



BCAA Small Business Insurance Policy

January 1, 2025

THIS POLICY CONTAINS A CLAUSE WHICH MAY LIMIT THE AMOUNT PAYABLE



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SECTION I. PROPERTY AND BUSINESS INTERRUPTION

COMMERCIAL BUILDING, CONTENTS, AND STOCK - BROAD FORM

Words and phrases in quotation marks have special meaning as defined below

COVERAGE

1. INSURING 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.

1.A. PROPERTY INSURED

This Form insures the following property but only those items for which an amount of insurance is specified in the "Declarations Page":

"BUILDING"

"STOCK"

"CONTENTS OF EVERY DESCRIPTION"

"IMPROVEMENTS AND BETTERMENTS"

The insurance in this Clause 1.A. applies only while at the location(s) specified in the "Declarations Page".

- 1.B. This form also insures the following property but only those items for the amount as specified in the "Declarations Page".

"TEMPORARY LOCATIONS": "Contents of Every Description" and "Stock", including debris removal expense, other than at a specified location except while in transit, but there shall be no liability under this item at any location owned, rented or controlled in whole or in part by the Insured.

"NEWLY ACQUIRED LOCATION": "Building", "Contents of Every Description" and "Stock" at any acquired location that is owned, rented or controlled by the Insured in whole or in part or in or on vehicles within 100 metres (328 feet) of such location. This limit of insurance attaches at the time of the acquisition and extends for a period of 30 days or to the date of endorsement of this Form adding such location whichever first occurs. Premium will be payable from the date of acquisition.

"NEWLY ACQUIRED CONTENTS"

This insurance is extended to cover direct physical loss or damage caused by an insured peril to newly acquired "Stock" and "Contents of Every Description" at the "Premises". This coverage commences from the time of the acquisition and extends for a period of 30 days, or to the date of endorsement of this policy adding such additional "stock" and "equipment", or until the expiry date of this policy, whichever occurs first. Premium will be payable from the date of acquisition.

"PARCEL POST": "Contents of Every Description" and "Stock" in any one package in course of transit by parcel post.

"OTHER TRANSIT": "Contents of Every Description" and "Stock", in transit other than by parcel post.

"ROADWAYS, WALKWAYS, PARKING LOTS"

This insurance is extended to cover direct physical loss or damage caused by an insured peril to roadways, walkways, parking lots and other exterior paved surfaces which are located on the "premises".

"SALES REPRESENTATIVE": "Contents of Every Description" and "Stock", whether in transit or otherwise, in the custody of a sales representative of the Insured.

"OUTDOOR PROPERTY"

This insurance is extended to cover direct physical loss or damage caused by an insured peril to exterior signs, street clocks, communication towers, or antennae (including satellite receivers) while located on the "Premises".

"GLASS"

This Policy is extended to provide coverage for accidental breakage of all exterior glass and/or vitrolite including lettering, ornamentation or burglary alarm tape thereon provided the Insured is owner of the "Building" or is legally liable for such damage. This extension shall also include the expenses incurred for boarding up damaged openings or installing temporary plates. A deductible of five hundred dollars (\$500) applies to each and every loss.

The insurance in this Clause 1.B. applies only while the described property is within Canada and the continental United States of America (excluding Alaska).

2. **DEDUCTIBLE**

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

3. **CO-INSURANCE**

This clause applies separately to each item for which a co-insurance percentage is specified in the "Declarations Page" and only where the total loss 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 property insured to the extent of at least the amount produced by multiplying the actual cash value of the property by the co-insurance percentage specified in the "Declarations Page", and failing so to do, 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.

4. **PERILS INSURED**

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

EXCLUSIONS

5. **A. PROPERTY EXCLUDED**

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 property insured, outside communication towers, antennae (including satellite receivers) and equipment attached thereto, street clocks or exterior signs, 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. This exclusion does not apply to loss or damage caused directly by resultant fire or explosion as described in the Definitions;
- (d) Growing plants, trees, shrubs or flowers, all while outside the "building" except as provided in the Extensions of Coverage;
- (e) Animals including livestock, fish or birds
- (f) Money, "cash cards", bullion, platinum and other precious metals and alloys, securities, cryptocurrency, stamps, tickets or 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, but this exclusion shall not apply to owned watercraft, amphibious or air cushion

vehicles valued up to \$75,000, or to 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, tobacco and tobacco products, pre-recorded video tapes, digital video display (DVD) discs and electronic video games, but this exclusion does not apply to:
 - (i) The first one thousand dollars (\$1,000) of any loss otherwise insured herein; or
 - (ii) any 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 on loan or on rental to others or sold by the Insured under conditional sale, instalment payment or other deferred payment plan, from the time of leaving the Insured's custody, but this exclusion does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at the risk of the Insured;

- (k) property in the custody of a sales representative outside the "Premises" of the Insured, unless an amount of insurance is shown in the "Declarations Page" pertaining to "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 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.
- (n) "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 the Definitions;
- (o) Property or structures in the course of construction or erection and materials or supplies in connection with all such property in the course of construction or erection;
- (p) Crops or other cultivated plants grown for the purpose of subsistence or commercial sale.

5.B. PERILS EXCLUDED

This Form does not insure against loss or damage resulting from, contributed to or 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 the Definitions;
- (b) by flood, including "surface water", 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 the Definitions or leakage from a watermain;

Exclusions (a) and (b) do not apply to property in transit;

- (c)
 - (i) by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings therein, foundations, basement floors, sidewalks, sidewalk lights, or by the backing up, escape 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;
 - (ii) by the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings unless through an aperture concurrently and directly caused by a peril not otherwise excluded in this Form;
- (d) by centrifugal force, mechanical or electrical breakdown or derangement in or on the "Premises", unless fire ensues and then only for the loss or damage caused directly by such ensuing fire;
- (e) by dampness or dryness of atmosphere, changes of temperature, freezing, heating, total or partial interruption to the supply of electricity, water, gas or steam, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, contamination, 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:
 - (i) "Named Perils";
 - (ii) rupture of pipes or breakage of apparatus not excluded under paragraph (m) of Clause 5.A.;
 - (ii) theft or attempt thereat;
 - (iv) an accident to a transporting conveyance.

Damage to pipes cause by freezing is insured provided such pipes are not excluded in paragraph (m) of Clause 5.A.;

- (f) by smoke from agricultural smudging or industrial operations;

- (g) by rodents, raccoons, skunks, insects, bats or birds, but this exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded in this Form;
- (h) by delay, loss of market, or loss of use or occupancy;
- (i) by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- (j) 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;
- (k) to "Buildings" by:
 - (i) snowslide, landslide, subsidence or other earth movement, except for ensuing loss or damage which results directly from fire, explosion, smoke or leakage from fire protective equipment, all as described in Clause 17 (i);
 - (ii) 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, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire:
 - 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) 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;

- d) moving or rotating machinery or parts thereof;
 - e) any vessels and apparatus and pipes connected therewith while undergoing pressure test but this exclusion does not apply to other property insured hereunder that has been damaged by such explosion;
 - f) gas turbines;
- (iii) settling, expansion, contraction, moving, shifting or cracking unless concurrently and directly caused by a peril not otherwise excluded in this Form;
- (l) 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.
- (m) by data processing media failure or breakdown or malfunction of the data processing equipment and component parts while the media is being run through the system, unless fire or explosion ensues and then only for the loss, damage or expense caused by such ensuing fire or explosion.

