections furnishing "services", on the "premises". The physical loss or damage must directly result from an insured peril. The part of the "building" or of the "equipment" that sustains loss or damage must be used for refrigerating, cooling, humidifying, dehumidifying, heating or for generating or converting power.
- (b) Interruption to the supply of "services" to the "premises". The interruption must be caused by physical loss of or damage to apparatus that generates or supplies such "services" to the "premises". The physical loss or damage must directly result from an insured peril. The apparatus that sustains loss or damage must be located on or within 1 kilometre of the "premises".

#### **Limit of Insurance**

This extension is limited to a maximum recovery as shown in the Deluxe Plus Endorsement Schedule in any one occurrence.

#### **Exclusions**

This extension does not cover loss or damage resulting from partial or total interruption to the supply of "services" arising from:

- (a) loss of or damage to any electrical transmission lines or distribution lines or their supporting structures, except for those located on the "premises";
- (b) lack of sufficient capacity; or
- (c) intentional reduction in supply.

#### **Definition**

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

### **5. Building By-Laws**

#### **Indemnity Agreement**

The insurance under this policy is, without increasing the amount of insurance, and only as a result of an insured peril, extended to indemnify the Insured for an amount not exceeding the limit as shown on the "Declarations Page" for Building By-Laws for:

- (a) loss occasioned by the demolition of any undamaged portion of the "building";
- (b) the cost of demolishing and clearing the site of any undamaged portion of the "building";
- (c) any increase in the cost of repairing, replacing, constructing or reconstructing the "building" on the same site or on an adjacent site, of like height, floor area and style, and for like occupancy;

arising from the enforcement of the minimum requirements of any by-law, regulation, ordinance or law which:

- i) regulates zoning or the demolition, repair or construction of damaged buildings; and
- ii) is in force at the time of such loss or damage.

#### **Exclusions**

This extension does not insure against:

- (a) the enforcement of any by-law, regulation, ordinance or law which prohibits the Insured from rebuilding or repairing on the same site or an adjacent site or prohibits continuance of like occupancy;
- (b) direct or indirect loss, damage, cost or expense, arising out of "clean-up" resulting from any actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants"; or
- (c) direct or indirect loss, damage, cost or expense, for any testing, monitoring, evaluating, or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants";
- (d) the enforcement of any by-law, regulation, ordinance or law which could apply in absence of a loss.

### **6. Inflation Protection**

- (a) The amount of insurance applicable to "building" shall increase during the policy period by the proportion by which the latest published Statistics Canada Non- Residential Building Construction Price Indexes has increased since the last "premium due date".
- (b) At the "premium due date", the amount of insurance shall be increased automatically in accordance with the latest published Statistics Canada Non- Residential Building Construction Price Indexes and the appropriate premium charged.

(c) If the amount of insurance applicable to "building" 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.

(d) **Definition**

"Premium due date" means the inception or renewal date of the Policy. "Premium due date" does not mean the date on which any periodic installment of the premium is payable

**7. Exhibition Coverage**

The insurance under this policy is extended to insure "stock" and "equipment" while temporarily on exhibition at any location not owned by the Insured in Canada or the continental United States of America including while in transit to and from such locations.

This extension is limited to a maximum recovery as shown in the Deluxe Plus Endorsement Schedule in any one occurrence.

**8. Automatic Fire Suppression System Recharge Expense**

The insurance under this policy is extended to insure any automatic fire suppression system recharge expense incurred by the Insured due to the leakage or discharge of the fire suppressant within any automatic fire suppression system at the "premises" where such discharge or leakage is caused by or results from an insured peril.

This extension is limited to a maximum recovery as shown in the Deluxe Plus Endorsement Schedule in any one occurrence.

**9. Brands and Labels**

If the Insurer exercises its option to take all or any part of the stock involved in a loss, the Insured reserves the right to first remove their trademarks, guarantees, names or other evidence of their interest or connection from the stock. Where the removal of such marks is impossible or impractical, the stock may be stamped "salvage" and/or transferred to bulk containers with the cost to be borne by the Insurer.

This extension is limited to a maximum recovery as shown in the Deluxe Plus Endorsement Schedule in any one occurrence.

**10. Fire Fighting Expenses**

The insurance under this policy is extended to insure expenses the Insured is charged by a Municipality when the fire department is called to save or protect insured property as a result of an insured peril covered by this policy.

This extension is limited to a maximum recovery as shown in the Deluxe Plus Endorsement Schedule in any one occurrence

**11. Temporary Locations**

The insurance under this policy is extended to insure "Building" and "Contents" other than at a specified location shown on the "Declarations Page", except while in transit or outside of Canada and continental United States of America. There shall be no liability under this item at any location owned, rented or controlled in whole or in part by the Insured

This extension is limited to a maximum recovery as shown in the Deluxe Plus Endorsement Schedule in any one occurrence

**12. Newly Acquired Locations**

The insurance under this policy is extended to insure "Building" and "Contents" at any new location within Canada or the continental United States of America that is owned, rented or controlled by the Insured in whole or in part. This coverage attaches at the time of the acquisition and extends for a period of 90 days, or to the date of endorsement of this policy adding such location, or until the expiry date of this policy, whichever occurs first. There is no coverage under this extension for any "building" that is in the course of construction.

(i) For "Building", this extension is limited to a maximum recovery as shown in the Deluxe Plus Endorsement Schedule in any one occurrence;

(ii) For "Contents", this extension is limited to a maximum recovery as shown in the Deluxe Plus Endorsement Schedule in any one occurrence.

**13. a) Removal:** If any of the insured property is necessarily removed from the "premises" to prevent loss or damage to or further loss of or damage to such property, that part of the insurance under this extension that exceeds the amount of the Insurer's liability for any loss already incurred shall, for 7 days only, or for the unexpired term of the policy if less than 7 days, insure the property removed and any property remaining at the "premises" in the proportions which the value of the property in each of the locations bears to the value of the property in them all.

**b) i) Debris Removal:** The Insurer will indemnify the Insured for expenses incurred in the removal from the "premises" of debris of the insured property, occasioned by loss or damage to such property, for which loss or damage insurance is afforded under this form.

The amount payable under this extension shall not exceed 25% of the sum of:

- 1) the total amount payable for the direct loss or damage to insured property; and
- 2) the amount of the applicable deductible.

**ii) Removal of Windstorm Debris:** The Insurer will indemnify the Insured for expenses incurred in the removal of debris or other property which is not insured by this form but which has been blown by windstorm upon the "premises"

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

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

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

Debris removal expense shall not be considered in the calculation of the value as determined in Clause 14 of Form 403700 for the purpose of applying co-insurance.

This extension provides coverage for additional debris removal expense, as shown in the Deluxe Plus Endorsement Schedule in any one occurrence, over and above the limits set out in this extension, or if exhausted, the policy limit.

**14. Transit**

The insurance under this policy is extended to insure "equipment", "stock" and "contents" in transit within Canada or the continental United States of America until delivered.

This extension is limited to a maximum recovery as shown in the Deluxe Plus Endorsement Schedule in any one occurrence.

**15. Peak Season Increase**

The amount(s) of insurance shown on the "Declarations Page" for "stock" or the amount shown as estimated "stock", whichever is lesser, is increased by 25% to provide for seasonal variations. This increase, however, will only apply if the amount(s) of insurance shown on the "Declarations Page" applicable to "stock" or the estimated "stock" value is equal to at least one hundred percent (100%) of the Insured's average monthly values for twelve (12) months immediately preceding the date of loss or, in the event the Insured has been in business for less than twelve (12) months, for such shorter period of time.

**16. Contents Off Premises in the custody of Sales Representatives**

The insurance under this policy is extended to insure "contents", whether in transit or otherwise, within Canada or the continental United States of America while in the custody of a sales representative of the Insured.

This extension is limited to a maximum recovery as shown in the Deluxe Plus Endorsement Schedule in any one occurrence.

**17. Land and Water Pollution Clean Up Expense**

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

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

The liability of the Insurer in respect of this extension during any one policy period shall not exceed, in the aggregate as shown in the Deluxe Plus Endorsement Schedule

No Automatic Reinstatement

Notwithstanding the Reinstatement Clause in the form to which this endorsement is attached, following a loss under this extension the amount of insurance for this extension will be reduced by the amount payable.

The Insurer shall not be liable for:

- i) 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";
- ii) 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 policy;
- iii) fines, penalties, punitive or exemplary damages;
- iv) 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 within 180 days of the spill, discharge, emission, dispersal, seepage, leakage, migration, release 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.

As used in this extension:

"Premises" means the entire area within the property lines at the location(s) described on the "Declarations Page" and areas under adjoining sidewalks and driveways.

**18. Building Damage by Theft**

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

This extension of coverage shall be limited to a maximum recovery as shown in the Deluxe Plus Endorsement Schedule in any one occurrence.

**19. Extra Expense**

The insurance under this policy is extended to insure the necessary Extra Expense incurred by the Insured to continue as nearly as practicable the "normal" conduct of the Insured's business following damage to or destruction by the insured perils to "building" or "contents" for not exceeding such length of time, commencing with the date of the loss and not limited by the expiration of this policy, as shall be required with the exercise of due diligence and dispatch to repair, rebuild, or replace the part of the "building" or "contents" destroyed or damaged.

As used in this extension:

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

This extension of coverage shall be limited to a maximum recovery as shown in the Deluxe Plus Endorsement Schedule in any one occurrence

**20. Valuable Papers**

The insurance under this policy is extended to insure "valuable papers and records" owned by the Insured or held by the Insured in any capacity, provided the insurance applies only to the interest of the Insured in such property, including the Insured's liability to others, and does not apply to the interest of any other person or organization in any of said property unless included in the Insured's proof of loss.

This extension does not insure against loss or damage:

- a) 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 property which cannot be replaced with other of like kind and quality.

The Insurer will pay the additional expense necessarily incurred in the reproduction of the Insured's "valuable papers and records," because of loss, destruction, or damage caused by an insured peril .

As used in this extension:

"Valuable papers and records" means written, printed or otherwise inscribed documents and records, including books, maps, drawings, card index systems, abstracts, deeds, mortgages, manuscripts, films, tapes, discs, drums, cells or other magnetic recordings or storage media for electronic data processing, but excluding money or securities.

This extension of coverage shall be limited to a maximum recovery as shown in the Deluxe Plus Endorsement Schedule in any one occurrence (or as provided by a Valuable Papers and Records form or endorsement attached to and forming part of this Policy)

**21. Off Premises Services Interruption**

Under this extension, physical loss of or damage caused directly to property that is located within 1 kilometre of the "Premises", by a Peril Insured under the Business Income section of this policy, shall be deemed to be "Damage". Such property must be used to generate or supply "services" to the premises.

This extension only applies to loss, as insured by the Business Income section of this policy, due to "service interruption".

This extension does not cover loss, as insured by the Business Income section of this policy, during the first 24 consecutive hours of loss of "services" or directly or indirectly arising from:

- a) loss of or damage to electrical transmission lines or distribution lines or their supporting structures;
- b) loss of or reduction of "services" due to lack of sufficient capacity; or
- c) an intentional reduction in the supply of "services".

The maximum amount payable under this extension for any one occurrence, regardless of the number of persons and interests insured under the Business Income section, is as shown in the Deluxe Plus Endorsement Schedule.

As used in this extension:

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

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

**22. Electronic Data Processing Equipment and Media Including Breakdown Coverage**

The insurance under this policy is extended to insure against direct physical loss or damage by an insured peril to electronic data processing and word processing equipment including their component parts, and "electronic media" at the "premises".

This extension does not insure:

- a) any data processing media which cannot be replaced with other of like kind and quality;
- b) loss that is covered by a manufacturers warranty or service contract except for loss that is in excess of the amount received by the Insured from the warranty or service contract;
- c) loss or damage caused directly or indirectly by programming errors or faulty machine instructions;

As used in this extension:

"Electronic Media" means any material on which data is recorded or stored.

This extension provides systems breakdown coverage, to electronic data processing and word processing equipment including their component parts, and electronic media at the "premises", as described below:

The Insurer agrees to insure against loss, damage, or expense resulting from or caused by:

- i) Mechanical breakdown, machinery breakdown or media failure while said media is being run through the electronic data processing system;
- ii) Short circuit, blow-out or other electrical or magnetic disturbance, other than lightning, within electrical equipment, apparatus or devices;
- iii) Electric or magnetic injury, disturbance or erasure of electronic recordings.

This extension of coverage shall be limited to a maximum recovery as shown in the Deluxe Plus Endorsement Schedule in any one occurrence.

### **23. Fine Arts**

The insurance under this policy is extended to insure against all risks of direct physical loss of or damage to Fine Arts, while such property is at the "premises.

This extension does not insure:

- a) breakage of glassware, statuary, marbles, bric-a-brac, porcelains and other fragile articles, unless caused directly by fire, earthquake, explosion, falling object striking the exterior of a building, flood, impact by aircraft or land vehicle, lightning, riot, smoke, vandalism or malicious acts, windstorm or hail, or by accident to land, water or air conveyances, or by theft or attempt thereat;
- b) loss or damage caused directly or indirectly by any repairing, restoration or retouching process.

Fine Arts include 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) or other articles of rarity, historical value or artistic merit.

This extension of coverage shall be limited to a maximum recovery as shown in the Deluxe Plus Endorsement Schedule for any one item, any one occurrence.

### **24. Installation Floater**

The insurance under this policy is extended to insure, supplies, equipment and materials, except as excluded below, the property of the Insured or the property of others for which the Insured is legally liable, which the Insured has contracted to install or which will be used in completing an installation contract, anywhere in Canada or the continental United States, while such property is in transit to premises of installation or while at premises of installation, awaiting installation or while being installed, it being agreed that coverage on all property ceases when:

- a) the Insured's interest ceases; or
- b) the property installed has been accepted as satisfactory; or
- c) the policy expires;

whichever occurs first.

Additional Exclusions:

In addition to the exclusions under the form to which this endorsement is attached, this extension does not insure loss or damage:

- i) to buildings, but building materials and supplies are covered until such time as they become a permanent part of any installation project completed by the Insured;
- ii) to plans, blueprints, designs, specifications or any similar property;
- iii) to tools and contractor's equipment of every description;
- iv) to any installation or part thereof from the commencement of use for purposes for which it was intended;
- v) to property while in airborne transit, unless by scheduled airlines;
- vi) covered under any guarantee or warranty (expressed or implied) by any contractor, manufacturer or supplier, whether or not such contractor, manufacturer or supplier is an Insured under this extension;

This extension of coverage shall be limited to a maximum recovery as shown in the Deluxe Plus Endorsement Schedule, in any one loss, disaster or casualty either in case of partial or total loss or salvage or other charges or expenses or all combined.

### **25. Professional Fees**

The insurance under this policy is extended to insure the reasonable fees payable to the Insured's Auditors, Accountants, Lawyers, Architects, Engineers, or other consultants, except the Insured's own employees and Public Adjusters, for producing 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 a claim.

This extension of coverage shall be limited to a maximum recovery as shown in the Deluxe Plus Endorsement Schedule in any one occurrence.