5.C. OTHER EXCLUDED LOSSES

This Form does not insure:

- (a) wear and tear, rust or corrosion, gradual deterioration, hidden or latent defect, inherent vice or any quality in property that causes it to damage or destroy itself, or the cost of making good faulty or improper material, faulty or improper workmanship, faulty or improper design, provided, however, to the extent otherwise insured and not otherwise excluded under this Form, resultant damage to the property is insured;
- (b) mysterious disappearance or shortage of "Equipment" or "Stock" disclosed on taking inventory;

(c) disturbance or erasure of electronic recordings by electric or magnetic injury except by lightning;

(d)

(i) This policy, subject to all applicable terms, conditions and exclusions, covers losses attributable to direct physical loss or physical damage occurring during the period of insurance. Consequently and notwithstanding any other provision of this policy to the contrary, this policy does not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a "Communicable Disease" or the fear or threat (whether actual or perceived) of a "Communicable Disease" including the fear or threat of transfer, transmission, infection, contamination, quarantine, or closure by civil authority due to "Communicable Disease".

(ii) For the purposes of this exclusion, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:

(a) for a Communicable Disease, or

(b) any property insured hereunder that is affected by such Communicable Disease.

(e) kidnap or ransom

5.D. COMMON EXCLUSIONS

1. FUNGI AND SPORES

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". This exclusion does not apply:

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

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

(b) the cost or expense for any testing, monitoring, evaluating or assessing of "fungi", or "spores".

2. NUCLEAR

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

(a) 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 the form to which this endorsement attaches;

(b) by contamination by radioactive material.

3. POLLUTION

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 directly caused by a peril not otherwise excluded in this policy; or

(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".

4. TERRORISM

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

5. WAR OR MILITARY ACTION

This policy does not insure against loss or damage caused directly or indirectly in whole or in part by war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.

6. DATA EXCLUSION

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

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

6. EXTENSIONS OF COVERAGE

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

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

- (i) shall not attach if it is insured by the owner unless the Insured is obliged to insure it or is liable for its loss or damage;
- (ii) is, in any event, limited to a maximum recovery of one thousand dollars (\$1,000) in respect of any one officer or employee;

(iii) shall apply only to loss or damage occurring at a location specifically described in the "Declarations Page" or included in "Newly Acquired Location".

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

(c) **Growing Plants, Trees, Shrubs or Flowers in the Open:** This Form is extended to insure loss or damage to growing plants, trees, shrubs or flowers growing in the open caused directly by "Named Perils" (with the exception of windstorm or hail as described in Clause 17 (i)) or from theft or attempted theft. This extension of coverage shall be limited to a maximum recovery, including debris removal expense, of five hundred dollars (\$500) for each growing plant, tree, shrub or flower, up to ten thousand dollars (\$10,000) for any one occurrence.

The following extensions of coverage, (d) to (h), apply only if specified on the "Declarations Page" and are subject to all conditions of this Form:

(d) Debris Removal:

This Form is extended to cover the expense incurred by the Insured for the removal from the "Premises" of debris of the insured property, caused by loss or damage to such property, due to an insured peril per occurrence up to a maximum of fifty thousand dollars (\$50,000).

(d) Protection and Preservation Of Property

This insurance is extended to cover the reasonable and necessary costs incurred by the Insured to temporarily remove or protect the property insured from direct physical loss or damage caused by an insured peril at the "Premises". This extension of coverage shall be limited to a maximum recovery of ten thousand dollars (\$10,000), including debris removal expense, in any one occurrence.

(e) Building By-Laws

This extension does not increase the amount of insurance for “building” specified on the “Declarations Page”, or if coverage is provided on a “property of every description” basis, for “building” as specified on the most recent Statement of Values.

This coverage is extended to insure, as a result of an insured peril:

- (i) loss occasioned by the demolition of any undamaged portion of the “building”;
- (ii) the cost of demolishing and clearing the site of any undamaged portion of the “building”; or
- (iii) any necessary 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:

- (a) regulates zoning or the demolition, repair or construction of damaged “buildings” and
- (b) is in force at the time of such loss or damage.

This extension, however, does not insure against:

- (1) the enforcement of any by-law, regulation, ordinance or law which prohibits the Insured from rebuilding, or repairing on the same site or adjacent site or prohibits continuance of like occupancy;
- (2) 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”;
- (3) direct or indirect loss, damage, cost or expense, for any testing, monitoring, evaluating or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants”; or

- (4) the enforcement of any by-law, regulation, ordinance or law which would apply in the absence of a loss.

This extension:

- (1) applies only to those buildings which are insured under this policy on a replacement cost basis of valuation; and
- (2) is subject to Clause 3. Co-Insurance in the Commercial Building, Contents and Stock – Broad Form.

(g) Building Inflation Protection

This extension applies separately to each “building” insured by this policy.

- (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 Index 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 Index 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.

(h) Claims Preparation Costs / Professional Fees

This Insurance is extended to cover:

- (a) reasonable costs incurred in the preparation of a proof of loss; and
- (b) reasonable fees payable to external auditors, accountants, architects, engineers, or other professionals for producing and certifying particulars or details of the Insured’s business in order to establish the quantum of a claim.

All such costs and fees must be:

- (i) incurred by the Insured at the request of the Insurer; and
- (ii) associated with a claim under the Commercial Building, Contents and Stock – Broad Form for which liability has been otherwise accepted by the Insurer.

This extension does not apply to fees payable to lawyers, public adjusters, loss appraisers or loss consultants or other professionals engaged by the Insured without the prior written approval of the Insurer.

This extension may also apply to any Business Interruption loss covered under this Policy.

The limit of insurance for this extension of coverage is \$5,000 for any one loss.

GENERAL CONDITIONS

7. 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.

8. 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.

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 therefore under this form, shall be subrogated to all rights of recovery of the insured against others and may bring action to enforce such rights. Notwithstanding the foregoing, all rights of subrogation are hereby waived against any corporation, firm, individual, or other interest with respect to which insurance is provided by this policy. Where the net amount recovered, after deducting the costs of recovery, is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the insurer and the insured in the proportion in which the loss or damage has been borne by them respectively.

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

11. **PROPERTY PROTECTION SYSTEMS**

It is agreed 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 of the following systems installed at the Insureds "Premises".

- (a) sprinkler or other fire extinguishing system;
- (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 in 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 said policy period, the actual cash value of the "Stock" insured on the last day of each month

at each location as commented upon by the Insured's Accountant, the actual premium for the said period shall then be calculated at the Stock Adjustment Rate applying to each location, as stated in the Declarations, 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 term of this Policy, or within a year after termination or expiration, to inspect the property insured and to examine the Insured's books, records and such policies as relate to any property insured hereunder. Such inspection or examination shall not waive nor in any manner affect any of the terms or conditions of this Form.