**26. Exterior Building Glass**

The insurance under this policy is extended to insure damage to exterior (plate) glass or vitrolite and any lettering, ornamentation or burglar alarm foil thereon, caused by breakage or by chemicals accidentally or maliciously applied when such glass, or vitrolite, forms part of a "building" occupied or owned by the Insured and includes necessary expenses incurred to:

- a) Board up openings or install temporary plates if repair or replacement of the damaged building glass or vitrolite is delayed; and
- b) Remove or replace any fixtures or other obstructions to the replacement of the damaged building glass or vitrolite. This does not include expenses incurred to remove or replace window displays.

**27. Signs**

The insurance under this policy is extended to insure loss or damage caused by a peril insured against to exterior signs located on the "premises".

This extension of coverage shall be limited to a maximum recovery as shown in the Deluxe Plus Endorsement Schedule in any one occurrence.

**28. Master Key**

The insurance under this policy is extended to insure the cost of replacing or re-tooling locks following loss or damage caused by a peril insured against to master keys, electronic passes or access cards that control doors at the "premises" described on the "Declarations Page".

This extension of coverage shall be limited to a maximum recovery of as shown in the Deluxe Plus Endorsement Schedule in any one occurrence.

**29. 3 D Crime Coverage**

The following Crime Extensions of coverage are all subject to the exclusions, special conditions and definitions specified hereunder and all other terms and conditions of this policy. Loss or damage is covered under these crime extensions if discovered not later than one year from the end of the Policy period and occurred or sustained during the Policy Period within Canada and the continental United States of America.

**COVERAGE A - Employee Dishonesty**

This extension insures, under Coverage A loss of "money", "securities" and other property which the Insured shall sustain, to an amount not exceeding in the aggregate as shown in the Deluxe Plus Endorsement Schedule for Employee Dishonesty, resulting directly from one or more "fraudulent or dishonest acts" committed by an "employee" acting alone or in collusion with others.

This extension does not apply to:

- a) loss, the proof of which as to its factual existence or amount is dependent upon an inventory computation or a profit and loss computation;
- b) loss caused by any "employee" of the Insured or any predecessor in interest of the Insured, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation;
- c) loss caused by any "employee" after discovery by the Insured, or by any partner or officer thereof not in collusion with such "employee", of any "fraudulent or dishonest acts" committed by that "employee" whether before or after becoming employed by the Insured.

**COVERAGE B - Loss Inside the Premises**

This extension insures, under Coverage B to an amount not exceeding the aggregate as shown in the Deluxe Plus Endorsement Schedule for Loss Inside the Premises,

- a) loss of or damage to "money" and "securities" by the actual destruction, disappearance or wrongful abstraction thereof within the "premises" or within any "banking premises" or similar recognized places of safe deposit;
- b) loss of or damage to other property caused by "safe burglary" or "robbery" within the "premises", or attempt thereat and loss of 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";
- c) damage to the "premises" by "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.

This extension does not apply to:

- i) loss of or damage to "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;
- ii) loss or damage, 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 hazard insured against;
- iii) loss of or damage to "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;

**COVERAGE C - Loss Outside the Premises**

This extension insures, under Coverage C to an amount not exceeding in the aggregate as shown in the Deluxe Plus Endorsement Schedule for Loss Outside the Premises,

- a) loss of or damage to "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";
- b) loss of or damage to other property by "robbery" outside the "premises" while 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".

This extension does not apply to:

- i) loss or damage due to the surrender of "money", "securities" or other property away from the "premises" as a result of or threat to do bodily harm to any person, or damage to the "premises" or property owned by the Insured or held by the Insured in any capacity; provided, however, this exclusion does not apply to loss of or damage to "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;
- ii) loss of or damage to insured property while in the custody of any armoured motor vehicle company, unless such loss or damage is in excess of the amount recovered or received by the Insured under:
  - a. the Insured's contract with said armoured motor vehicle company;
  - b. insurance carried by the said armoured motor vehicle company for the benefit of users of its service;
  - c. 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 Extension shall cover only such excess.

The following additional exclusions apply only to Coverages B and C of this Crime Extensions of coverage:

- i) loss or damage 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 thereof;
- ii) loss or damage due to the giving or surrendering of "money" or "securities" in exchange or purchase;
- iii) loss or damage due to accounting or arithmetical errors or omissions;
- iv) loss of or damage to manuscripts, books of account or records, except for blank value.

#### COVERAGE D - Money Orders and Counterfeit Paper Currency

This extension insures, under Coverage D to an amount not exceeding in the aggregate as shown in the Deluxe Plus Endorsement Schedule for Money Orders and Counterfeit Paper Currency, loss or damage 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 or any bank draft or money order issued by any Financial Institution 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.

#### COVERAGE E - Depositors Forgery

This extension insures, under Coverage E to an amount not exceeding in the aggregate as shown in the Deluxe Plus Endorsement Schedule for Depositors Forgery, 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 of payment over loss sustained by any bank aforesaid. Loss under this Coverage E, 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 attorney's 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 Coverage E and the liability of the Insurer for such loss shall be in addition to any other liability under Coverage E.

#### COVERAGE F- Computer Theft and Funds Transfer Fraud Coverage

This extension insures, under Coverage F to an amount not exceeding in the aggregate as shown in the Deluxe Plus Endorsement Schedule for Computer Theft and Funds Transfer Fraud, loss of "money" or "securities" by "Computer Theft" or by "Funds Transfer Fraud".

This extension does not apply to loss:

- a) caused by an employee or authorized representative of the Insured acting alone or in collusion with others;
- b) due to the giving or surrendering of "money" or "securities" in any exchange or purchase;
- c) of "money" or "securities" or other property as a result of kidnap, ransom or other extortion payments surrendered to any person as a result of a threat to do bodily harm to any person or damage to the premises or other property owned by the Insured or held by the Insured in any capacity;

- d) resulting from loss of computer time or use;
- e) resulting from unintentional errors or omissions;
- f) which inures directly to the benefit of any Financial Institution (other than the Insured) or to any electronic funds transfer system or electronic data processor. Any coverage hereunder shall be specifically excess of any indemnity from or insurance taken for the benefit of customers of any Financial Institution;
- g) resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored value or other cards or the information contained on such cards;
- h) resulting from:
  - (i) the unauthorized disclosure of confidential information including, but not limited to, patents, trade secrets, processing methods or customer lists; or
  - (ii) the unauthorized use or disclosure of confidential information of another person or entity which is held by you including, but not limited to, financial information, personal information, credit card information or similar non-public information.

#### COMMON EXCLUSIONS

The following exclusions (a) to (e) inclusive apply to all of the above crime extensions of coverage:

- a) 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) the defence of any legal proceeding brought against the Insured, or to fees, costs or expense 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 these crime extensions of coverage, except as may be specifically stated to the contrary in these crime extensions of coverage;
- c) potential income including but not limited to interest and dividends, not realized by the Insured because of a loss covered under these crime extensions of coverage;
- d) all damages of any type for which the Insured is legally liable, except direct compensatory damages arising from a loss covered under these crime extensions of coverage;
- e) all costs, fees and other expenses incurred by the Insured in establishing the existence of, or amount of loss covered under these crime extensions of coverage.

#### SPECIAL CONDITIONS

The following Special Conditions are applicable to all of the above crime extensions of coverage:

##### 1. Ownership of Property - Interests Covered

The insured property may be owned by the Insured or held by the Insured in any capacity whether or not the Insured is liable for the loss thereof, or may be property as respects which the Insured is legally liable, provided the insurance applies only to the interest of the Insured in such property, including the Insured's liability to others, and does not apply to the interest of any other person or organization in any of said property unless included in the Insured's proof of loss.

##### 2. Limits of Liability - Settlement Options

The limit of the Insurer's liability for loss shall not exceed the applicable amount of insurance specified for each crime extensions of coverage, nor what it would cost at the time of loss to repair or replace the property with other of like kind or quality, nor as respects securities the actual cash value thereof at the close of business on the business day next preceding the day on which the loss other property held by the Insured as a pledge, or as collateral for an advance or 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 pay for the loss in money or may repair or replace the property and may settle any claim for loss of property either with the Insured or the owner thereof. Any property so paid for or replaced for which the Insurer has made indemnification shall become the property of the Insurer. Any property recovered after settlement of a loss shall be applied first to the expense of the parties making such recovery, with any balance applied as if the recovery had been made prior to such settlement, and loss readjusted accordingly. The Insured or the Insurer, upon recovery of any such property, shall give notice thereof as soon as practicable to the other.

Under Coverages A and E, with respect to loss caused by any person (whether one of the employees or not) and which occurs partly during the period of the policy and partly during the period of other bonds or policies issued by the Insurer to the Insured or to any predecessors 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 policy and under such other bonds or policies shall not exceed, in the aggregate, the amount carried under the applicable crime extensions of coverage 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. Except under Coverages A and E, the applicable amount of insurance specified for each crime extensions of coverage 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. Any loss caused by any person or in which such person is concerned or implicated, or any loss incidental to an actual or attempted burglary or robbery, shall be deemed to arise out of one occurrence.

##### 3. Non-Accumulation of Limit of Liability

Regardless of the number of years this policy remains in force, no Limit of Liability cumulates from year to year or policy period to policy period.

##### 4. Insured's Duties When Loss Occurs

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 Coverages A and E, also to the police if the loss is due to violation of law;
  - b) file detailed proof of loss, duly sworn to, with the Insurer within four months after the discovery of loss. Proof of loss under Coverage E shall include the instrument which is the basis of claim for such loss. 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;
  - c) upon the Insurer's request, submit to examination by the Insurer, subscribe the same, under oath if required, and produce for the Insurer's examination pertinent records, all at such reasonable times and places as the Insurer shall designate, and shall co-operate with the Insurer in all matters pertaining to loss or claims with respect thereto.
5. Superseded Insurance  
If similar insurance of the Insured, consisting of one or more policies affording continuous coverage, terminated with the beginning of the policy period, loss, to the extent that it is not insured under such prior insurance solely because of late discovery, shall be deemed to have occurred on the first day of the policy period.
6. No Benefits to Bailee  
The Insurance afforded by Coverages B and C of this extension shall not enure directly or indirectly to the benefit of any carrier or other bailee for hire.
7. Subrogation  
In the event of any payment under this Crime Extensions of coverage, the Insurer shall be subrogated to all the Insured's rights of 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 a loss to prejudice such rights.
8. Waiver of Term or Condition  
No term or condition of this form shall be deemed to be waived by this Insurer in whole or in part unless the waiver is clearly expressed in writing 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 form 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 form.

#### DEFINITIONS

Wherever used in this Crime Extensions of Coverage:

- a) "Banking Premises" means the interior of that portion of any building which is occupied by a banking institution in conducting its business.
- b) "Custodian" means the Insured or any employee who is duly authorized by the Insured or a partner of 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.
- c) "Computer Theft" means the loss of or damage to "money" or "securities" resulting directly from the use of any computer to fraudulently cause a transfer "money" or "securities" from inside the "premises" or "banking premises":
  - i) to a person (other than a messenger) outside the "premises";
  - ii) to a place outside the "premises".
- d) "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 during the policy period and whom the Insured compensates by salary, wages or commissions and has the right to govern and direct in the performance of such service, but does not mean any broker, factor, commission merchant, consignee, contractor or other agent or representative of the same general character. As applied to loss under Coverage A, the above words "while in the regular service of the Insured" shall include as many of the first 30 days thereafter as are within the policy period.
- e) "Fraudulent or Dishonest Acts" means only fraudulent or dishonest acts committed by such employee with the manifest intent:
  - i) to cause the Insured to sustain such loss; and
  - ii) 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.
- f) "Funds Transfer Fraud" means:
  - i) Electronic Instructions  
Fraudulent electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions issued to a Financial Institution directing such institution to debit a "Transfer Account" and to transfer, pay or deliver funds from such account by use of an electronic transfer system at specified intervals or under specified conditions, which instructions purport to have been transmitted by the Insured or by a person duly authorized by the Insured to issue such instructions but which have been fraudulently transmitted by someone other than the Insured without the Insured's knowledge or consent.
  - ii) Written Instructions  
Fraudulent written instructions (other than those described in Coverage E) issued to a Financial Institution directing such institution to debit a "Transfer Account" by use of an electronic funds transfer system at specified intervals or under specified conditions which written instructions purport to have been issued by the Insured but were in fact fraudulently issued, forged or altered by someone other than the Insured without the Insured's knowledge or consent.
- g) "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.

- h) "Money" means currency, coins, bank notes and bullion, travellers cheques, register cheques and money orders held for sale to the public.
- i) "Premises" means the interior of that portion of any building at a location specified on the "Declarations Page" 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.
- j) "Robbery" means the taking of insured property:
  - i) by violence inflicted upon a messenger or a "custodian";
  - ii) by putting the messenger or "custodian" in fear of violence;
  - iii) by any other overt felonious act committed in the presence of a messenger or "custodian" and of which he/she was actually cognizant, provided such other act is not committed by an officer, partner or employee of the Insured;
  - iv) from a messenger or "custodian" who while having custody of the insured property has been killed or rendered unconscious;
  - v) 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 them with means of ingress into the premises.
- k) "Safe Burglary" means the felonious abstraction of:
  - i) a safe from within the premises;
  - ii) insured property from within a vault or safe located within the premises by a person making a felonious entry into such vault or such safe and any vault containing the safe, when all doors thereof are duly closed and locked by at least one combination or time lock thereon, provided that such entry shall be made by actual force and violence, of which force and violence there are visible marks upon the exterior of all such doors of such vault or such safe and any vault containing the safe, if entry is made through such doors, or 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.
- l) "Securities" means all negotiable and non-negotiable instruments or contracts representing either money or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include money.
- m) "Transfer Account" means an account, maintained by the Insured at a Financial Institution, from which the Insured or the Insured's authorized representatives can initiate the transfer, payment or delivery of "money" or "securities";
  - i) by means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly or through an electronic funds transfer system; or
  - ii) by means of written instructions (other than those described in Coverage E) establishing the conditions under which such transfers are to be initiated by such Financial Institution through an electronic funds transfer system

### 30. Definition

With the exception of Extension 29. 3 D Crime Coverage, wherever used in this endorsement or with respect to any coverage provided by this endorsement "premises" means the entire area within the property lines and areas under adjoining sidewalks and driveways at:

- (i) each location described on the "Declarations Page";
  - (ii) Temporary Locations and any Newly Acquired Location insured by this endorsement;
- and in or on vehicles within 100 metres (328 feet) of such locations.

This endorsement, except as specifically modified herein, is subject to all of the terms and conditions of the form and policy to which it is attached.

**THIS ENDORSEMENT CHANGES THE POLICY  
PLEASE READ IT CAREFULLY**

**REIN PROGRAM - CONDOMINIUM ENDORSEMENT  
(RENTED DWELLINGS, DUPLEX, TRIPLEX, FOURPLEX, FIVEPLEX AND SIXPLEX UNITS)**

This endorsement modifies insurance provided under Commercial Property Broad Form (Form 403700) to which it is attached as follows:

Item 17. Definitions is modified to include the following definitions:

t) "Condominium Corporation" means a Corporation constituted under provincial legislation relating to condominiums or co-ownership by declaration and includes a strata corporation and in Quebec means the meeting of co-proprietors duly constituted.

u) "Unit" means the unit as defined in provincial legislation relating to condominiums or co-ownership by declaration and includes a strata lot, and in Quebec exclusive portion as so defined.