14. **VALUATIONS**

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

- (a) on unsold "Stock" the actual cash value of the property at the time any loss occurs, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;
- (b) on sold "Stock" the selling price after allowance for discounts;
- (c) on property of others in the custody or control of the Insured for the purpose of performing work thereon the amount for which the Insured is liable but in no event to exceed the actual cash value at the time and place of loss plus allowance for labour and materials expended to such time;
- (d) on "tenant's Improvements" and records as defined in paragraphs (a) and (b) of Clause 14.;

- (e) on all other property insured under this Form and for which no more specific conditions have been set out the actual cash value at the time the loss or damage occurs but in no event to exceed what it would 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.

14.a. SPECIAL BASIS OF SETTLEMENT: Replacement Cost

If "Replacement Cost" is indicated on the "Declarations Page" for this Form, then the following extension changes this Form.

"Replacement Cost" applies only to buildings and/or contents which are stated on the "Declarations Page(s)".

1. The Insurer agrees to amend the basis of settlement as stated in the Indemnity Agreement from actual cash value as set out in Clause 14 to "replacement cost" subject to the following provisions:

- (a) replacement shall be effected by the Insured with due diligence and dispatch;

- (b) replacement shall be on the same site or on an adjacent site;

- (c) 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";

- (d) 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 as defined herein;

(e) failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this endorsement has not been in effect.

This endorsement applies separately to each item(s) listed in the Declarations.

2. If the Form is subject to a co-insurance clause, requiring a stated percentage of insurance to value to be maintained, actual cash value, for the purpose of applying such a clause to the property to which this endorsement is applicable, shall be deemed to be replacement cost without deduction for depreciation.
3. In the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that damaged or destroyed and which is capable of performing the same function, shall be deemed to be new property of like kind and quality for the purposes of this endorsement.

4. Exclusions

This endorsement does not apply to:

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

5. Definitions

In this endorsement,

- (a) "replacement cost" means the cost of replacing, repairing, constructing or reconstructing (whichever is the least) the property on the same site with new

property of like kind and quality and for the like occupancy without deduction for depreciation; and

(b) "replacement" includes repair, construction or reconstruction with new property of like kind and quality.

14.B. **SPECIAL BASIS OF SETTLEMENT**

(a) Tenant's Improvement: The liability of the Insurer for loss or damage to "tenant's improvements" shall be determined as follows:

(i) if repaired or replaced with due diligence and dispatch, the amount actually and necessarily expended but in no event exceeding the actual cash value of the "tenant's improvements" immediately prior to the time of destruction or damage;

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

(b) Records: The liability of the Insurer for loss or damage to:

(i) books of accounts, drawings, card index systems and other records, other than as described in (ii) below, shall not exceed the cost of blank books, blank pages or other materials, plus the cost of labour for actually transcribing or copying said records;

(ii) media, data storage devices, and programme devices for electronic and electro-mechanical data processing or for electronically controlled equipment, shall not exceed the cost of reproducing such media, data storage devices, and programme devices from duplicates or from originals of the previous generation of the media, but no liability is assumed hereunder for the cost of gathering or assembling information or data for such reproduction.

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

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.

It is warranted by the Insured that any vehicle in which the property insured is carried is equipped with a fully enclosed metal 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 and windows of which shall have been securely locked.

17. **DEFINITIONS**

- (a) "Building" means the building(s) described in the "Declarations Page" and includes:
 - (i) fixed structure's 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".

- (b) "Cash cards" means card designed to store a cash value by electronic means as mode of payment without personal identification number and without direct access to a bank or other account.

- (c) "clean up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to any of these processes.

- (d) "Communicable Disease"

As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

3.1. the substance or agent includes, but is not limited to, a virus, bacterium, archaeon, pathogen, parasite or other organism or any variation thereof, whether deemed living or not, and

3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne or droplet transmission, bodily fluid transmission, physical contact, transmission from or to any surface or object, solid, liquid or gas, vectorborne transmission or transmissions between organisms, and

3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.

- (e) "Contents of Every Description" means: "Equipment" as defined in this Form and other property other than "Improvements and Betterments" or "Stock".
- (f) "Data" means representation 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(s) 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;
- (j) "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.
- (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) "Improvements and Betterments" 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.

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

(A) FIRE OR LIGHTNING

(B) EXPLOSION:

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

- (i)
 - (a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - (b) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 - (c) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion therefrom;
 - (d) smelt dissolving tanks;
- (ii) other vessels and apparatus, and pipes connected therewith, while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders;
- (iii) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;

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

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

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

(C) IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE:

The terms "Aircraft" and "Spacecraft" include articles dropped therefrom.

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

- (i) caused by land vehicles belonging to or under the control of the Insured or any of his employees;
- (ii) to aircraft, spacecraft or land vehicles causing the loss;
- (iii) caused by any aircraft or spacecraft when being taxied or moved inside or outside of "Buildings".

(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 hereunder for loss or damage:

- (i) due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
- (ii) due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under Clause 17 (l) (B);
- (iii) due to theft or attempt thereat.

(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 hereunder for any cumulative damage.

(F) "LEAKAGE FROM FIRE PROTECTIVE EQUIPMENT"

The term "Leakage from fire protective equipment" means the leakage or discharge of water or other substance from within the equipment used for fire protection purposes for the "Premises" described in the "Declarations Page" or for adjoining "Premises" and loss or damage caused by the fall or breakage or freezing of such equipment.

(G) WINDSTORM OR HAIL:

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

- (i) to the interior of the "Buildings" insured or their contents unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
 - (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.
- (n) "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.
- (o) "Premises" means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described in the "Declarations Page" and in or on vehicles within 100 metres (328 feet) of such locations;
- (p) "Property of Every Description" means "Building(s)", "Equipment" and "Stock".
- (q) "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".
- (r) "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.

- (s) "Surface water" means water or natural precipitation temporarily diffused over the surface of the ground.
- (t) "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.
- (u) "water escape" means the accidental discharge or overflow of water or steam from a plumbing, heating, sprinkler or air conditioning system, equipment attached to public watermains, but does not include backing up or escape of water from sewers, sumps, septic tanks or drains.
- (v) "malicious acts" means the act or voluntarily lack or action to intentionally cause property damage or bodily harm

COMMERCIAL BUILDING, CONTENTS AND STOCK - NAMED PERILS

Words and phrases in quotation marks have special meaning as defined below

1. INSURING 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.

1.A. PROPERTY INSURED

This Form insures the following property but only those items for which an amount of insurance is specified in the "Declarations Page":

"BUILDING"

"STOCK"

"CONTENTS OF EVERY DESCRIPTION"

"IMPROVEMENTS AND BETTERMENTS"

The insurance in this Clause 1.A. applies only while at the location(s) specified in the "Declarations Page".

1.B. This form also insures the following property but only those items for which an amount of insurance is specified in the "Declaration page".

BUILDING BY-LAWS

This extension does not increase the amount of insurance for "building" specified on the "Declarations Page", or if coverage is provided on a "property of every description" basis, for "building" as specified on the most recent Statement of Values.