**All other terms and conditions remain unchanged.**

**THIS ENDORSEMENT CHANGES THE POLICY  
PLEASE READ IT CAREFULLY**

**REIN PROGRAM ENDORSEMENT - RENTED DWELLINGS, DUPLEX, TRIPLEX, FOURPLEX, FIVEPLEX AND SIXPLEX UNITS**

1. This endorsement modifies insurance provided under Deluxe Plus Endorsement (Form 403772-01) to which it is attached by the addition of the extensions of coverage as follows:
  31. Power Surge: This form is extended to cover sudden and accidental damage from artificially generated electric currents to electrical devices, appliances, or wiring. This extension of cover shall be limited to a maximum recovery of twenty-five thousand dollars (\$25,000) in respect of any one loss.
  32. Mortgage Rate Guarantee: Business Income insures, 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 mortgagor at the time of the loss closes the existing mortgage, requiring a new mortgage at a higher, competitive rate of interests. 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 amount is payable monthly. This extension of coverage will continue for:
    - (i) the duration of the existing mortgage period in effect at the time of the loss, until its expiry;
    - (ii) the Insured relinquishes title or interest in the building(s); or
    - (iii) sixty (60) monthswhichever occurs first.
  33. Ice Damming: This form is extended to insure against loss or damage caused directly by "ice damming", provided the water has not entered the ground and seeped through a basement or foundation wall.
  34. Major Appliances: This form insures as part of the amount of insurance, major appliances situated within the insured unit. Major appliances are those appliances usual to the cooking or refrigeration of foods, and the cleaning of articles usual to the maintenance or operation of a household: such as refrigerator, stove, clothes washer and dryer, water softening or conditioning unit, and any built-in dishwasher or microwave oven as fits this description.
  35. Loss Assessment Coverage:
    1. Property- The Insurer will pay your share of any special assessment, up to a maximum of \$100,000 per insured "unit", any one loss, if:
      - a) the assessment is valid under the "Condominium Corporation" governing rules; and
      - b) it is made necessary by a direct loss to the collectively owned condominium property caused by an Insured Peril under property Form 403700.

We will not pay more than \$25,000 per insured "unit" for that part of an assessment made necessary by a deductible in the insurance policy of the "Condominium Corporation". This includes if an assessment is made necessary by an earthquake deductible, where we will not pay more than \$25,000.
    2. General Liability - The Insurer will pay your share of any special assessments, up to a maximum of \$100,000 per insured "unit", any one loss, if:
      - a) the assessment is valid under the "Condominium Corporations" governing rules; and
      - b) the assessment is made necessary by an occurrence to which the general liability section of the policy applies .

We will not pay more than \$25,000 per insured "unit" for that part of an assessment made necessary by a deductible in the insurance policy of the "Condominium Corporation".
  36. Tear out Coverage: This form is extended to cover if any walls, ceilings or other parts of insured buildings or structures must be torn apart to determine whether evidenced water damage is covered by this form. We will pay the cost of such work and its restoration. This extension of cover shall be limited to a maximum recovery of twenty-five thousand dollars (\$25,000) in respect of any one loss. The cost of tearing out and replacing property to repair damage to outdoor swimming pools, public water mains or sewers is not insured.
2. This endorsement modifies insurance provided under Deluxe Plus Endorsement Schedule (Form 403772S) to which it is attached as follows :

The Master Key Limit of Insurance is increased from ten thousand dollars (\$10,000) to twenty-five thousand dollars (\$25,000) in respect of any one loss.

**All other terms and conditions remain unchanged.**

**ILLEGAL DRUG OPERATIONS EXCLUSION**

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

This Endorsement modifies insurance provided under the property form(s) to which it is attached

The Insurer shall not be liable under this policy for loss of or damage to "building", "equipment" or "stock";

- (i) caused directly or indirectly by or resulting from illegal "drug operations"; or
- (ii) caused directly or indirectly by or resulting from any activity or decision of a government agency or other entity to prevent, respond to or terminate illegal "drug operations"; where the Insured or any agent of the Insured knew or ought to have known of the illegal "drug operations" prior to the loss or damage. Unless the Insured or any agent of the Insured already knows that loss or damage has occurred, this exclusion (d) does not apply if, upon becoming aware of illegal "drug operations", the Insured or any agent of the Insured immediately notifies the police and the Insurer.

**Definition:**

**"Drug Operations"** means cultivating, harvesting, processing, manufacturing, distributing or selling of any substance falling within the Controlled Drug and Substance Act on the "premises".

All other terms and conditions remain unchanged.

## PRIVACY BREACH EXPENSE COVERAGE

**WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN THIS FORM.**

### 1. INSURING AGREEMENT

The Insurer, subject to the applicable General Conditions, or the Policy Conditions, or the Statutory Conditions and the terms, conditions, limitations and exclusion of the property form to which this coverage relates, shall provide the following coverage if the Insured has a "privacy breach" that is:

- a. discovered by the Insured during the policy period, and
- b. reported to the Insurer as soon as possible but not later than 30 days after the Insured discovers the "privacy breach".

### 2. LIMIT OF INSURANCE

The liability of the Insurer in respect to the costs associated with the privacy breach services described in 3. COVERAGE, shall not exceed, in the aggregate, the limit specified on the "Declaration Page" for Privacy Breach Expense, during any one policy period.

### 3. COVERAGE

The Insurer shall provide the following privacy breach services in the event of a "privacy breach":

#### A. Privacy Breach Consulting Services

The Insurer shall provide the following consulting services for a covered "privacy breach":

- i. evaluation of "privacy breach" situation, assessment of privacy, regulatory and legal impacts and recommendation of best practice approach for notification and remediation;
- ii. provision of a generic notification letter sample template to provide assistance in drafting an incident-specific notification letter;
- iii. provision of a generic sample Frequently Asked Questions (FAQ) template to be completed by the Insured following a "privacy breach"; and
- iv. assistance with media relations when required by applicable Data Protection Authorities or due to the size and scope of the "privacy breach".

#### B. Notification Recipient Services

The Insurer shall provide the following services for a covered "privacy breach" to all "notification recipients":

- i. a toll free telephone number (Crisis Response Line) for "notification recipients" to call to address issues, questions or concerns regarding the "privacy breach". This includes the assignment of a live, personal "fraud specialist" to provide all necessary services and information on a one-on-one basis;
- ii. assistance with ordering free credit reports for evaluation and review of any suspected or actual fraudulent activity; and
- iii. "identity fraud remediation services" provided to "notification recipients" in cases of "identity fraud" or "account takeover".

#### C. Notification Expense Reimbursement

The Insurer shall provide the Insured with coverage for eligible expenses, following a "privacy breach", for services provided by the Insurer's designated service provider, for costs associated with preparation, printing, mailing, postage and delivery of notification letters sent to "notification recipients" via postal service, if:

- i. the situation dictates notification via hard copy letter; or
- ii. a data protection authority requires hard copy letter notification; or
- iii. it is the most effective method of notification to affected "data subjects".

#### D. Regulatory Research and Compliance Expense

The Insurer shall provide the Insured with coverage for costs incurred, following a covered "privacy breach", to consult a licensed attorney to provide the Insured with:

- i. analysis of applicable notification requirements pursuant to provincial and/or federal notification requirements or recommendations of any provincial or federal data protection authorities;
- ii. review and sign off of compliance with applicable provincial and/or federal notification requirements or recommendations of any provincial or federal data protection authorities; and/or
- iii. an overall process of handling the "privacy breach" that complies with applicable provincial and/or federal notification requirements or recommendations of any provincial or federal data protection authorities.

### 4. EXCLUSIONS

This coverage does not insure against any costs or expenses incurred due to:

- a. the Insured's intentional involvement in a "privacy breach".
- b. a "privacy breach" resulting from any fraudulent, deceptive or criminal activity, error or omission, or any deliberate, reckless or knowing violation of the law by:
  - i. the Insured; or
  - ii. any of the Insured's partners, directors or trustees; whether acting alone or in collusion with others, or whether occurring during or outside of the hours of employment.
- c. the intentional or reckless disregard for the handling, treatment, transfer and security of "private information" and/or "personal health information" in the Insured's possession, control or custody.

- d. the investigation or remediation of any deficiency, except as specifically provided under this coverage. This includes, but is not limited to, any deficiency in the Insured's:
  - i. employee management;
  - ii. vendor management; or
  - iii. internal systems, procedures, computer network/system firewall, computer network/system antivirus or physical security; that may have contributed to a "privacy breach".
- e. any criminal investigations or proceedings.
- f. any loss of "private information" and/or "personal health information" that results from "malicious code", if the failure to detect that code was due to any failure to install or properly implement any:
  - i. applications;
  - ii. software;
  - iii. firewall(s);
  - iv. anti-virus;
  - v. anti-spyware;
  - vi. software or system patches or updates; or
  - vii. any other reasonable precautions.
- g. charges, penalties, fines or fees of affected financial institutions, provincial or federal data protection authorities, courts of law, and any other entity.
- h. prior "privacy breaches", known or unknown by the Insured, occurring prior to the inception date of this coverage.
- i. any legal action claiming civil liability by the Insured or others and any legal defence costs.
- j. any threat, extortion or blackmail, including but not limited to ransom payments and private security assistance.
- k. any cause not provided for under this coverage.
- l. legal obligations arising by reason of the assumption of liability in a contract or agreement.

## 5. ADDITIONAL CONDITIONS

This coverage is subject to the following additional conditions:

- a. the Insured will use due care to prevent a "privacy breach". This includes, but is not limited to, adherence to industry standards for the protection of "private information" and/or "personal health information" from a "privacy breach".
- b. the Insured will consult with the Insurer's designated service provider and the Insurer before issuing any communication to "notification recipients". Any communication or services promised to "notification recipients" prior to a consultation will not be covered.
- c. the Insured must cooperate with and provide full disclosure of the circumstances surrounding the "privacy breach" to the Insurer, the Insurer's designated service provider, applicable federal or provincial regulators and/or law enforcement personnel.
- d. upon discovery of a "privacy breach", the Insured must make reasonable efforts to secure and protect the remaining "private information" and/or "personal health information" still in the Insured's control.
- e. the Insurer will pay for privacy breach services, as described in 3. COVERAGE, only if they are provided through the Insurer's designated service provider. Approval for an alternate service provider must be obtained prior to the consultation process. The Insurer will only pay reasonable and customary charges associated with services covered under 3. COVERAGE, provided by the alternate service provider.
- f. the Insurer does not guarantee, after the Insurer's designated service provider has provided the applicable services, that the problems associated with the covered "privacy breach" will be eliminated.
- g. services provided to "notification recipients" may vary based on individual circumstances and location (due to adherence of local customs/statutes/rules).
- h. any exclusion contained in this policy that excludes loss or damage caused by:
  - i. theft or attempted theft committed by an employee of the Insured, or
  - ii. any dishonest or criminal act on the part of an employee of the Insured,
 does not apply to the coverage provided by this endorsement.

## 6. DEFINITIONS

Whenever used in this endorsement:

- a. "Account takeover" means unauthorized use of a person's accounts.
- b. "Data subject" means an individual human being whose "private information", and/or "personal health information" is collected, stored or processed by and in the course of the Insured's everyday business.
- c. "Declaration Page" means the Declaration Page, including any supplementary pages or schedule of coverages attached thereto, applicable to this policy.
- d. "Fraud specialist" means an expert retained by the Insurer to assist "notification recipients" in resolving the fraudulent use, or suspected fraudulent use, of "private information" and/or "personal health information" and to restore it to pre-incident status. This assistance may include assistance in contacting credit reporting agencies, credit grantors, collection agencies, and governmental agencies or other activities needed to fully restore the identity of the individual.
- e. "Identity fraud" means the actual deceptive use of the identity information of another person (living or dead) in connection with various frauds.
- f. "Identity fraud remediation services" means services using a "fraud specialist" to resolve the fraudulent use, or suspected fraudulent use, of "private information" and/or "personal health information" and to restore such information to pre-incident status.
- g. "Malicious code" means a bot, Trojan, virus, worm, or other type of computer code, malware, software or spyware that is used to illicitly collect, destroy, alter, retrieve or affect computer software and/or "private information" and/or "personal health information" on a computer system, network, storage device, PDA or other peripheral device; and on the date the "privacy breach" occurred is named and recognized by the CERT Coordination Centre, or by any industry-acceptable third party antivirus, anti-malware or other solution that monitors malicious code activity.

- h. "Notification recipient" means a "data subject" who is notified by the Insured that "private information" and/or "personal health information" is exposed or potentially exposed to an unauthorized third party or multiple third parties through a "privacy breach" that is committed by the Insured or a third party for which the Insured is responsible, including, but not limited to vendors, auditors, and/or other third parties with which the Insured shares "private information" and/or "personal health information" in the course of doing business.
- i. "Personal health information" means personal health information, as defined in the Personal Information Protection and Electronic Documents Act of Canada, or as expanded by definitions contained in applicable provincial or territorial statutes, including but not limited to the Health Information Act of Alberta, the Personal Health Information Act of Manitoba, the Personal Health Information Privacy and Access Act of New Brunswick, the Personal Health Information Protection Act of Ontario and the Health Information Protection Act of Saskatchewan, as amended from time to time.
- j. "Privacy breach" means loss, theft, or accidental release of "private information" and/or "personal health information" involving one or more "data subjects".
- k. "Private information" means any piece of information, which can potentially be used to uniquely identify an individual and could be used to facilitate "identity fraud". This information includes, but is not limited to the following subcategories:
  - i. identification and contact information;
  - ii. government issued identification numbers; or
  - iii. financial information.

All other terms and conditions remain unchanged.



## CLARIFICATION OF STATUTORY CONDITIONS ENDORSEMENT

This endorsement modifies the insurance provided by the policy to which it is attached as follows:

1. The "Statutory Conditions" set out in this policy are renamed "Policy Conditions" and now apply, as modified or supplemented in forms or endorsements attached to this policy, as "Policy Conditions" to all coverages and all perils (including fire) insured by this policy.
2. Condition 14 of the said conditions is restated as follows:

### Action

14. Where permitted by law, every action or proceeding against the Insurer for the recovery of a claim under or by virtue of this contract shall be absolutely barred unless commenced within one year \* next after the loss or damage occurs, except in the Provinces of British Columbia and Ontario.

In the Province of British Columbia, the period of one year next shall commence from the furnishing of a reasonably sufficient proof of loss.

In the Province of Ontario the action shall be commenced within the time period prescribed by s. 4 of the Limitations Act 2002, S.O. 2002, Chapter 24 Schedule B.

\* two years in the Province of Manitoba and Yukon Territory.

Where any portion of this endorsement is found to be invalid, unenforceable or contrary to statute the remainder shall remain in full force and effect.

All other terms and conditions remain unchanged.

**THIS ENDORSEMENT CHANGES THE POLICY.  
PLEASE READ IT CAREFULLY.**

**FUNGI and FUNGAL DERIVATIVES EXCLUSION ENDORSEMENT**

**This endorsement modifies the coverage provided in those forms shown on the "Declarations Page" under the Property Multi-Peril heading.**

1. This policy 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.
2. The Insurer shall not be liable for "Extra Expense", loss of "Business Income", loss of "Rental Income", loss of "Gross Profit", loss of "Gross Earnings", loss of "Gross Rentals", loss of "Gross Rent and Rental Value" or any other loss attributable to any interruption of business, provided such coverage is currently included in the policy to which this endorsement is attached, resulting from 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.
3. The following definitions are added

Wherever used in this endorsement, or wherever used in any other endorsement or in any policy to which this endorsement is applicable, the following terms shall mean

- (a) "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.
- (b) "Spores" includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".

All other terms and conditions remain unchanged.

**THIS ENDORSEMENT CHANGES THE POLICY.  
PLEASE READ IT CAREFULLY.**

**DATA AND DISHONEST OR CRIMINAL ACT EXCLUSION ENDORSEMENT**

**Words and phrases in quotation marks have special meaning as defined below or in the form to which this endorsement is attached**

This endorsement modifies the coverage provided in those forms shown on the "Declarations Page" under the Property Multi-Peril heading.

The following exclusions are added:

**1. DATA EXCLUSION**

Section A applies to all forms except 012200, 012300, 021021, 021090, 021100, 021120, 021140, 021150, 401102 and 401105

A.1. Subject to (a) and (b) following, the Insurer shall not be liable for "Extra Expenses", loss of "Business Income", loss of "Rental Income", loss of "Gross Profit", loss of "Gross Earnings", loss of "Gross Rentals", loss of "Gross Rent and Rental Value" or any other loss attributable to the interruption of business, directly or indirectly caused by "Data Problem", regardless of any other cause or event that contributes concurrently or in any sequence to a "Data Problem".

(a) If "Data Problem" results in direct physical loss of or damage to property at the "Premises" caused by an "Insured Peril", as defined in this endorsement, or by the escape of water from any tank, apparatus or pipe, this exclusion A.1. shall not apply to resulting "Extra Expenses", loss of "Business Income", loss of "Rental Income", loss of "Gross Profit", loss of "Gross Earnings", loss of "Gross Rentals", loss of "Gross Rent and Rental Value" or any other loss attributable to the interruption of business, suffered through such resulting loss or damage. This exception only applies to the extent that such loss would otherwise be insured under the Property Multi-Peril Section of this policy.

(b) If "Data Problem" is the direct result of:

- (i) an "Insured Peril", as defined in this endorsement;
  - (ii) the escape of water from any tank, apparatus or pipe;
  - (iii) earthquake, but only if the form to which this endorsement is applicable provides earthquake coverage;
  - (iv) flood, but only if the form to which this endorsement is applicable provides flood coverage;
  - (v) backing-up of sewers, but only if the form to which this endorsement is applicable provides backing-up of sewers coverage;
- at the "Premises", this exclusion A.1. shall not apply. This exception only applies to the extent that such loss would otherwise be insured under the Property Multi-Peril Section of this policy.

A.2. The following paragraph is deleted from any form to which this endorsement is applicable:

- *Nor does this form insure disturbance or erasure of electronic recordings by electric or magnetic injury except by lightning.*

Section B applies only to forms 012200, 012300, 021021, 021090, 021100, 021120, 021140, 021150, 401102 and 401105.

B.1. Subject to (a) and (b) following, this form does not insure loss or damage caused directly or indirectly by "Data Problem", regardless of any other cause or event that contributes concurrently or in any sequence to such loss or damage.

(a) If loss or damage caused by "Data Problem" results in the occurrence of further loss of or damage to property insured that is directly caused by an "Insured Peril", as defined in this endorsement, or by the escape of water from any tank, apparatus or pipe, this exclusion B.1. shall not apply to such resulting loss or damage. This exception only applies to the extent that such resulting loss or damage would otherwise be insured under the Property Multi-Peril Section of this policy.

(b) If "Data Problem" is the direct result of:

- (i) an "insured peril", as defined in this endorsement;
  - (ii) the escape of water from any tank, apparatus or pipe;
  - (iii) earthquake, but only if the form to which this endorsement is applicable provides earthquake coverage;
  - (iv) flood, but only if the form to which this endorsement is applicable provides flood coverage;
  - (v) backing-up of sewers, but only if the form to which this endorsement is applicable provides backing-up of sewers coverage;
- at the "Premises", this exclusion B.1. shall not apply. This exception only applies to the extent that such loss would otherwise be insured under the Property Multi-Peril Section of this policy.

B.2. The following paragraphs are deleted from any form to which this endorsement is applicable:

- *Nor does this form insure disturbance or erasure of electronic recordings by electric or magnetic injury except by lightning.*
- *This agreement (policy) does not insure against loss, damage or expense caused directly or indirectly by electrical or magnetic injury, disturbance or erasure of electronic recordings, except by lightning.*

## 2. DISHONEST OR CRIMINAL ACT EXCLUSION

The Insurer shall not be liable for "Extra Expenses", loss of "Business Income", loss of "Rental Income", loss of "Gross Profit", loss of "Gross Earnings", loss of "Gross Rentals", loss of "Gross Rent and Rental Value" or any other loss attributable to the interruption of business, resulting from loss or damage caused directly or indirectly by:

- (a) any dishonest or criminal act committed by the Insured or any agent of the Insured, acting alone or in collusion with others;
- (b) any dishonest or criminal act committed by anyone when the Insured or any agent of the Insured knew or ought to have known prior to the loss or damage, of the dishonest or criminal act.

This exclusion (b) 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.

For the purpose of this exclusion

- (1) **criminal act** includes but is not limited to
  - (i) any act that would be considered an offence under the Criminal Code of Canada;
  - (ii) any act that would be considered an offence under any federal or provincial legislation whether or not such an offence is punishable by incarceration.

It is not necessary that an act result in a charge and/or conviction for the act to be a criminal act;

- (2) **agent** includes a property manager of the Insured, as well as any other person who would qualify as an agent of the Insured in law.

3. The paragraph, in any form to which this endorsement is applicable, that excludes coverage for "Extra Expenses", loss of "Business Income", loss of "Rental Income", loss of "Gross Profit", loss of "Gross Earnings", loss of "Gross Rentals", loss of "Gross Rent and Rental Value" or any other loss attributable to the interruption of business, resulting from loss or damage caused directly or indirectly 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, is deleted.

## DEFINITIONS:

1. Wherever used in this endorsement, or wherever used in any policy to which this endorsement is applicable, "Data" means representations of information or concepts, in any form.

2. Wherever used in this endorsement:

### A. "Data Problem" means:

- (i) erasure, destruction, corruption, misappropriation, misinterpretation of "data";
- (ii) error in creating, amending, entering, deleting or using "data"; or
- (iii) inability to receive, transmit or use "data".

### B. "Declarations Page" means the Declarations Page, including any supplementary pages or schedule of coverages attached thereto, applicable to this endorsement.

### C. "Insured Peril" means:

- (1) **FIRE OR LIGHTNING;**

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

- (i) (a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
- (b) piping and apparatus or their parts normally containing steam or water under steam pressure from an external source and while under such pressure;
- (c) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion from them;
- (d) smelt dissolving tanks;
- (ii) other vessels and apparatus and connected pipes, while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure, except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders;
- (iii) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
- (iv) any vessels and apparatus and connected pipes while undergoing pressure tests, but this exclusion shall not apply to other insured property that has been damaged by such explosion;
- (v) gas turbines;

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

- (a) electric arcing or any coincident rupture of electrical equipment due to such arcing;
- (b) bursting or rupture caused by hydrostatic pressure or freezing;
- (c) bursting or rupture of any safety disc, rupture diaphragm or fusible plug.

- (3) **IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE:** The terms Aircraft and Spacecraft include articles dropped from them. There shall in no event be any liability for cumulative damage or for loss or damage:
- (i) caused by land vehicles belonging to or under the control of the Insured or any of his employees;
  - (ii) to aircraft, spacecraft or land vehicles causing the loss;
  - (iii) caused by any aircraft or spacecraft when being taxied or moved inside or outside of a "building".
- (4) **SMOKE:** The term Smoke means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability for any cumulative damage.
- (5) **LEAKAGE FROM "FIRE PROTECTIVE EQUIPMENT":** The term Leakage From "Fire Protective Equipment" means:
- (i) the leakage or discharge of water or other substances from;
  - (ii) the collapse of;
  - (iii) the rupture due to the freezing of;
- "fire protective equipment" for the "premises" or for adjoining structures.
- (6) **WINDSTORM OR HAIL:** There shall in no event be any liability for loss or damage:
- (i) to the interior of the "building" or to "contents" 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.
- D. **"Premises"** means the entire area within the property lines and areas under adjoining sidewalks and driveways at locations described on the "Declarations Page" and in or on vehicles within 100 metres (328 feet) of such locations.

**All other terms and conditions remain unchanged.**

**THIS ENDORSEMENT CHANGES THE POLICY.  
PLEASE READ IT CAREFULLY.**

**TERRORISM EXCLUSION ENDORSEMENT**

**This endorsement modifies the coverage provided in those forms shown on the "Declarations Page" under the Property Multi-Peril heading.**

1. This policy does not insure loss or damage caused directly or indirectly, in whole or in part, by "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism", regardless of any other cause or event that contributes concurrently or in any sequence to such loss or damage.
2. The Insurer shall not be liable for "Extra Expenses", loss of "Business Income", loss of "Rental Income", loss of "Gross Profit", loss of "Gross Earnings", loss of "Gross Rentals", loss of "Gross Rent and Rental Value" or any other loss attributable to the interruption of business, provided such coverage is currently included in the policy to which this endorsement is attached, resulting from 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", regardless of any other cause or event that contributes concurrently or in any sequence to such loss or damage.
3. The following definition is added

Wherever used in this endorsement, or wherever used in any other endorsement or in any policy to which this endorsement is applicable, "terrorism" means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

**Where any portion of this endorsement is found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect.**

All other terms and conditions remain unchanged.

## BOILER & MACHINERY PACKAGE

### OBJECTS INSURED

Coverage is provided for the Option indicated on the Declarations Page to which this Form is attached.

#### Option 1:

Boilers, Pressure Vessels and Mechanical and Electrical Equipment, as defined and limited in Definitions 2A and 2B, but excluding Air Conditioning Units and Refrigerating Units as defined in Definition 2C and Data Processing, Computing and Electronic Equipment as defined in Definition 2D.

#### Option 2:

Boilers, Pressure Vessels and Mechanical and Electrical Equipment, Air Conditioning Units and Refrigerating Units all as defined in Definitions 2A, 2B and 2C but excluding Data Processing, Computing and Electronic Equipment as defined in Definition 2D.

#### Option 3:

Boilers, Pressure Vessels, Mechanical and Electrical Equipment, Air Conditioning Units and Refrigerating Units, Data Processing, Computing and Electronic Equipment all as defined in Definitions 2A, 2B, 2C and 2D.

### INSURING AGREEMENTS

In the event of loss from an Accident, as defined herein, to an insured Object, the Insurer agrees to indemnify the Insured as follows:

#### COVERAGE A. LOSS TO PROPERTY OF INSURED

TO PAY for loss to the property of the Insured and the property of others in the care, custody or control of the Insured for which the Insured is legally liable, directly damaged by an Accident (or, if the Insurer so elects, to repair or replace such damaged property), as defined herein.

#### COVERAGE B. EXPEDITING EXPENSES

TO PAY for the reasonable extra cost of temporary repair and of expediting the repair of such damaged property directly damaged by an Accident, including overtime and the extra cost of express or other rapid means of transportation.

#### COVERAGE C. BUSINESS INTERRUPTION/EXTRA EXPENSE

TO PAY the Insured the amount of

1. Actual Loss Sustained due to loss of gross profit which results from a total or partial prevention of business; and
2. Extra Expense, over and above the normal operating expense, necessarily incurred by the insured in order to continue as nearly as practicable the normal operation of the Insured's business, provided such prevention of business and Extra Expense are incurred solely as the result of an insured Accident, as defined herein.

#### COVERAGE D. CONSEQUENTIAL DAMAGE

If OPTION 3 is specified on the Declarations Page applicable to this Form, to pay for loss to Perishable Property due to spoilage resulting solely from an Accident.

### EXCLUSIONS

This Policy does not apply:

1. to loss or damage
  - a. from fire or smoke concomitant with or following an Accident or from the use of water or other means to extinguish fire;

- b. from an Accident caused directly or indirectly by fire or smoke or from the use of water or other means to extinguish fire;
  - c. from a combustion explosion outside the Object concomitant with or following an Accident;
  - d. from an Accident caused directly or indirectly by a combustion explosion outside the Object;
  - e. from flood unless an Accident ensues and the Insurer shall then be liable only for loss or damage from such ensuing Accident;
  - f. from an Accident caused directly or indirectly by earthquake, including snowslide, landslide or other earth movements occurring concurrently with and directly resulting from an earthquake shock;
  - g. from wind, including but not limited to cyclone, tornado or hurricane;
  - h. from spoilage due to lack of power, light, heat, steam or refrigeration unless Option 3 is specified on the Declarations Page applicable to this Form;
  - i. from a sudden and accidental explosion of gas or unconsumed fuel within the furnace of any Object or within the gas passages therefrom to the atmosphere;
  - j. caused by or resulting from lightning, if coverage for that cause of loss is provided by any other policy of insurance in effect at the time of the loss;
  - k. to Property of Insured damaged by water, resulting from an Accident if coverage is provided by any other insurance in effect at the time of the loss;
  - l. to Data used with electronic computer or electronic data processing equipment unless Option 3 is specified and a Limit of Insurance is shown on the Declarations Page applicable to this Form, nor
  - m. from any other indirect result of an accident.
2. To loss or damage from an Accident caused directly or indirectly by war, bombardment, invasion, insurrection, rebellion, revolution, military or usurped power, enemy attack including any action or measure taken in resisting, combatting, or delaying the enemy by operations of armed forces while engaged in hostilities, whether war be declared or not, or by the explosion of a concentration of munitions or explosives being manufactured stored or transported in Canada.
3. To loss or damage, whether it be direct or indirect, proximate or remote
- a. from an Accident caused directly or indirectly by nuclear reaction, nuclear radiation or radioactive contamination, all whether controlled or uncontrolled;
  - b. from nuclear reaction, nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, caused directly or indirectly by, contributed to or aggravated by an Accident;
- nor shall the Insurer be liable for any loss covered in whole or in part by any contract of insurance, carried by the Insured, which also covers any hazard or peril of nuclear reaction or nuclear radiation.
4. To any increase in loss:
- a. necessitated by any ordinance, law, regulation, rule or ruling regulating or restricting repair, alteration, use, operation, construction or installation, except as provided in Extensions of Coverage.
  - b. as a result of damage, contamination or pollution by a Hazardous Substance except as provided in Extensions of Coverage.
5. Under Coverage C, to payment for any Business Interruption/Extra Expense
- a. for any time during which business would not or could not have been carried on if the Accident had not occurred;
  - b. resulting from the failure of the Insured to use due diligence and dispatch and all reasonable means in order to resume business;
  - c. for the Insured's ordinary payroll, as defined herein; nor
  - d. due to suspension, lapse or cancellation of any lease or license, contract or order.