This coverage is extended to insure, as a result of an insured peril:

- (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;
- (d) 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.

This extension does not cover against:

- (1) the enforcement of any by-law, regulation, ordinance or law which prohibits the Insured from rebuilding, or repairing on the same site or adjacent site or prohibits continuance of like occupancy;
- (2) 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";
- (3) direct or indirect loss, damage, cost or expense, for any testing, monitoring, evaluating or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants"; or
- (4) the enforcement of any by-law, regulation, ordinance or law which would apply in the absence of a loss.

This extension:

- (1) applies only to those buildings which are insured under this policy on a replacement cost basis of valuation; and
- (2) is subject to Clause 3. Co-Insurance in the Commercial Building, Contents and Stock - Named Form.

REPLACEMENT COST

APPLICABLE ONLY TO THE FORMS NOTED IN THE DECLARATIONS:

- 1. The Insurer agrees to amend the basis of settlement 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) replacement shall be on the same site or on an adjacent site;
- (c) 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;
- (d) failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this endorsement has not been in effect;
- (e) 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 as defined herein;
- (f) this endorsement applies separately to each item(s) listed in the Declarations.

2. In this endorsement,

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

3. In the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that damaged or destroyed and which is capable of performing the same function, shall be deemed to be new property of like kind and quality for the purposes of this endorsement.

4. Exclusions

This endorsement does not apply to:

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

5. If the Policy is subject to a co-insurance clause, requiring a stated percentage of insurance to value to be maintained, actual cash value, for the purpose of applying such a clause to the property to which this endorsement is applicable, shall be deemed to be replacement cost without deduction for depreciation.

BUILDING INFLATION PROTECTION

This extension applies separately to each "building" insured by this policy.

- (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 Index 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 Index 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.

CLAIMS PREPARATION COSTS / PROFESSIONAL FEES

This Insurance is extended to cover:

- (a) reasonable costs incurred in the preparation of a proof of loss; and
- (b) reasonable fees payable to external auditors, accountants, architects, engineers, or other professionals for producing and certifying particulars or details of the Insured's business in order to establish the quantum of a claim.

All such costs and fees must be:

- (i) incurred by the Insured at the request of the Insurer; and
- (ii) associated with a claim under the Commercial Building, Contents and Stock - Named Form for which liability has been otherwise accepted by the Insurer.

This extension does not apply to fees payable to lawyers, public adjusters, loss appraisers or loss consultants or other professionals engaged by the Insured without the prior written approval of the Insurer.

DEBRIS REMOVAL

This insurance is extended to include debris removal expense due to a covered peril per occurrence up to a maximum of fifty thousand dollars (\$50,000).

DEFERRED PAYMENTS

This insurance is extended to cover direct physical loss or damage caused by an insured peril, to "stock" and "equipment" sold by the Insured under any conditional sale, installment payment or other deferred payment plan, while such "stock" and "equipment" is in the possession of the purchaser.

The Insurer will reimburse the Insured to the extent of the unpaid amount due to the Insured at the time of the loss, less any amount that may be recoverable from other insurance available to the Insured.

This extension does not apply to loss or damage caused directly or indirectly by the conversion, embezzlement, theft or secretion by any person in lawful possession of the property under any conditional sale, installment payment or other deferred payment plan, or other similar written agreement.

GLASS

This Policy is extended to provide coverage for accidental breakage of all exterior glass and/or vitrolite including lettering, ornamentation or burglary alarm tape thereon provided the Insured is owner of the "Building" or is legally liable for such damage. This extension shall also include the expenses incurred for boarding up damaged openings or installing temporary plates. A deductible of five hundred dollars (\$500) applies to each and every loss.

"TEMPORARY LOCATIONS": "Contents of Every Description" and "Stock" other than at a specified location except while in transit, but there shall be no liability under this item at any location owned, rented or controlled in whole or in part by the Insured. This extension of coverage shall be limited to a maximum recovery of twenty-five thousand dollars (\$25,000), including debris removal expense, in any one occurrence.

"NEWLY ACQUIRED LOCATION": "Building", "Equipment" and "Stock" at any acquired location that is owned, rented or controlled by the Insured in whole or in part or in or on vehicles within 100 metres (328 feet) of such location. This limit of insurance attaches at the time of the acquisition and extends for a period of 30 days or to the date of endorsement of this Form adding such location whichever first occurs. Premium will be payable from the date of acquisition. This extension of coverage shall be limited to a maximum recovery of five hundred thousand dollars (\$500,000), including debris removal expense, in any one occurrence.

"NEWLY ACQUIRED CONTENTS"

This insurance is extended to cover direct physical loss or damage caused by an insured peril to newly acquired "stock" and "equipment" at the "premises". This coverage commences from the time of the acquisition and extends for a period of 30 days, or to the date of endorsement of this policy adding such additional "stock" and "equipment", or until the expiry date of this policy, whichever occurs first. Premium will be payable from the date of acquisition. This extension of coverage shall be limited to a maximum recovery of two hundred and fifty thousand dollars (\$250,000), including debris removal expense, in any one occurrence.

"PARCEL POST": "Equipment" and "Stock" in any one package in course of transit by parcel post. This extension of coverage shall be limited to a maximum recovery of ten thousand dollars (\$10,000), including debris removal expense, in any one occurrence.

"OTHER TRANSIT": "Contents of Every Description" and "Stock", in transit other than by parcel post. This extension of coverage shall be limited to a maximum recovery of ten thousand dollars (\$10,000), including debris removal expense, in any one occurrence.

"ROADWAYS, WALKWAYS, PARKING LOTS"

This insurance is extended to cover direct physical loss or damage caused by an insured peril to roadways, walkways, parking lots and other exterior paved surfaces which are located on the "premises". This extension of coverage shall be limited to a maximum recovery of twenty-five thousand dollars (\$25,000), including debris removal expense, in any one occurrence.

"SALES REPRESENTATIVE": "Equipment" and "Stock", whether in transit or otherwise, in the custody of a sales representative of the Insured. This extension of coverage shall be limited to a maximum recovery of ten thousand dollars (\$10,000), including debris removal expense, in any one occurrence.

"OUTDOOR PROPERTY"

This insurance is extended to cover direct physical loss or damage caused by an insured peril to exterior signs, street clocks, communication towers, or antennae (including satellite receivers) while located on the "premises". This extension of coverage shall be limited to a maximum recovery of twenty-five thousand dollars (\$25,000), including debris removal expense, in any one occurrence.

“PROTECTION AND PRESERVATION OF PROPERTY” [moved to extensions]

This insurance is extended to cover the reasonable and necessary costs incurred by the Insured to temporarily remove or protect the property insured from direct physical loss or damage caused by an insured peril at the “premises”. This extension of coverage shall be limited to a maximum recovery of twenty-five thousand dollars (\$25,000), including debris removal expense, in any one occurrence.

The insurance in this Clause 1.B. applies only while the described property is within Canada and the continental United States of America (excluding Alaska).