## DEFINITIONS

### 1. ACCIDENT

"Accident" shall mean a sudden or accidental breakdown of the Object, as defined herein, or a part thereof, which manifests itself at the time of its occurrence by physical damage to the Object that necessitates repair or replacement of the Object or part thereof; but "Accident" shall not mean or include

- a. depletion, deterioration, corrosion, or erosion of material;
- b. wear and tear;
- c. leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- d. the breakdown of any structure or foundation supporting the Object or any part thereof; nor
- e. the functioning of any safety device or protective device.

Subject to Exclusion 2 of this policy, any Accident arising out of strike, riot, civil commotion, acts of sabotage, vandalism or malicious mischief shall also be considered "Accidental" within the terms of the Definition of Accident.

### 2. OBJECT

"Object" shall mean any equipment or apparatus described below, subject to the exclusions specified herein:

- A. Any boiler, fired pressure vessel, metal unfired vessel or any A.S.M.E. approved fibreglass reinforced plastic vessel normally subject to vacuum or internal pressure other than static pressure of contents, metal piping and its accessory equipment, but "OBJECT" shall not mean or include:
  - i) any refractory or insulating material, non-metallic lining or covering, or boiler setting;
  - ii) any oven, stove, furnace or incinerator; nor
  - iii) any sewer piping, buried piping which is not contained within a duct, tunnel or runway, piping forming part of a sprinkler system or water piping other than:
    - 1) feed water piping between any boiler and its feed pumps or injectors;
    - 2) boiler condensate return piping;
    - 3) any arrangement of piping used in conjunction with a hot water heating system, together with valves, radiators and fittings connected to such system.
  - iv) Any refrigerating or air conditioning vessels and piping.
- B. Any mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power, but "Object" shall not mean or include:
  - i) any structure or foundation other than the bedplate of a machine;
  - ii) any oven, stove, furnace or incinerator;
  - iii) any vehicle, aircraft, or any floating vessel or structure;
  - iv) any elevator, escalator, conveyor, crane or hoist, but not excluding any electrical equipment mounted on, or forming a part of such machine or apparatus;
  - v) any data processing, calculating or computing equipment, or any electronic machine, device or instrument;
  - vi) any X-ray machine, electron microscope, laser, particle accelerator, Beta gauge, spectrograph, or any equipment or apparatus utilizing radioactive materials.
  - vii) any refrigerating unit or air conditioning unit including all compressors, driving motors, fans, blowers and all other ancillary equipment.
- C. Any refrigerating unit or air conditioning unit, including:

- i) any refrigerating or air conditioning vessels and piping;
- ii) any water piping connected to and forming a part of refrigerating or air conditioning vessels and piping;
- iii) all compressors, driving motors, fans, blowers and all other auxiliary equipment;

D. Any electronic machine, device or instrument used for research, diagnosis, treatment, communication, word processing, data processing, duplicating, monitoring or scanning.

### 3. ORDINARY PAYROLL

"Ordinary Payroll" shall mean all the Insured's payroll except salaries and wages of officers, executives; employees under contract; other essential employees; pensions and directors' fees.

### 4. HAZARDOUS SUBSTANCES

A Hazardous Substance is any substance declared by a Governmental Agency to be hazardous to health or the environment.

### 5. DATA

Data means facts, information, knowledge or software in a machine readable form capable of being processed by data processing or other computerized equipment.

### 6. MEDIA

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

## EXTENSIONS OF COVERAGE

The following Extensions of Coverage are subject to the conditions and limitations of the policy.

### 1. HAZARDOUS SUBSTANCES

If the property of the Insured, as defined in Coverage A, is damaged, contaminated or polluted by a Hazardous Substance as a result of an Accident to insured equipment, the Insurer shall be liable for:

- a. the increase in cost for the clean-up, repair or replacement or disposal of the property,
- b. the increase in the Business Interruption/Extra Expense which results from the presence of the Hazardous Substance,

but, the total amount payable under this extension shall not exceed \$50,000, such amount being in addition to the Property Damage Limit on the Declarations of the policy.

### 2. BY-LAWS

If Property of Insured is damaged as a result of an Accident to insured equipment, the Insurer shall be liable for any increase in the cost of repairing, replacing, or constructing or reconstructing (including the necessary demolition and site clearance costs), occasioned by the enforcement of the minimum requirements of any by-law, regulation, ordinance or law which is in force at the time of the insured loss and which regulates zoning, or the demolition, repair or construction of the damaged property.

The Insurer shall also be liable for the increase in Business Interruption/Extra Expense which results solely from the enforcement of the by-law, regulation, ordinance or law.

### 3. PROFESSIONAL FEES

The Insurer shall be liable under this Extension for reasonable fees payable to Accountants, Engineers or other Professionals, for producing and certifying information required by the Insurer to establish the amount payable under the policy in the event of an Accident to insured equipment, but, the total amount payable under this Extension shall not exceed \$10,000, such amount being in addition to the Property Damage limit on the Declarations of the Policy.

This coverage does not apply to either the Insured's own employees or to Public Adjusters.

#### 4. SERVICE INTERRUPTION

If an Accident occurs to equipment not owned or operated by the Insured, the Insurer shall be liable for any resulting Business Interruption/Extra Expense loss provided that:

- a. the equipment satisfies the Definition of Object for the Coverage Option specified on the Declarations,
- b. the equipment is located within three hundred (300) metres of the insured location,
- c. the equipment is used to supply electricity, steam, water, gas, heating, air conditioning, refrigeration or telephone services to the insured location,
- d. the equipment is owned by the building owner at the premises of the Insured or by a public utility company.

If Option 3 is specified on the Declarations Page, the Insurer shall also be liable for loss to Perishable Property due to spoilage.

#### 5. DATA COVERAGE

(Applies only if Option 3 coverage is specified on the Declarations)

If, as a result of an Accident to insured equipment, data is lost or damaged, the Insurer shall be liable for:

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

but, the total amount payable under this Extension shall not exceed the amount specified for Data on the Declarations Page applicable to this Form, such amount being in addition to the other Limits specified.

The Insurer shall not be liable for data which is lost or damaged as a result of programming errors.

#### 6. INTERRUPTION BY CIVIL AUTHORITY

The Insurer shall be liable under this Extension for all the actual loss as insured hereunder 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 damage to neighbouring premises by the occurrence of an Accident.

### POLICY CONDITIONS AND LIMITATIONS

#### 1. ACTION AGAINST INSURER

No action shall lie against the Insurer unless, as a condition precedent thereto, the Insured shall have fully complied with all terms of this policy, nor unless commenced within fourteen months from the date of the Accident.

#### 2. ADDITIONAL INSURED

Any name specified as "Additional Insured" in the policy shall be considered as an Insured under the policy as his interest may appear. The inclusion herein of more than one Insured shall not operate to increase the limits of the Insurer's liability.

#### 3. ASSIGNMENT

Assignment of interest under this policy shall not bind the Insurer until its consent is endorsed hereon; however, if the Insured shall die or be adjudged bankrupt or insolvent during the Policy Period, this policy unless cancelled shall, if written notice be given to the Insurer within sixty days after the date of such death or adjudication, cover the Insured's legal representative as the Insured.

#### 4. CANCELLATION

This policy may be cancelled by the Insured by mailing to the Insurer written notice stating that when thereafter such cancellation shall be effective. This policy may be cancelled by the Insurer by mailing to the Insured at the address of the Insured, as specified on the Declarations

of this policy, written notice stating when not less than fifteen days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice and the effective date and hour of cancellation stated in the notice shall become the end of the Policy Period. Delivery of such written notice either by the Insured or by the Insurer shall be equivalent to mailing. If the Insured cancels, the refund premium will be 75% of pro rata. If the Insurer cancels, the refund premium will be pro rata. The Insurer's cheque or the cheque of its representative mailed or delivered aforesaid shall be sufficient tender of any refund of premium due the Insured.

## **5. CHANGES**

By accepting this policy, the Insured agrees that this policy embodies all agreements existing between the Insured and the Insurer or any of its agents relating to this insurance. 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 policy or estop the Insurer from asserting any rights under this policy; nor shall the terms of this policy be waived or changed, except by Endorsement issued to form part of this policy.

## **6. DEDUCTIBLE (Applicable to Coverages A,B,C and D)**

From the total amount of loss and expense for which the Insurer is liable with respect to an Accident as described herein there shall first be deducted the Deductible specified on the Declarations.

## **7. ELECTRICAL EQUIPMENT**

As respects any electrical equipment forming a part of any insured Object, Exclusion 1a of the policy is changed to read "from fire or smoke outside said electrical equipment concomitant with or following an Accident or from the use of water or other means to extinguish fire."

## **8. INSPECTION**

The Insurer shall be permitted but not obliged to inspect, at all reasonable times, any Object designated and described in the policy. Neither the Insurer's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the named Insured or others, to determine or warrant that such Object is safe or healthful.

## **9. CO-INSURANCE CLAUSE**

The Insured shall maintain a sufficient Property Damage Limit with this policy to a minimum 80% of replacement value on the property insured (replacement value of the building if the Insured is the building owner, replacement value of the premises leased or occupied if the Insured is a tenant, and replacement value of insured contents, if any), and, failing so to do, shall only be entitled to recover the portion of any loss that the amount of insurance in force at the time of the loss bears to the amount of insurance required to be maintained by this clause.

## **10. MORTGAGE INTEREST**

This condition applies only if a Mortgagee is shown in the Declarations as Loss Payable. Loss under Coverage A of this policy shall be adjusted with and payable to the Insured and the Mortgagee as their interest may appear.

If the policy is cancelled, the Insurer agrees to notify said Mortgagee of such cancellation, but in no event shall such cancellation become effective earlier than fifteen (15) days after the mailing of the cancellation notice to said Mortgagee.

The Insurer reserves the right to suspend insurance (which shall include any insurance applying to the interest of said Mortgagee) on any Object in accordance with the Suspension Condition of the policy and Insurer agrees to furnish said Mortgagee a copy of the Suspension Notice.

## **11. NOTICE OF ACCIDENT AND COMMENCEMENT OF LIABILITY**

When an Accident occurs, written notice shall be given by or on behalf of the Insured to the Insurer or any of its authorized agents as soon as practicable. The Insured shall give like notice of any claim made on account of such Accident. The Insurer shall have reasonable time and opportunity to examine the property and the premises of the Insured before repairs are undertaken or physical evidence of the Accident is removed, except for protection or salvage. Proof of loss shall be made by the Insured in such form as the Insurer may require. The Insured upon request of the Insurer shall render every assistance facilitating the investigation and adjustment of any claim, submitting to examination and interrogation by any representative of the Insurer.

With respect to Coverage C (Business Interruption/Extra Expense), the commencement of the Insurer's liability shall be

- a. the time of the Accident; or
- b. twenty-four hours before the Notice of Accident is received, whichever is later.

## 12. OTHER INSURANCE

In the event a recoverable loss exists, should a dispute arise between Property and Boiler Insurers as to which Insurer is liable or as to the proportion of loss to be paid by each Insurer, the IBC Agreement "Respecting Disputed Losses Between Property Insurance and Boiler and Machinery Insurance Policies" shall apply with respect to those participating Insurers who are signatories to this Agreement, or have agreed in writing to be bound by its contents.

It is hereby understood and agreed that the IBC Property/Boiler Disputed Loss Agreement supersedes and replaces any master or individual Insurers "Joint Loss" Agreement previously issued.

## 13. REPAIR OR REPLACEMENT

The Insurer shall be liable for loss from any one Accident on property of the Insured as specified in Coverage A of the Insuring Agreements of the policy, for the amount actually expended by the Insured to repair or replace the damaged property, subject to the Property Damage Limit and the following provisions:

- a. The damaged property shall be repaired or replaced within twelve months from the date of the Accident unless such period is extended with written consent of the Insurer.
- b. The Insurer's liability for any repair or replacement shall be limited to the smaller of:
  - i) the cost at the time of the Accident to repair the damaged property; or
  - ii) the cost at the time of the Accident to replace the damaged property on the same site with the property of like kind, capacity, size and quality; provided that in the event the replacement is by property of a better kind, quality or of larger capacity or size, the liability of the Insurer shall not exceed the amount that would be paid if the replacement had been made by property of like kind, capacity, size and quality.
- c. The Insurer shall not be liable for:
  - i) loss or damage to property useless to the Insured or obsolete to the Insured;
  - ii) the cost of repairing or replacing any part or parts of an Object which is in excess of the cost of repairing or replacing the entire Object.
- d. If any damaged property is not repaired or replaced the Insurer's liability as respects such property shall be limited to its Actual Cash Value at the time of the Accident.

## 14. PROPERTY VALUATION

- a. As respects media, the Insurer's liability shall be limited to the cost of blank material;
- b. As respects exposed film, records, manuscripts and drawings, the Insurer's liability shall be limited to the cost of blank material plus the cost of transcription;
- c. If OPTION 3 is specified on the Declarations, the Insurer's liability as respects Perishable Property of the Insured damaged or destroyed shall be limited to the actual cash value thereof at the time of the Accident, with proper deductions for depreciation, however caused.

**15. INDEMNITY PERIOD**

As respects Coverage C – Business Interruption/Extra Expense, the Insurer’s liability shall be limited to the earlier of:

- a. the date the revenue and operations of the business return to normal, or
- b. twelve (12) months from the date of the Accident.

**16. SUBROGATION**

In the event of any payment under this policy, the insurer shall be subrogated to the Insured’s right of recovery therefor against any person or organization and the Insured shall execute and deliver instruments and papers and so whatever else is necessary to secure such rights. The Insured shall do nothing after the Accident to prejudice such rights.

**17. SUSPENSION**

Upon the discovery of a dangerous condition with respect to any Object, any representative of the Insurer may immediately

suspend the insurance with respect to an Accident to said Object by written notice mailed or delivered to the insured at the address of the Insured, as specified on the Declarations of this policy, or at the location of the Object, as specified for it in the Declarations. Insurance so suspend may be reinstated by the Insurer, but only by an Endorsement issued to form a part of this policy and executed by the Insurer and countersigned by a duly Authorized Representative of the Insurer. The insured shall be allowed the unearned portion of the premium paid for such suspended insurance, pro rata for the period of suspension.

**WORDS AND PHRASES IN QUOTATION HAVE SPECIAL MEANING AS  
DEFINED IN THIS FORM AND IN THE POLICY TO WHICH THIS FORM ATTACHES**

**INSURING AGREEMENTS**

The Insurer, in consideration of the payment of the premium, in reliance upon the statements in the Declarations made a part of this Policy and subject to all the terms and conditions of this Policy and the riders and endorsements attached, agrees with the Named Insured as follows:

In the event that any of the insured property is lost or damaged during the policy period by the Insured Perils in the riders and endorsements attached, at any time while this Policy is in force, the Insurer will indemnify the Insured against the direct loss or damage so caused to an amount not exceeding whichever is the least of:

- (a) the actual cash value of the lost or damaged property at the time of loss, destruction or damage;
- (b) the interest of the Insured in the property;
- (c) the amount of insurance specified on the policy for the lost or damaged property.