2. DEDUCTIBLE

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

3. CO-INSURANCE

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

The Insured shall maintain insurance concurrent with this form on the property insured to the extent of at least the amount produced by multiplying the actual cash value of the property by the co-insurance percentage specified in the "Declarations Page", and failing so to do, 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.

4. PERILS INSURED

This Form insures against direct physical loss or damage caused by the following perils:

(A) FIRE OR LIGHTNING

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

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

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

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

(d) smelt dissolving tanks;

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

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

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

(v) gas turbines;

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

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

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

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

(C) IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE:

The terms "Aircraft" and "Spacecraft" include articles dropped therefrom.

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

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

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

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

(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 hereunder for loss or damage:

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

(ii) due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance as defined in this Form

(iii) due to theft or attempt thereat.

(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 hereunder for any cumulative damage.

(F) "LEAKAGE FROM FIRE PROTECTIVE EQUIPMENT" The term "Leakage from fire protective equipment" means the leakage or discharge of water or other substance from within the equipment used for fire protection purposes for the "Premises" described in the "Declarations Page" or for adjoining "Premises" and loss or damage caused by the fall or breakage or freezing of such equipment.

(G) WINDSTORM OR HAIL:

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

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

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

5.A. EXCLUSIONS - PROPERTY EXCLUDED

This Form does not insure loss of or damage to:

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

(b) Electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing, unless fire or explosion, as described in this Form

- (c) ensues and then only for such ensuing loss or damage;
- (d) Growing plants, trees, shrubs or flowers, all while in the open except as provided in the Extensions of Coverage Clause
- (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 or other accessories attached to or mounted on such property, but this exclusion shall not apply to watercraft, amphibious or air cushion vehicles held for sale, unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the "Premises" of the Insured;
- (h) Furs, fur garments, jewels, jewelry, costume jewelry, watches, pearls, precious and semi-precious stones and pre-recorded video tapes, but this exclusion does not apply to:
 - (i) The first one thousand dollars (\$1,000.) of loss insured herein
 - (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 on loan or on rental or sold by the Insured under conditional sale, instalment payment or other deferred payment plan, from the time of leaving the Insured's custody, but this exclusion does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at the risk of the Insured;
- (k) property in the custody of a sales representative outside the "Premises" of the Insured, unless an amount of insurance is shown in the "Declarations Page" pertaining to "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 the piping and equipment connected thereto, which contains steam or water under steam pressure (except tanks having an internal diameter of 610 millimeters (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.
- n) goods occasioned by or happening through their undergoing any process involving the application of heat;
- o) "data"
- m) property used in whole or in part for the illegal cultivation, harvesting, processing, manufacture, distribution or sale of cannabis or any product derived from, or containing cannabis or any substance falling within the Schedules of the Controlled Drugs and Substance Act, whether or not the Insured is aware of such of the property.

5.B. PERILS EXCLUDED

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

- (a) by smoke from agricultural smudging or industrial operations;
- (b) by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- (c) by any dishonest or criminal act on the part of the Insured or any other party of interest, employees or agents of the Insured, or any person to whom the property may be entrusted (bailees for hire excepted), but this exclusion does not apply to physical damage, caused directly by employees of the Insured, which results from a peril otherwise insured and not otherwise excluded under this form;

d) by loss or damage sustained to "equipment" or "stock" while actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting or servicing of "equipment" or "stock"

(e) 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.

5.C. COMMON EXCLUSIONS - PROPERTY EXCLUDED

1. FUNGI AND SPORES

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

2. NUCLEAR

This policy does not insure against loss or damage caused directly or indirectly: (a) 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 the form to which this endorsement attaches;

(b) by contamination by radioactive material.

3. POLLUTION 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 directly caused by a peril not otherwise excluded in this policy; or
 - (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".

4. TERRORISM

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

5. WAR OR MILITARY ACTION

This policy does not insure against loss or damage caused directly or indirectly in whole or in part by war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.

6. DATA EXCLUSION

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

6. EXTENSIONS OF COVERAGE

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

- (a) Personal Property of Officers and Employees: At the option of the Insured, "Equipment" also includes personal property of officers and employees of the Insured. The insurance on such property:
 - (i) shall not attach if it is insured by the owner unless the Insured is obliged to insure it or is liable for its loss or damage;
 - (ii) is, in any event, limited to a maximum recovery of one thousand dollars (\$1,000) in respect of any one officer or employee;
 - (iii) shall apply only to loss or damage occurring at a location specifically described in the "Declarations Page" or included in "Newly Acquired Location".
- (c) Growing Plants, Trees, Shrubs or Flowers in the Open: This Form is extended to insure loss or damage to growing plants, trees, shrubs or flowers in the open caused directly by the perils insured (with the exception of windstorm or hail as described in clause 4(g)). This extension of coverage shall be limited to a maximum recovery of five hundred dollars (\$500) for each growing plant, tree, shrub or flower in the open, and to ten thousand dollars (\$25,000), including debris removal expense, in any one occurrence.

7. 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.

8. 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.

9. REINSTATEMENT

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

10. 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 of the following systems installed at the Insureds "Premises".

- (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.

11. PREMIUM ADJUSTMENT

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

If within six months after the expiry or anniversary date of each period of insurance, the Insured shall file with the Insurer a Premium Adjustment Application Form showing, for the said period, the actual cash value of the "Stock" insured on the last day of each month at each location as commented upon by the Insured's Accountant, the actual premium for the said period shall then be calculated at the Stock Adjustment Rate applying to each location, as stated in the Declarations, 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.

12. VERIFICATION OF VALUES

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

13. VALUATIONS

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

- (a) on unsold "Stock" the actual cash value of the property at the time any loss occurs, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;
- (b) on sold "Stock" the selling price after allowance for discounts;

- (c) on property of others in the custody or control of the Insured for the purpose of performing work thereon the amount for which the Insured is liable but in no event to exceed the actual cash value at the time and place of loss plus allowance for labour and materials expended to such time;
- (d) on "tenant's Improvements" and records as described in paragraphs (a) and (b) of Clause 14.;
- (e) on all other property insured under this Form and for which no more specific conditions have been set out the actual cash value at the time the loss or damage occurs but in no event to exceed what it would then cost to repair or replace with material of like kind and quality.

14.A. SPECIAL BASIS OF SETTLEMENT – Replacement Cost

If "Replacement Cost" is indicated on the "Declarations Page" for this Form, then the following extension changes this Form.

"Replacement Cost" applies only to buildings and/or contents which are stated on the "Declarations Page(s)".

1. The Insurer agrees to amend the basis of settlement as stated in the Indemnity Agreement from actual cash value as set out in Clause 14 to "replacement cost" subject to the following provisions:

(a) replacement shall be effected by the Insured with due diligence and dispatch;

(b) replacement shall be on the same site or on an adjacent site;

(c) 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";

(d) 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 as defined herein;

(e) failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this endorsement has not been in effect.

This endorsement applies separately to each item(s) listed in the Declarations.

2. If the Form is subject to a co-insurance clause, requiring a stated percentage of insurance to value to be maintained, actual cash value, for the purpose of applying such a clause to the property to which this endorsement is applicable, shall be deemed to be replacement cost without deduction for depreciation.