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

**EXTENSIONS OF COVERAGE**

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

- (a) Removal: If any of the insured property is necessarily removed from the "premises" to prevent loss of or damage to or further loss or damage to such property, that part of the insurance under this policy that exceeds the amount of the Insurer's liability for any loss already incurred shall, for 7 days only, or for the unexpired term of the policy if less than 7 days, insure the property removed and any property remaining at the "premises" in the proportions which the value of the property in each of locations bears to the value of the property in them all.
- (b) (i) Debris Removal: The Insurer will indemnify the Insured for expenses incurred in the removal from the "premises" of debris of the insured property, occasioned by loss of or damage to such property, for which loss or damage insurance is afforded under this policy.

The amount payable under this extension shall not exceed 25% of the sum of:

- 1) the total amount payable for the direct loss of or damage to insured property; and
- 2) the amount of the applicable deductible.

- (ii) Removal of Windstorm Debris: The Insurer will indemnify the Insured for expenses incurred in the removal of debris or other property which is not insured by this policy but which has been blown by windstorm upon the "premises".

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

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

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

**EXCLUSIONS**

- A. The policy does not insure against loss or damage caused directly or indirectly:
  - a. in whole or in part by war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage;
  - b. (i) by any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any amending law) or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
  - (ii) by contamination by radioactive material;
  - c. proximately or remotely, arising in consequence of or contributed to by the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which by-law, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss;

## B. POLLUTION EXCLUSION

This policy does not insure against:

- (a) loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" nor the cost or expense of any resulting "clean up". This exclusion does not apply:
  - i. if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is the direct result of a peril not otherwise excluded under this policy;
  - ii. to loss or damage caused directly by a resultant peril not otherwise excluded in this policy;
- (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".

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

"Clean Up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization, or remediation of "pollutants", including testing which is integral to the aforementioned processes.

This Policy is made and accepted subject to the provisions, stipulations and conditions printed in this form which are specially referred to and made a part of this Policy together with other provisions, agreements or conditions as may be endorsed or added to this form. No term or condition of a contract 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 a contract by any act relating to the appraisal of the amount of loss or to the delivery and completion of proofs, or to the investigation or adjustment of any claim under the contract. By the acceptance of this Policy the Insured acknowledges the cancellation, from the effective date of this Policy, of any previous Policy, or the renewal of any policy, which is stated as being replaced.

The following policy conditions, as modified or supplemented by the attached forms or endorsements, apply to all perils insured by this Policy (including fire).

## POLICY CONDITIONS

### MISREPRESENTATION

1. If a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the Insurer in order to enable it to judge of the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

### PROPERTY OF OTHERS

2. Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured therein is stated in the contract.

### CHANGE OF INTEREST

3. 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.

### MATERIAL CHANGE

4. 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, and 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 Insurer 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, the premium paid.

### TERMINATION

5. (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) Where 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) Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
- (4) The refund may be made by money, postal or express company money order or cheque payable at par.
- (5) The fifteen days and thirty days mentioned in clause (a) of subcondition (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.

#### REQUIREMENTS AFTER LOSS

- 6. (1) Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11,
  - (a) immediately give notice thereof 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 liens, mortgages, 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 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 (c) and (d) of sub-paragraph (1) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

#### FRAUD

- 7. 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.

#### WHO MAY GIVE NOTICE AND PROOF

- 8. 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.

#### SALVAGE

- 9. (1) The Insured, in the event of any loss or damage to any insured property, shall take all reasonable steps to prevent further damage to such property so damaged 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.

**ENTRY, CONTROL, ABANDONMENT**

10. 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 without the Insurer's consent.

**APPRAISAL**

11. 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 after proof of loss has been delivered.

**WHEN LOSS PAYABLE**

12. The loss is payable within sixty days after completion of the proof of loss, unless the contract provides for a shorter period.

**REPLACEMENT**

13. (1) The Insurer, instead of making payment, may repair, rebuild or replace the property lost or damaged by, 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 so repair, rebuild, or replace the property within forty-five days after receipt of the proofs of loss, and shall thereafter proceed with all due diligence to the completion of the work.

**ACTION**

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

**NOTICE**

15. 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.

**OTHER INSURANCE**

16. If on the happening of any loss or damage to insured property there is in force more than one contract covering the same interest, the liability if the Insurer hereunder shall be limited to its ratable proportion of such loss or damage.

**ADDITIONAL CONDITIONS**

**1. NOTICE TO AUTHORITIES**

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

**2. NO BENEFIT TO BAILEE**

It is warranted by the Insured that this insurance shall in no way enure 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 part of the insured property, 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 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 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 for payment under this form, shall be subrogated to all rights of recovery of the Insured against others and may bring action to enforce such rights. All rights of subrogation are waived against any corporation, firm, individual or other interest with respect to which insurance is provided by this policy. Where the net amount recovered, after deducting the costs of recovery, is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in the proportion in which the loss or damage has been borne by them respectively.

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

## COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Throughout this Coverage Form the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under Paragraph 3. of Section II – Who is an Insured. The words "we", "us" and "our" refer to the company providing this insurance.

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

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V –Definitions.

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

### 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:

- (1) The amount we will pay for "compensatory damages" is limited as described in Section III – Limits Of Insurance; and
- (2) 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 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:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
- (2) The "bodily injury" or "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

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

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

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for "compensatory damages" because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. "Compensatory damages" because of "bodily injury" include "compensatory damages" claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

##### 2. Exclusions

This insurance does not apply to:

###### a. Expected or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of 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":

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable legal fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be "compensatory damages" because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's 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 a workers' compensation, disability benefits or unemployment or employment compensation law or any similar law.

**d. Employer's Liability**

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) 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:

- (a) Liability assumed by the insured under an "insured contract"; or
- (b) 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 or entrustment to others by or on behalf of any insured of:

- (i) Any aircraft, air cushion vehicle or watercraft; or
- (ii) Any premises for the purpose of an airport or aircraft landing area and all operations necessary or incidental thereto.

Use includes operation and "loading or unloading."

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft or watercraft.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft that is:
  - (a) Less than 10 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.

**f. Automobile**

"Bodily injury" or "property damage" arising directly or indirectly, in whole or in part, out of the ownership, use or entrustment to others by or on behalf of the insured of any "automobile". Use includes operation and "loading or unloading". 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 also applies to:

- (a) any motorized snow vehicle or its trailers falling within the definition of "automobile".
- (b) 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 whether or not it is required by law to be insured under a contract evidenced by a motor vehicle liability policy.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, use or entrustment to others of any "automobile".

This exclusion does not apply to:

- (1) "Bodily injury" to an "employee" of the insured on whose behalf contributions are made by or required to be made by the insured under the provisions of any Canadian provincial or territorial workers' compensation law.
- (2) "Bodily injury" or "property damage" arising out of a defective condition in, or improper maintenance of, any "automobile" owned by the Insured while leased to others for a period of 30 days or more provided the lessee is obligated under contract to ensure that the "automobile" is insured.
- (3) 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, but this exception does not apply when such equipment is used for the purpose of "loading or unloading".

**g. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in your care, custody or control;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) 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 "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.

**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:

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

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

**k. 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:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

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

**l. Electronic Data**

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

**m. Personal and Advertising Injury**

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

**n. 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.

**o. Abuse**

- a. Claims or "actions" arising directly or indirectly from "abuse" committed or alleged to have been committed by an insured, including the transmission of disease arising out of any act of "abuse".
- b. Claims or "actions" based on your practices of "employee" hiring, acceptance of "volunteer workers" or supervision or retention of any person alleged to have committed "abuse".
- c. Claims or "actions" alleging knowledge by an insured of, or failure to report, the alleged "abuse" to the appropriate authority(ies).

**p. Damage from Blasting, Pile Driving, Removal or Weakening of Support**

"Property damage" arising out of:

- (1) The use of explosives for blasting;
- (2) Vibration from pile driving or caisson work; or
- (3) The removal or weakening of support of any property, building or land whether such support be natural or otherwise.

This exclusion does not apply:

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

**q. Asbestos** - see Common Exclusions

**r. Fungi or Spores** - see Common Exclusions

**s. Nuclear**- see Common Exclusions

**t. Pollution** - see Common Exclusions

**u. Terrorism** - see Common Exclusions

**v. War 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 offense and settle any claim or "action" that may result. But:

- (1) The amount we will pay for "compensatory damages" is limited as described in Section III - Limits Of Insurance; and
- (2) 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 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 "personal and advertising injury" caused by an offense 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 its 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 Prices**

"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 Businesses**

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web-sites for others; or
- (3) An Internet search, access, content or service provider.



However, this exclusion does not apply to Paragraphs 22. a., b. and c. of "personal and advertising injury" under the Definitions Section.

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

**k. Electronic Chatrooms or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom 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. Asbestos** – see Common Exclusions

**n. Fungi or Spores** – see Common Exclusions

**o. Nuclear**– see Common Exclusions

**p. Pollution** – see Common Exclusions

**q. Terrorism** – see Common Exclusions

**r. War 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:

- (1) On premises you own or rent;
- (2) On ways next to premises you own or rent; or
- (3) 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 – Limits of Insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

**2. Exclusions**

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 On 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. Athletics Activities**

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

**f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

**g. Coverage A Exclusions**

Excluded under Coverage A.

**COVERAGE D. TENANTS' LEGAL LIABILITY**

**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:

- (1) The amount we will pay for "compensatory damages" is limited as described in Section III - Limits Of Insurance; and
- (2) 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 Coverage D.

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 "property damage" only if:

- (1) The "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "property damage" occurred, then any continuation, change or resumption of such "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

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 any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for "compensatory damages" because of the "property damage"; or
- (3) Becomes aware by any other means that "property damage" has occurred or has begun to occur.

**2. Exclusions**

This insurance does not apply to:

**a. Expected or Intended Injury**

"Property damage" expected or intended from the standpoint of 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

**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 actual or threatened loss, damage, cost or expense directly or indirectly caused by, resulting from, in consequence of or in any way involving, asbestos or any materials containing asbestos in whatever form or quantity, 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 asbestos or any materials containing asbestos in what ever 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;
- c. Any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in a. or b. above.

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

This exclusion shall not apply to "bodily injury" or "property damage" which results directly from:

- 1. a "products-completed operations hazard" not otherwise excluded by this Coverage Form;

The most we will pay under this exception for all "bodily injury" and "property damage" in any policy period is \$250,000.

The Limit of Insurance provided by this exception shall be included in and is not in addition to any other Limits of Insurance provided for "bodily injury" or "property damage" under this Coverage Form.

**3. Nuclear Energy Liability**

- a. Liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof;
- b. "Bodily injury", "property damage" or "personal and advertising injury" with respect to which an insured under this Coverage 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:
  - (1) The ownership, maintenance, operation or use of a "nuclear facility" by or on behalf of an insured;
  - (2) the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility";

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

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

#### 4. Pollution

- (1) "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":
- (a) 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:
    - (i) "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;
    - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
    - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
  - (b) 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;
  - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    - (i) Any insured; or
    - (ii) Any person or organization for whom you may be legally responsible; or
  - (d) 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:
    - (i) "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 that is not an "automobile" or its parts, if such fuels, lubricants or other operating fluids escape from a mobile equipment part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
    - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapours from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
    - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
  - (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - (b) Claim or "action" by or on behalf of a governmental authority for "compensatory damages" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this Section (2) does not apply to liability for "compensatory damages" because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "action" by or on behalf of a governmental authority.

#### 5. Terrorism

"Bodily injury", "property damage" or "personal 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".

## 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 defense of the claim or "action", including actual loss of earnings up to \$250 a day because of time off from work.
  - d. All costs assessed or awarded against the insured in the "action".
  - e. Any interest accruing after entry of judgment upon that part of the judgment which is within the applicable limit of insurance and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against an "action" and an indemnitee of the insured is also named as a party to the "action", we will defend that indemnitee if all of the following conditions are met:
  - 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 defense 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 interests of the indemnitee;
  - e. The indemnitee and the insured ask us to conduct and control the defense 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:
    - (1) Agrees in writing to:
      - (a) Cooperate with us in the investigation, settlement or defense of the "action";
      - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "action";
      - (c) Notify any other insurer whose coverage is available to the indemnitee; and
      - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
    - (2) Provides us with written authorization to:
      - (a) Obtain records and other information related to the "action"; and
      - (b) Conduct and control the defense of the indemnitee in such "action".

So long as the above conditions are met, legal fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b. (2) of Section I - Coverage A - Bodily Injury and Property Damage Liability, such payments will not be deemed to be "compensatory damages" for "bodily injury" and "property damage" and will not reduce the limits of insurance.

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 in 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 insureds for:

- (1) "Bodily injury" or "personal and advertising injury":
    - (a) 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;
    - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1) (a) above;
    - (c) For which there is any obligation to share "compensatory damages" with or repay someone else who must pay "compensatory damages" because of the injury described in Paragraphs (1)(a) or (b) above;
    - (d) Arising out of his or her providing or failing to provide professional health care services; or
    - (e) To any person who at the time of injury is entitled to benefits under any workers' compensation or disability benefits law or a similar law.
  - (2) "Property damage" to property:
    - (a) Owned, occupied or used by
    - (b) 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:
    - (1) With respect to liability arising out of the maintenance or use of that property; and
    - (2) 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 Coverage Form.
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 offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, limited liability partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in 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 General Aggregate Limit is the most we will pay for the sum of:
  - a. "Compensatory damages" under Coverage A, except "compensatory damages" because of "bodily injury" or "property damage" included in the "products-completed operations hazard";
  - b. "Compensatory damages" under Coverage B; and
  - c. Medical expenses under Coverage C.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for "compensatory damages" because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to 2. or 3. above, whichever applies, 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".

5. 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.
6. The Tenants' Legal Liability Limit is the most we will pay under Coverage D for "compensatory damages" because of "property damage" to any one premises.
7. Subject to 4. 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 Coverage 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 in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

## 8. 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 in 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. The Products -Completed Operations Aggregate Limit and the General Aggregate Limit for such coverages shall not be reduced by the application of such deductible amount.
2. The deductible amounts stated in the Declarations apply as follows:
  - A. Per Claim Basis - if the deductible is on a per claim basis, the deductible amount applies:
    - 1) Under Coverage A:
      - a. Bodily Injury Liability or Property Damage Liability respectively:
        - (i) To all "compensatory damages" because of "bodily injury" sustained by one person, or
        - (ii) To all "compensatory damages" because of "property damage" sustained by one person or organization, as the result of any one "occurrence".
      - b. Bodily Injury Liability and Property Damage Liability combined, to all "compensatory damages" because of "bodily injury" and "property damage" sustained by one person or organization as the result of any one "occurrence".
    - 2) Under Coverage D. Tenants' Legal Liability, to all "compensatory damages" because of "property damage" sustained by one person or organization as the result of any one "occurrence".
  - B. Per Occurrence Basis - if the deductible is on a per occurrence basis, the deductible amount applies:
    - 1) Under Coverage A:
      - a. Bodily Injury Liability or Property Damage Liability respectively:
        - (i) To all "compensatory damages" because of "bodily injury" as the result of any one "occurrence", or
        - (ii) 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".
      - b. 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".
    - 2) Under Coverage D. Tenants' Legal Liability, to all "compensatory damages" because of "property damage" as the result of any one "occurrence", regardless of the number of persons or organizations who sustain "compensatory damages" because of that "occurrence".
3. The terms of this insurance, including those with 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 action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

## SECTION IV - 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 Coverage Form.

## 2. Canadian Currency Clause

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

## 3. Changes.

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

## 4. Duties In The Event Of Occurrence, Offense, Claim or Action

a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "action" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "action" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "action" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "action";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "action"; and
- (4) 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 insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

## 5. Examination Of Your Books and Records.

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

## 6. Inspections and Surveys

1. We have the right to:

- a. Make inspections and surveys at any time;
- b. Give you reports on the conditions we find; and
- c. Recommend changes.