3. In the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that damaged or destroyed and which is capable of performing the same function, shall be deemed to be new property of like kind and quality for the purposes of this endorsement.

4. Exclusions

This endorsement does not apply to:

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

5. Definitions

In this endorsement,

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

14.B. SPECIAL BASIS OF SETTLEMENT

(a) Tenant's Improvement: The liability of the Insurer for loss or damage to "tenant's improvements" shall be determined as follows:

- (i) if repaired or replaced with due diligence and dispatch, the amount actually and necessarily expended but in no event exceeding the actual cash value of the tenant's improvements immediately prior to the time of destruction or damage;
- (ii) if not repaired or replaced with due diligence and dispatch after such loss, that portion of the original cost of the damaged or destroyed tenant's improvements which the unexpired term of the lease at the time of loss bears to the period(s) from the date(s) such tenant's improvements were made to the expiration date of the lease.

(b) Records: The liability of the Insurer for loss or damage to:

- (i) books of accounts, drawings, card index systems and other records, other than as described in (ii) below, shall not exceed the cost of blank books, blank pages or other materials, plus the cost of labour for actually transcribing or copying said records;
- (ii) media, data storage devices, and programme devices for electronic and electro-mechanical data processing or for electronically controlled equipment, shall not exceed the cost of reproducing such media, data storage devices, and programme devices from duplicates or from originals of the previous generation of the media, but no liability is assumed hereunder for the cost of gathering or assembling information or data for such reproduction.

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

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.

17. DEFINITIONS

Wherever used in this Form:

- (a) "Declarations Page" means the Declarations Page applicable to this Form.
- (b) "Building" means the building(s) described in the "Declarations Page" and includes:
 - (i) fixed structure's 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) "Contents of Every Description" means:
 - (i) generally all contents usual to the Insured's business including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances other than "Building", "Stock", "Equipment" or "Improvements and Betterments" as herein defined;
 - (ii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;
- (d) "Data" means representation of information or concepts in any form.
- (e) "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".

(f) "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;

(g) "Improvements and Betterments" means: 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.

(h) "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.

(g) "Premises" means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described in the "Declarations Page" and in or on vehicles within 100 meters (328 feet) of such locations;

(h) "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.

BASIC PROPERTY PACKAGE EXTENSION

APPLICABLE TO THE COMMERCIAL BUILDING, CONTENTS AND STOCK - BROAD FORM OR THE COMMERCIAL BUILDING, CONTENTS AND STOCK - NAMED PERILS

This endorsement only applies if it is indicated "Covered" on the "Declarations Page" and there are limits shown on that page.

This endorsement is attached to and must be read together with the Commercial Building, Contents and Stock Form and extensions thereto to which this endorsement is attached.

Words and phrases in quotation marks have special meaning as defined in this endorsement, or, if not defined in this endorsement, as defined in the Commercial Building, Equipment and Stock Form and extensions thereto to which this endorsement is attached.

SUMMARY OF COVERAGES

This SUMMARY OF COVERAGES describes the extension of coverage(s) and the corresponding maximum amount of insurance provided by this endorsement. Unless otherwise specified on the "Declarations Page", the amount of insurance stated below is the maximum recovery for any extension of coverage in respect of any one occurrence taking place during the policy period. If an extension of coverage is indicated as NOT INSURED on the "Declarations Page" then no coverage will be afforded by those extensions or that section under this endorsement.

	Coverage	Amount of Insurance
1.	Accounts Receivable	\$50,000
2.	Arson Award	\$10,000
3.	Course of Construction	\$150,000
4.	Deferred Payments	\$25,000
5.	Electronic Data Processing (EDP) Hardware Breakdown	\$10,000
6.	Expediting Expense	\$10,000
7.	Fine Arts	\$25,000
8.	Fire Department Service Charges	\$25,000
9.	Fire Equipment Recharge	\$10,000
10.	Inventory Preparation Expense	\$10,000
11.	Leasehold Interest - Rents	\$25,000
12.	Lock Re-Keying or Replacement	\$10,000
13.	Mortgage Rate Guarantee	\$25,000
14.	Peak Season Increase	25% (\$100,000 maximum)
15.	Personal Property of Officers and Employees	\$10,000
16.	Protection and Preservation of Property	\$25,000
17.	Reward	\$10,000
18.	Service Interruption	\$25,000
19.	Valuable Papers	\$25,000

The following Extensions of Coverage are subject to all of the terms, definitions, exclusions, stipulations, limitations, provisions and other conditions of this Policy including, but not limited to

the Commercial Building, Equipment and Stock Form and extensions thereto to which this endorsement attaches unless otherwise stated in this endorsement.

\$1,000 deductible applies to each coverage per occurrence under this extension.

1. ACCOUNTS RECEIVABLE

This insurance is extended to cover:

- (a) all amounts due to the Insured from customers that the Insured is unable to collect as a direct result of loss or damage caused by an insured peril to records of accounts receivable;
- (b) interest charges on any loan required to offset impaired collections pending repayment of such amounts made uncollectible as a direct result of such loss or damage;
- (c) collection expenses in excess of "normal" collection expenses that are made necessary because of such loss or damage; and
- (d) other reasonable expenses incurred by the Insured in re-establishing records of accounts receivable following such loss or damage.

This insurance applies:

- (a) While the insured records are contained in the Insured's "Premises" specified in the "Declaration Page(s)". It is a condition precedent to any right of recovery hereunder that, except while in actual use, such records be kept in receptacles (minimum of metal filing cabinets), when the premises are not open for business.
- (b) While the insured records are being removed to and while at a place of safety because of an imminent danger of loss or damage and while being returned from such place, provided the insured notifies the insurer in writing within thirty (30) days of such removal;
- (c) While the insured records are being conveyed outside the Insured's "Premises" or while temporarily within other premises except for storage.

Additional Exclusions

This extension does not cover against loss or damage:

- (i) due to bookkeeping, accounting or billing errors or omissions;
- (ii) where the only proof of such loss is dependent upon an audit of records or an inventory computation;
- (iii) 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". This exclusion applies only to the extent of the wrongful giving, taking, obtaining or withholding.

Basis of Settlement

- (1) In the event that the Insured cannot accurately establish the total amount of accounts receivable outstanding as of the date of such loss, the Insurer will determine the amount as follows:
 - (i) the total of the average monthly accounts receivable for the 12 months immediately preceding the month in which the loss occurs will be determined; and
 - (ii) that total will be adjusted for any normal fluctuations in the amount of accounts receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.
- (2) The following will be deducted from the total amount of accounts receivable, however the amount is established:
 - (i) the amount of the accounts evidenced by records not lost or damaged;
 - (ii) the amount of the accounts that the Insured is able to re-establish or collect;
 - (iii) an amount to allow for probable bad debts which would normally have been uncollectible by the Insured; and
 - (iv) all unearned interest and service charges.

In the event that any recoveries are received by the Insured after payment of loss by the Insurer under this extension, all such recoveries shall be shared proportionately between the Insured and the Insurer based on the amount of the loss that has been sustained by each.

2. ARSON REWARD

In the event of loss or damage by fire that results from an act of arson for which coverage is afforded under this Policy, the Insurer will reimburse the Insured for rewards paid to persons other than the Insured, and other officers and partners thereof, for information directly leading to convictions for that act of arson.

3. COURSE OF CONSTRUCTION

If this Policy covers "Buildings", this insurance is extended to cover direct physical loss or damage caused by an insured peril to property intended for the Insured's use or occupancy in the ordinary course of their business, in the course of construction, that consists of additions, extensions, and alterations to "buildings" within Canada, except while in transit, including:

- (a) "building materials and supplies";
- (b) foundations, piers or other supports, excavation, site preparation and similar work;
- (c) landscaping, growing trees, plants, shrubs or flowers all to enter and form part of the construction project; or
- (d) temporary buildings, scaffolding, false work, forms and hoardings.

All the above include the cost of labour expended to repair, replace, or reinstate (whichever is least) the property on the same site with property of like kind and quality.

This coverage will cease 30 days from the date construction begins, or at the inception of more specific insurance, or until the expiry date of this policy, whichever occurs first. Premium will be payable from the date construction begins.

4. DEFERRED PAYMENTS

This insurance is extended to cover direct physical loss or damage caused by an insured peril, to "stock" and "equipment" sold by the Insured under any conditional sale, installment payment or other deferred payment plan after it has left the Insured's custody but before the Insured has received full payment,.

If direct physical loss or damage to such "stock" or equipment" by an insured peril occurs anywhere within Canada or the United States of America, the Insurer will reimburse the Insured to the extent of the unpaid amount due to the Insured at the time of the loss, less any amount that may be recoverable from other insurance available to the Insured.

This extension does not apply to loss or damage caused directly or indirectly by the conversion, embezzlement, theft or secretion by any person in lawful possession of the property under any conditional sale, installment payment or other deferred payment plan, or other similar written agreement.

5. ELECTRONIC DATA PROCESSING (EDP) HARDWARE BREAKDOWN

This insurance is extended to cover direct loss of or damage to "hardware" and "electronic data and media" owned, leased or under the control of the Insured caused by a "breakdown".

This extension does not cover loss or damage due to:

- (a) programming errors or faulty machine instructions; or
- (b) changes to, or interruption of, power supply that originates more than 100 kilometers away from the "premises".

6. EXPEDITING EXPENSE

This insurance is extended to cover the reasonable and necessary additional costs incurred by the Insured to make temporary repairs to or to expedite the permanent repairs or replacement of insured property at the "Premises" that has been lost or damaged by direct physical loss or damage caused by an insured peril. Expediting expenses include overtime and the extra cost of express or other rapid means of transportation. Expediting expenses do not include expenses the Insured incurs for the temporary rental of property or temporary replacement of damaged property.

7. FINE ARTS

This insurance is extended to cover direct physical loss or damage caused by an insured peril to "fine arts" which are not "stock" while located at the "Premises" described in the "Declaration Pages" or while in transit.

Additional exclusions:

This extension does not cover:

- (a) breakage of glassware, statuary, marbles, bric-a-brac, porcelains and other fragile articles unless caused directly by:
 - (i) fire, lightening, explosion, impact by Aircraft, spacecraft or land vehicle, riot, vandalism, malicious acts, smoke, leakage from "fire protective equipment", windstorm or hail (all described in the Commercial Property Forms), theft or attempted theft, by a falling object striking the exterior of the "building", or by an accident to a transporting conveyance; or
 - (ii) Earthquake shock or flood, if otherwise insured by this Policy;
- (b) loss or damage caused directly or indirectly by any repairing, restoration or retouching process.

It is warranted by the Insured that the "fine arts" will be packed and unpacked by competent packers.

8. FIRE DEPARTMENT SERVICE CHARGES

This insurance is extended to cover expenses incurred by the Insured when a fire department is called to save or protect the insured property from an insured peril while the insured property is on the "Premises" described in the "Declaration Pages".

The Insurer's liability shall not increase if more than one fire department responds in any one occurrence.

9. FIRE EQUIPMENT RECHARGE

This insurance is extended to cover expenses incurred by the Insured to recharge any fire protection equipment located on the "Premises" that has been discharged as a result of an insured peril.

10. INVENTORY PREPARATION EXPENSE

If, as the result of loss or damage insured against by this Policy, the Insurer requests the preparation of inventories to help determine the amount of the loss, the Insurer will indemnify the Insured for the necessary expenses incurred to prepare such inventories up to \$10,000 in any one occurrence. The Insurer shall not be liable under this extension for expenses to prove this Form insures against a loss, nor for expenses incurred under the condition of this Policy relating to Appraisal.

11. LEASEHOLD INTEREST – RENTS

If, as a result of loss or damage insured against, the Insured's lease is terminated by the landlord and the Insured is forced to move to another location, the Insurer will indemnify the Insured for any difference between the higher current rental value, and the rent paid in the original lease. The difference is to be calculated on the basis that the Insured enters into a new lease for premises of like kind, location, condition and size for the purpose of continuing their business activities.

The Insurer is not liable for any increase in rent resulting from the Insured exercising an option to cancel the lease.

This extension of coverage will continue for:

- (a) the balance of the original lease term; or
- (b) 12 months from the date the lease was terminated,

whichever occurs first.

12. LOCK RE-KEYING OR REPLACEMENT

This insurance is extended to cover all costs of repairing, replacing or reprogramming keys, locks or access cards that control all doors at the "Premises" resulting directly from physical loss or damage to insured property caused by an insured peril.

13. MORTGAGE RATE GUARANTEE

This insurance is extended to cover the increase in mortgage cost charged by mortgage providers for the reconstruction of "Building(s)" caused by direct physical loss of or damage to insured property at the "Premises" from an insured peril.

The Insurer will pay the difference in cost between the mortgage rate in effect at the time of the loss and the new mortgage rate, based on the outstanding mortgage balance.

It is a condition precedent to recovery under this extension that:

- (a) The loss or damage to the "Building" has been deemed a total loss, meaning that the "Building" cannot be repaired and must be demolished and reconstructed;
- (b) The existing mortgage must be closed by the mortgagee at the time of the loss, requiring a new mortgage at a higher, competitive rate of interest; and
- (c) The terms of the new mortgage must be the same in time frame, amortization, and interest rate option as the existing mortgage at the time of loss.

This extension of coverage will continue:

- (i) for the duration of the mortgage period that was in effect at the time of the loss, until its expiry;
 - (ii) until the Insured's interest in the "Building" ceases; or
 - (iii) for 60 months from the date of loss,
- whichever occurs first.

14. PEAK SEASON INCREASE

The limit of liability on "Stock" as stated on the "Declarations Page" or the amount of "Stock", to provide for seasonal variations. This increase shall not apply unless the limit of liability on "Stock" shown on the "Declarations Page" for this coverage is 100% or more of the Insured's average monthly values for the 12 months immediately preceding the date of loss or, in the event the Insured has been in business for less than 12 months, for such shorter period of time.