2. 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:

- a. Are safe or healthful; or
- b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. 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.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may 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 Coverage 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 Coverage 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 judgment against an insured; but we will not be liable for "compensatory damages" that are not payable under the terms of this Coverage 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.



## 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 Coverage 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:
  - (a) That is Property Insurance which also includes but is not limited to Builder's Risk, Installation Floater or similar coverage for "your work" or for premises of others rented to you or occupied by you;
  - (b) If the loss arises out of the maintenance or use of watercraft to the extent not subject to Exclusion e. 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 Coverages A, B or D to defend the insured against any "action" if any other insurer has a duty to defend the insured against that "action". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

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

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this policy.

### 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 Adjustment

- a. We will compute all premiums for this Coverage Form in accordance with our rules and rates.
- b. The Advance Liability Premium shown in the Declarations is a deposit premium only. At the end of each policy period we will compute the earned premium for that period. If such earned premium is greater than the liability premium initially charged, the first Named Insured shall pay the excess to us. If, however, the earned premium is less than the liability premium initially charged, we will return the excess to the first Named Insured subject to the retention of the minimum liability premium shown in the Declarations.
- 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 in 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 Or Fraud

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us;
- c. We have issued this policy in reliance upon your representations; and
- d. This policy is void in any case of fraud by you as it relates to this policy or any claim under this policy.

**12. Separation Of Insureds, Cross Liability**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Form to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "action" is brought.

**13. Termination**

- a. The first Named Insured shown in the Declarations may terminate this policy by mailing or delivering to us advance written notice of termination.
- b. Subject to paragraph c. below, we may terminate this policy by giving to the first Named Insured
  - (1) 5 days written notice of termination personally delivered, or
  - (2) 15 days notice of termination by registered mail if termination is for non-payment of premium, or
  - (3) 30 days notice of termination by registered mail if termination is for any other reason.

Registered mail 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.

- c. To the extent that the Civil Code of the Province of Quebec is applicable to this policy General Conditions and Provisions as set out in the Civil Code of the Province of Quebec apply. Accordingly, we may terminate this policy by giving to the first Named Insured
  - (1) 15 days notice of termination by registered mail if termination is for non-payment of premium, or
  - (2) 30 days notice of termination by registered mail if termination is for any other reason..

Registered mail termination takes effect 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.

- 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 Coverage 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 Coverage Form**

Your rights and duties under this Coverage 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 V - DEFINITIONS**

- 1. "Abuse" means any act or threat involving molestation, harassment, corporal punishment or any other form of physical, sexual or mental 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 in which 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 market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

4. "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 insured under such a contract, including any attached machinery or equipment.
5. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
6. "Compensatory damages" means damages due or awarded in payment for actual injury or economic loss. "Compensatory damages" does not include punitive or exemplary damages or the multiple portion of any multiplied damage award.
7. "Coverage territory" means:
  - a. Canada and the United States of America (including its territories and possessions).
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or
  - c. All other 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. "Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
9. "Employee" includes a "leased worker" and a "temporary worker".
10. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
11. "Fissionable substance" means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
12. "Fungi" includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "fungi" or "spores" or resultant mycotoxins, allergens or pathogens.
13. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
14. "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 fulfill the terms of a contract or agreement;
 if such property can be restored to use by:
  - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
  - b. Your fulfilling the terms of the contract or agreement.
15. "Incidental medical malpractice injury" means "bodily injury" arising out of the rendering of or failure to render, during the policy period, the following services:
  - i) medical, surgical, dental, x-ray or nursing services or treatment or the furnishing of food or beverages in connection therewith; or
  - ii) 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 i) and ii) above.
16. "Insured contract" means:
  - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
  - b. A sidetrack agreement;
  - c. An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
  - d. Any other easement agreement;
  - e. An obligation, as required by ordinance or bylaw, to indemnify a municipality, except in connection with work for a municipality;
  - f. An elevator maintenance agreement;
  - g. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "compensatory damages" because of "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph g. does not include that part of any contract or agreement:

- (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render "professional services", including those listed in (1) above and supervisory, inspection, architectural or engineering activities.

17. "Leased worker" means a person leased to 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".
18. "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an
    - (1) aircraft or watercraft ;
    - (2) "automobile" by means of attached machinery that is designed for and used exclusively for the purpose of loading and unloading of the "automobile" to which it is attached and has no other purpose;
  - b. While it is in or on an aircraft, watercraft or "automobile"; or
  - c. While it is being removed from an
    - (1) aircraft or watercraft;
    - (2) "automobile" by means of attached machinery that is designed for and used exclusively for the purpose of loading and unloading of the "automobile" to which it is attached and has no other purpose;
 to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "automobile".
19. "Nuclear energy hazard" means the radioactive, toxic, explosive, or other hazardous properties of "radioactive material".
20. "Nuclear facility" means:
- a) any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
  - b) any equipment or device designed or used for (i) separating the isotopes of plutonium, thorium and uranium or any one or more of them, (ii) processing or packaging waste;
  - c) any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
  - d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste "radioactive material";
- and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.
21. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
22. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
- a. False arrest, detention or imprisonment;
  - b. Malicious prosecution;
  - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
  - 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".
23. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, odour, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
24. "Products-completed operations hazard":
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
    - (1) Products that are still in your physical possession; or
    - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
      - (a) When all of the work called for in your contract has been completed.
      - (b) 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.
      - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
  - b. Does not include "bodily injury" or "property damage" arising out of the existence of tools, uninstalled equipment or abandoned or unused materials.
25. "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, chiropractic, hearing aid, optical or optometrical 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. Claim, investigation, adjustment, appraisal, survey or audit services.
26. "Property damage" means:
- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
  - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.
- For the purposes of this insurance, "electronic data" is not tangible property.
27. "Radioactive material" means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances which may be designated by any nuclear liability act, law or statute, or any law amendatory thereof, as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy.
28. "Spores" includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".
29. "Temporary worker" means a person who is retained by you under a contract of service to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
30. "Terrorism" means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.
31. "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.
32. "Your product":
- a. Means:
    - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
      - (a) You;
      - (b) Others trading under your name; or
      - (c) A person or organization whose business or assets you have acquired; and
    - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
  - b. Includes
    - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
    - (2) The providing of or failure to provide warnings or instructions.
  - c. Does not include vending machines or other property rented to or located for the use of others but not sold.
33. "Your work":
- a. Means:
    - (1) Work or operations performed by you or on your behalf; and
    - (2) Materials, parts or equipment furnished in connection with such work or operations.
  - b. Includes
    - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
    - (2) The providing of or failure to provide warnings or instructions.

#### **Description Of Terms Used For Rating Basis In The Liability Rating Schedule**

**Area** - The total number of square metres of floor space at the insured premises, excluding that portion of basements used exclusively for storage or that portion of the premises used for heating or air conditioning plant purposes.

Rates apply per 100 square metres of area.

**Basic** - A basic charge is in addition to the premium developed from the application of exposure charges and applies per location.

**Cost of Work (For work sublet to others)** - The total cost of all operations performed for you by independent contractors, including the cost of materials furnished, used or delivered for use in the execution of the work.

Rates apply per \$1,000 of cost of work.

**Admissions** - The total number of persons, other than your employees, admitted to the event insured or to events conducted on the premises whether on paid admissions, tickets, complimentary tickets or passes.

Rates apply per 100 admissions.

**Payroll** - The total earnings for each owner, partner, executive officer and employee.

Rates apply per \$1,000 of payroll.

**Revenue** - The gross amount of money charged for all work or services performed by or on your behalf or for goods and products sold and distributed by you or by others trading under the your name.

Rates apply per \$1,000 of revenue.

**Each** - The unit of exposure is indicated in the Liability Rating Schedule.

Rates apply per unit of exposure.

**Units** - A single room or group of rooms intended for occupancy as separate living quarters by a family, by a group of unrelated persons living together or by a person living alone.

Rates apply per unit.

**Other** - Rates apply per designated article. (i.e. person, object, event)

**THIS ENDORSEMENT CHANGES THE POLICY  
PLEASE READ IT CAREFULLY**

**REIN PROGRAM ENDORSEMENT  
DESIGNATED PREMISES LIMITATION**

This endorsement modifies insurance provided under Commercial General Liability Coverage Form (form 000102) as follows:

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 "Declaration Page", and operations necessary or incidental to those premises.

**All other terms and conditions remain unchanged.**

**NON OWNED AUTOMOBILE  
SPF#6**

WHEREAS AN APPLICATION HAS BEEN MADE BY THE APPLICANT (HEREINAFTER CALLED THE INSURED) TO THE INSURER FOR A CONTRACT OF AUTOMOBILE INSURANCE AND THE SAID APPLICATION FORMS PART OF THIS CONTRACT OF INSURANCE AND IS AS FOLLOWS:

**ITEMS**

**APPLICATION**

1. FULL NAME OF THE APPLICANT: .....
  
- POSTAL ADDRESS: .....  
(INCLUDING COUNTY OR DISTRICT)
  
- APPLICANT IS: .....
2. POLICY PERIOD - FROM: ..... TO: .....  
12.01 A.M. STANDARD TIME AT THE APPLICANT'S ADDRESS STATED HEREIN AS TO EACH OF SAID DATES
3. THE AUTOMOBILES IN RESPECT OF WHICH INSURANCE IS TO BE PROVIDED ARE THOSE NOT OWNED IN WHOLE OR IN PART BY, NOR LICENSED IN THE NAME OF THE APPLICANT, USED IN THE APPLICANT'S BUSINESS OF: AS PER DECLARATIONS
4. THE APPLICANT'S PARTNERS, OFFICERS, EMPLOYEES AND AGENTS AS OF THE DATE OF THIS APPLICATION ARE AS FOLLOWS:

**LOCATION**

PARTNERS, OFFICERS AND EMPLOYEES WHO REGULARLY USE AUTOMOBILES NOT OWNED BY THE APPLICANT IN THE APPLICANT'S BUSINESS

ALL OTHER PARTNERS, OFFICERS AND EMPLOYEES

ALL APPLICANT'S AGENTS

**(CLASS "A1" PRIVATE PASSENGER) (CLASS "A2" COMMERCIAL) (CLASS "B") (CLASS "C")**

| NUMBER | RATE | PREMIUM | NUMBER | RATE | PREMIUM | NUMBER | RATE | PREMIUM | NUMBER | RATE |

**COVERED IF ANY TO BE REPORTED**

5. "HIRED AUTOMOBILES" - THE AUTOMOBILES HIRED BY THE APPLICANT ARE AS FOLLOWS:

TYPE OF AUTOMOBILE

ESTIMATED COST OF HIRE

RATES PER \$100 OF COST OF HIRE

ADVANCE PREMIUM

**COVERED IF ANY TO BE REPORTED**

THE ADVANCE PREMIUM IS SUBJECT TO ADJUSTMENT AT THE END OF THE POLICY PERIOD AS PROVIDED IN THE POLICY.

6. "AUTOMOBILES OPERATED UNDER CONTRACT" ON BEHALF OF THE APPLICANT ARE AS FOLLOWS:

TYPE OF AUTOMOBILE AND DESCRIPTION OF USE

ESTIMATED CONTRACT COST

RATES PER \$100 OF CONTRACT COST

ADVANCE PREMIUM

**COVERED IF ANY TO BE REPORTED**

THE ADVANCE PREMIUM IS SUBJECT TO ADJUSTMENT AT THE END OF THIS POLICY PERIOD AS PROVIDED IN THE POLICY.



7. THIS APPLICATION IS MADE FOR INSURANCE AGAINST THE PERILS MENTIONED IN THIS ITEM AND UPON THE TERMS AND CONDITIONS OF THE INSURER'S CORRESPONDING STANDARD POLICY FORM AND FOR THE FOLLOWING SPECIFIED LIMIT.

**INSURING AGREEMENT**

SECTION A THIRD PARTY LIABILITY

**PERILS**

LEGAL LIABILITY FOR BODILY INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO PROPERTY OF OTHERS NOT IN THE CARE, CUSTODY OR CONTROL OF THE APPLICANT.

**LIMIT**

\$ AS PER DEC (EXCLUSIVE OF INTEREST AND COSTS) FOR LOSS OR DAMAGE RESULTING FROM BODILY INJURY TO OR THE DEATH OF ONE OR MORE PERSONS, AND FOR LOSS OR DAMAGE TO PROPERTY REGARDLESS OF THE NUMBER OF CLAIMS ARISING FROM ANY ONE ACCIDENT.

**COMBINED PREMIUMS**

\$ AS PER DECLARATIONS

ENDORSEMENTS - AS PER DECLARATIONS

MINIMUM RETAINED PREMIUM \$

TOTAL PREMIUM

\$ AS PER DECLARATIONS

8. HAS ANY INSURER CANCELLED, DECLINED OR REFUSED TO RENEW OR ISSUE AUTOMOBILE INSURANCE TO THE APPLICANT WITHIN THREE YEARS PRECEDING THIS APPLICATION? IF SO, STATE NAME OF INSURER.

NO

9. STATE PARTICULARS OF ALL ACCIDENTS OR CLAIMS ARISING OUT OF THE USE OR OPERATION IN HIS BUSINESS OF NON-OWNED AUTOMOBILES BY THE APPLICANT WITHIN THE THREE YEARS PRECEDING THIS APPLICATION.

**INJURY TO PERSONS  
AS KNOWN TO COMPANY**

**DAMAGE TO PROPERTY OF OTHERS  
AS KNOWN TO COMPANY**

10 ALL THE STATEMENTS IN THIS APPLICATION ARE TRUE AND THE APPLICANT HEREBY APPLIES FOR A CONTRACT OF AUTOMOBILE INSURANCE TO BE BASED ON THE TRUTH OF THE SAID STATEMENTS.

11 Where, (a) an applicant for a contract gives false particulars of the described automobile to be insured to the prejudice of the Insurer, or knowingly misrepresents or fails to disclose in the application any fact required to be stated therein; or (b) the Insured contravenes a term of the contract or commits a fraud; or (c) the Insured wilfully makes a false statement in respect of a claim under the contract, a claim by the Insured is invalid and the right of the Insured to recover indemnity is forfeited.

**INSURING AGREEMENT**

Now, Therefore, in Consideration of the payment of the premium specified and of the statements contained in the application and subject to the limits, terms, conditions, provisions, definitions and exclusions herein stated

**SECTION A - THIRD PARTY LIABILITY**

The Insurer agrees to indemnify the Insured against the liability imposed by law upon the Insured for loss or damage arising from the use or operation of any automobile not owned in whole or in part by or licensed in the name of the Insured, and resulting from

**BODILY INJURY TO OR THE DEATH OF ANY PERSON OR DAMAGE TO PROPERTY OF OTHERS NOT IN THE CARE, CUSTODY OR CONTROL OF THE INSURED:**

Provided always the Insurer shall not be liable under this Policy;

a) for any liability which arises from the use or operation of any automobile while personally driven by the Insured if the Insured is an individual; or

\*b) for any liability imposed upon any person insured by this Policy:

- (1) by any workmen's compensation law; or
- (2) by any law for bodily injury to or the death of the Insured or any partner, officer or employee of the Insured while engaged in the business of the Insured; or
- c) for any liability assumed by any person insured by this Policy voluntarily under any contract or agreement; or
- d) for loss or damage to property carried in or upon an automobile personally driven by any person insured by this Policy or to any property owned or rented by, or in the care, custody or control of any such person; or
- e) for any amount in excess of the limit stated in Item 7 of the application, and expenditures provided for in the Additional Agreements of this Policy; subject always to the provisions of the section of the Insurance Act (Automobile Insurance Part) relating to the nuclear energy hazard.

\* Not applicable in the Province of Ontario

#### **ADDITIONAL AGREEMENTS OF INSURER**

Where indemnity is provided by this Policy, the Insurer further agrees:

- 1) upon receipt of notice of loss or damage caused to persons or property to serve any person insured by this Policy by such investigation thereof, or by such negotiations with the claimant, or by such settlement of any resulting claims, as may be deemed expedient by the Insurer; and
- 2) to defend in the name and on behalf of any person insured by this Policy and at the cost of the Insurer any civil action which may at any time be brought against such person on account of such loss or damage to persons or property; and
- 3) to pay all costs taxed against any person insured by this Policy in any civil action defended by the insurer and any interest accruing after entry of judgment upon that part of the judgment which is within the limits of the Insurer's liability; and
- 4) in case the injury be to a person, reimburse any person Insured by this Policy for outlay for such medical aid as may be immediately necessary at the time of such injury; and
- 5) be liable up to the minimum limit(s) prescribed for that province or territory of Canada in which the accident occurred, if that limit(s) is higher than the limit stated in section A of Item 7 of the application; and
- 6) not set up any defense to a claim that might not be set up if the Policy were a motor vehicle liability policy issued in the province or territory of Canada in which the accident occurred.

#### **AGREEMENTS OF INSURED**

Where indemnity is provided by this section, every person insured by this Policy

- a) by the acceptance of this Policy, constitutes and appoints the Insurer his irrevocable attorney to appear and defend in any province or territory of Canada in which action is brought against the Insured arising out of the use or operation of an automobile with respect to which insurance is provided hereunder;
- b) shall reimburse the Insurer, upon demand, in the amount which the Insurer has paid by reason of the provisions of any statute relating to automobile insurance and which the Insurer would not otherwise be liable to pay under this Policy.

#### **GENERAL PROVISIONS AND DEFINITIONS**

##### **1. ADDITIONAL INSUREDS**

The Insurer agrees to indemnify in the same manner and to the same extent as if named herein as the Insured, every partner, officer or employee of the Insured who, with the consent of the owner thereof, personally drives

- a) in the business of the Insured stated in Item 3 of the application, any automobile not owned in whole or in part by or licensed in the name of
  - (i) the Insured, or
  - (ii) such additional insured person, or
  - (iii) any person or persons residing in the same dwelling premises as the Insured or such additional insured person, or
- b) any automobile hired or leased in the name of the Insured except an automobile owned in whole or in part or licensed in the name of such additional insured person.

## 2. TERRITORY

This Policy applies only to the use or operation of automobiles within Canada or the United States of America or upon a vessel plying between ports of those countries.

## 3. HIRED AUTOMOBILES DEFINED

The term "Hired Automobiles" as used in this Policy means automobiles hired or leased from others with or without drivers, used under the control of the Insured in the business stated in Item 3 of the application but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

## 4. AUTOMOBILES OPERATED UNDER CONTRACT DEFINED

The term "Automobiles Operated under Contract" as used in this Policy shall mean automobiles operated in the business of the Insured stated in Item 3 of the application where the complete supervision, direction and control of such automobiles remain with the owner thereof, but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

## 5. TWO OR MORE AUTOMOBILES

When two or more automobiles are insured hereunder the terms of this Policy shall apply separately to each, but a motor vehicle and a trailer or trailers attached thereto shall be held to be one automobile as respects limits of liability under Section A.

## 6. PREMIUM ADJUSTMENT

The Advance Premium stated in Item 5 of the application is computed on the estimated total "cost of hire" for the Policy Period. The words "cost of hire" as used herein mean the entire amount incurred for "Hired Automobiles" and drivers when such automobiles are hired with drivers or the amount incurred for hired automobiles and the wages paid to drivers when such drivers are employees of the Insured.

The Advance Premium stated in Item 6 of the application is computed on the estimated total "contract cost" for the Policy Period. The words "contract cost" as used herein mean the entire amount paid by the Insured for "Automobiles Operated under Contract" to the owners thereof.

The Advance Premiums are subject to adjustment at the end of the Policy Period when the Insured shall deliver to the Insurer a written statement of the total amounts expended for cost of hire during the Policy Period. If such amounts exceed the estimates stated in the application, the Insured shall immediately pay additional premium at the rates stated therein; if less, the Insurer shall return to the Insured the unearned premium when determined but the Insurer shall, in any event, receive or retain not less than the Minimum Retained premium stated therein.

The Insurer shall have the right and opportunity, whenever the Insurer so desires, to examine the books and records of the Insured to the extent they relate to the premium bases or the subject matter of this Policy.

## STATUTORY CONDITIONS

**(YUKON TERRITORY, NORTHWEST TERRITORIES, ALBERTA, ONTARIO, NEW BRUNSWICK, NOVA SCOTIA, PRINCE EDWARD ISLAND AND NEWFOUNDLAND)**

**(For use with S.P.F. No's. 1, 2, 4 and 6)**

In these statutory conditions, unless the context otherwise requires, the word "Insured" means a person insured by this contract whether named or not.

NOTE: All of the Statutory Conditions contain the above wording. However,

- in all of the Provinces and Territories using these standard, approved forms, only Statutory Conditions 1, 8 and 9 are made applicable to accident benefits insurance and uninsured motorist insurance where it is provided by the contract.
- in the Northwest Territories the definition of "insured person" must be read as containing in addition the words "and includes any person to whom benefits may be payable under the accident benefits set out in the Schedule to the Insurance Ordinance."

## Material Change in Risk

1. 1) 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 contract and within the Insured's knowledge.

- 2) Without restricting the generality of the foregoing, the words "change in the risk material to the contract" include:
- a) any change in the insurable interest of the Insured named in this contract in the automobile by sale, assignment or otherwise, except through change of title by succession, death or proceedings under the Bankruptcy Act (Canada);
- and in respect of insurance against loss of or damage to the automobile.
- b) any mortgage, lien or encumbrance affecting the automobile after the application for this contract;
  - c) any other insurance of the same interest, whether valid or not, covering loss or damage insured by this contract or any portion thereof.

NOTE: In Prince Edward Island Statutory Condition 1, sub-conditions 2 and 3 are identical with the above quoted Statutory Condition relating to material change in risk.

#### **Prohibited Use by Insured**

2. 1) The Insured shall not drive or operate the automobile,
- a) unless the Insured is for the time being either authorized by law or qualified to drive or operate the automobile; or
  - b) while the Insured's licence to drive or operate an automobile is suspended or while the Insured's right 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 the Insured is under the age of sixteen years or under such other age as is prescribed by the 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.

#### **Prohibited Use by Others**

- 2) The Insured shall not permit, suffer, allow or connive at the use of the automobile.
- a) by any person,
    - (i) unless that person is for the time being either authorized by law or qualified to drive or operate the automobile; or
    - (ii) while that person is under the age of sixteen years or under such other age as is prescribed by the law of the province in which the person 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 the person; or
  - b) by any person who is a member of the household of the Insured while that person's 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
  - c) for any illicit or prohibited trade or transportation; or
  - d) in any race or speed test.

#### **Requirements Where Loss or Damage to Persons or Property**

3. 1) The Insured shall,
- a) promptly give to the Insurer written notice, with all available particulars, of any accident involving loss or damage to persons or property and of any claim made on account of the accident;
  - b) verify by statutory declaration, if required by the Insurer, that the claim arose out of the use or operation of the automobile and that the person operating or responsible for the operation of the automobile at the time of the accident is a person insured under this contract; and
  - c) forward immediately to the Insurer every letter, document, advice or writ received by the Insured from or on behalf of the claimant.
- 2) The Insured shall not,
- a) voluntarily assume any liability or settle any claim except at the Insured's own cost; or

- b) interfere in any negotiations for settlement or in any legal proceeding.
- 3) The Insured shall, whenever requested by the Insurer, aid in securing information and evidence and the attendance of any witness and shall co-operate with the Insurer, except in a pecuniary way, in the defence of any action or proceeding or in the prosecution of any appeal.

#### **Requirements Where Loss or Damage to Automobile**

- 4. 1) Where loss of or damage to the automobile occurs, the Insured shall, if the loss or damage is covered by this contract,
  - a) promptly give notice thereof in writing to the Insurer with the fullest information obtainable at the time;
  - b) at the expense of the Insurer, and as far as reasonably possible, protect the automobile from further loss or damage; and
  - c) deliver to the Insurer within ninety days after the date of the loss or damage a statutory declaration stating, to the best of the Insured's knowledge and belief, the place, time, cause and amount of the loss or damage, the interest of the Insured and of all others therein, the encumbrances thereon, all other insurance, whether valid or not, covering the automobile and that the loss or damage did not occur through any wilful act or neglect, procurement, means or connivance of the Insured.
- 2) Any further loss or damage accruing to the automobile directly or indirectly from a failure to protect it as required under subcondition (1) of this condition is not recoverable under this contract.
- 3) No repairs, other than those that are immediately necessary for the protection of the automobile from further loss or damage, shall be undertaken and no physical evidence of the loss or damage shall be removed,
  - a) without the written consent of the Insurer; or
  - b) until the Insurer has had a reasonable time to make the examination for which provision is made in statutory condition 5.

#### **Examination of Insured**

- 4) The Insured shall submit to examination under oath, and shall produce for examination at such reasonable place and time as is designated by the Insurer or its representative all documents in the Insured's possession or control that relate to the matters in question, and the Insured shall permit extracts and copies thereof to be made.

#### **Insurer Liable for Cash Value of Automobile**

- 5) 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 or replace the automobile, or any part thereof, with material of like kind and quality, but, if any part of the automobile is obsolete and out of stock, the liability of the Insurer in respect thereof shall be limited to the value of that part at the time of loss or damage, not exceeding the maker's latest list price.

#### **Repair or Replacement**

- 6) Except where an appraisal has been made, the Insurer, instead of making payment, may, within a reasonable time, repair, rebuild or replace the property damaged or lost, with other of like kind and quality if, within seven days after the receipt of the proof of loss, it gives written notice of its intention to do so.

#### **No Abandonment; Salvage**

- 7) 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**

- 8) In the event of disagreement as to the nature and extent of the repairs and replacements required, or as to their adequacy, if effected, or as to the amount payable in respect of any loss or damage, those questions shall be determined by the appraisal as provided under The Insurance Act (in Newfoundland, The Insurance Contracts Act) before there can be recovery under this contract, whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefor is made in writing and until after proof of loss has been delivered.

### **Inspection of Automobile**

5. The Insured shall permit the Insurer at all reasonable times to inspect the automobile and its equipment.

### **Time and Manner of Payment of Insurance Money**

6. 1) The Insurer shall pay the insurance money for which it is liable under this contract within sixty days after the proof of loss has been received by it or, where an appraisal is made under subcondition (8) of statutory condition 4, within fifteen days after the award is rendered by the appraisers.

### **When Action May be Brought**

- 2) 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.

### **Limitation of Actions**

- 3) Every action or proceeding against the Insurer under this contract in respect of loss or damage to the automobile shall be commenced within one year next after the happening of the loss and not afterwards, and in respect of loss or damage to persons or property shall be commenced within one year next after the cause of action arose and not afterwards.

NOTE: In Yukon Territory, Northwest Territories and New Brunswick, the one year limitation period in sub-condition (3) should read "2 years".

In the case of Nova Scotia, Newfoundland and Prince Edward Island sub-condition (3) reads as follows:

"(3) Every action or proceeding under this contract against the Insurer in respect of a claim for indemnification for liability of the Insured for loss or damage to property of another person or for personal injury to or death of another person shall be commenced within two years after the liability of the Insured is established by a court of competent jurisdiction and not afterwards. Every other action or proceeding against the Insurer under this contract in respect of loss or damage to the automobile shall be commenced within two years from the time the loss or damage was sustained and not afterwards."

### **Who May Give Notice and Proofs of Claim**

7. 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 the notice or make the proof, such absence or inability being satisfactorily accounted for or, in the like case or if the Insured refuses to do so, by a person to whom any part of the insurance money is payable.

### **Termination**

8. 1) This contract may be terminated,
  - a) by the Insurer giving to the Insured fifteen days' notice of termination by registered mail or five days' written notice of termination personally delivered.
  - b) by the Insured at any time on request.
- 2) Where this contract is terminated by the Insurer,
  - a) the Insurer shall refund the excess of premium actually paid by the insured over the pro rata premium for the expired time, but in no event shall the pro rata premium for the expired time be deemed to be less than any minimum retained premium specified; and
  - b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to the amount, in which case the refund shall be made as soon as practicable.
- 3) Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.

4) The refund may be made by money, postal or express company money order or cheque payable at par.

fifteen days mentioned in clause (a) of subcondition (1) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

NOTE: In the Northwest Territories, paragraph (a) of sub-condition 1 has the following words added:

"and by notifying the registrar of motor vehicles as required by the Vehicles Ordinance".

**Notice**

9. Any written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the Insurer in the Province. Written notice may be given to the Insured named in this contract by letter personally delivered to him or 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 is to Territories and in the Yukon Territory the reference is to Territory rather than the Province.

In Witness Whereof, the Insurer has executed and attested these presents but this Policy shall not be valid unless countersigned by a duly authorized representative of the Insurer.

S.E.F. NO. 99  
EXCLUDING LONG TERM LEASED VEHICLE ENDORSEMENT

(for attachment only to a Non-Owned Policy S.P.F. No. 6)

This endorsement is attached to and hereby made a part of the policy, effective as of the date stated hereunder.

EFFECTIVE DATE: ..... 12:01 A.M. STANDARD TIME

In consideration of the premium for which this policy is issued, it is understood and agreed that Item 3 (Hired Automobiles Defined) of General Provisions and Definitions of the policy to which this endorsement is attached is hereby amended to read as follows:

The term "Hired Automobiles" as used in this policy means (a) automobiles hired or leased from others with drivers or (b) hired or leased by the named Insured from others without driver for periods not exceeding 30 days, used under the control of the Insured in the business stated in Item 3 of the application but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

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