15. PERSONAL PROPERTY OF OFFICERS AND EMPLOYEES

This extension replaces the Personal Property of Officers and Employees extension of coverage contained in the Commercial Building, Equipment and Stock Form to which this endorsement attaches.

This insurance is extended to cover direct physical loss or damage caused by an insured peril to personal property of officers and employees of the Insured. The insurance on such property:

- (a) shall not apply if it is insured by the owner unless the Insured is obliged to insure it or is liable for its loss or damage; and

(b) shall apply only to loss or damage occurring at the "Premises" or at any Newly Acquired Location as described in the Commercial Building, Equipment and Stock Form to which this endorsement attaches.

16. PROTECTION AND PRESERVATION OF PROPERTY

This insurance is extended to cover the reasonable and necessary costs incurred by the Insured to temporarily remove or protect the property insured from direct physical loss or damage caused by an insured peril at the "Premises".

The Insurer will pay the Insured an amount not exceeding whichever is the least of:

- (a) the value of the property that has been removed or protected; or
- (b) the amount of insurance specified on the Summary of Coverages, or if applicable, as specified on the "Declarations Page".

17. REWARD

This insurance is extended to reimburse the Insured for any reward, including costs to advertise a reward, paid to any person or persons other than to the Insured or officers and partners thereof for information that directly leads to the conviction of any person or persons for committing a felonious act, other than arson, resulting in loss or damage to insured property. This extension applies only if the crime results in the payment of a claim under this Policy. The Insurer will be the sole judge as to the person or persons to whom a reward is paid and to the size of the reward.

18. SERVICE INTERRUPTION

"Business Interruption" coverage provided by this policy is extended to include loss sustained by the Insured, caused by an interruption in "services". The interruption in "services" must be a result of direct physical loss or damage caused by an insured peril to any property used to generate or supply "services" to the "Premises".

This extension does not apply if the property is:

- (a) located on the Insured's "Premises";
- (b) owned, operated or controlled by the Insured; or
- (c) located beyond 100 kilometers of the Insured's "Premises".
- (d) Loss is caused due to "Earthquake" even if extension of coverage for "Earthquake" exists elsewhere in the policy

This extension does not cover loss during the first twenty-four (24) consecutive hours of loss of "services" or interruption in "services" directly or indirectly arising from:

- (i) loss of or damage to electrical transmission lines or distribution lines or their supporting structures;
- (ii) a discharge of water or sewage due to heavy rainfall or flooding;
- (iii) loss of or reduction of "services" due to lack of sufficient capacity;
- (iv) an intentional reduction in the supply of "services"; or
- (v) an interruption in "services" that does not exceed 24 consecutive hours.

As used in this Extension Endorsement:

"Services" means:

- (a) electricity, gas, water or steam;
- (b) communication supply services (excluding satellites); or
- (c) a utility system for removing wastewater and sewage, other than a system designed primarily for draining storm water.

This extension of coverage shall apply only if "business interruption" insurance is shown on the "Declarations Page" and is subject to all the terms, limitations, exclusions, provisions and other conditions applicable to such "business interruption" insurance, unless otherwise stated in this endorsement

19. VALUABLE PAPERS

This insurance is extended to cover direct physical loss or damage caused by an insured peril to "valuable papers and records".

This insurance applies only:

- (i) while the "valuable papers and records" are on the "Premises". It is a condition precedent to any right of recovery hereunder, that the valuable papers and records shall be kept in protective container(s), at all times when the premises are not open for business, except while such valuable papers and records are in actual use or as stated in (ii) and (iii) below. ;
- (ii) while the insured Valuable Papers and Records are being removed to, and while at a place of safety because of imminent danger of loss or

damage and while being returned from such place, provided the Insured notifies the Insurer in writing within thirty (30) days of such removal;

(iii) while temporarily away from the "premises", including while in transit.

Deductible

A minimum \$1,000 deductible or higher amount otherwise stated shall apply to each claim under this form.

Additional exclusions

This extension does not cover:

- (i) loss resulting directly from errors or omissions in processing or copying;
- (ii) to property held as samples or for sale or for delivery after sale; or
- (iii) "valuable papers and records" that cannot be replaced with similar property of like kind and quality.

Basis of Settlement

The Insurer will pay the Insured an amount not exceeding whichever is the least of:

- (1) the actual cash value of the insured property at the time of loss;
- (2) the cost to repair or replace the insured property with similar property;
- (3) the cost to compile information required and to transcribe or copy the lost or damaged "valuable papers and records";
- (4) the amount of insurance specified for this extension on the Summary of Coverages, or if applicable, as specified on the "Declarations Page".

This extension of coverage shall apply only if "business interruption" insurance is shown on the "Declarations Page" and is subject to all the terms, limitations, exclusions, provisions and other conditions applicable to such "business interruption" insurance, unless otherwise stated in this endorsement.

DEFINITIONS

Wherever used in this Form:

“Breakdown” means:

- (a) mechanical failure;
- (b) short circuit, blow-out or other electrical or magnetic disturbance, other than lightning, within electrical equipment, apparatus or devices;
- (c) “hardware” failure or malfunction occurring while “electronic data and media” is being run through the system.

“Building materials and supplies” means materials, machinery, equipment, permanent fixtures and fittings and supplies all to enter into and form part of the completed construction project. The “building materials and supplies” may be the property of the Insured or of others in the care, custody or control of the Insured.

“Business Interruption” means insurance provided by the following Forms:

- (a) Profits
- (b) Rents
- (c) Extra Expense

“Contingent property” means:

- (a) a property which provides the Insured with products, materials or services;
- (b) a property which receives the Insured’s products, materials or services that the Insured produces or sells; or
- (c) a property that is in the vicinity of the Insured’s business and attracts business to the Insured’s “premises”.

“Coverage territory” means anywhere within Canada or the continental United States of America.

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

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

"Electronic data and media" means all forms of converted "data", programs or instruction vehicles employed in the Insured's data processing operation, except for all such property that is obsolete or deteriorated due to usage.

"Electronic media" means any material on which "data" is electronically recorded or stored, except for all such property that is obsolete or deteriorated due to usage.

"Fine arts" means 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.

"Hardware" means the mechanical, magnetic, electronic, and electrical components and peripherals that make up a computer system used solely for electronic data processing operations.

"Money" means:

- (a) currency, coins and bank notes in current use and having a face value;
- (b) bullion, "cash cards"; and
- (c) traveler's cheques, register cheques and money orders held for sale to the public.

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

"Other property" means any tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include computer programs, electronic data or any property specifically excluded.

"Perishable stock" means "Stock" maintained under controlled conditions for its preservation which is susceptible to loss or damage if the controlled conditions change.

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

"Securities" means all negotiable and non-negotiable instruments or contracts representing "money" or "other property" and includes:

- (a) tokens, tickets, revenue or other stamps (whether represented by actual stamps or unused value in a meter) in current use;
 - (b) cheques, drafts;
 - (c) warehouse receipts or bills of lading;
- but does not include "money".

"Services" means:

- (a) electricity, gas, water or steam;
- (b) communication supply services (excluding satellites); or
- (c) a utility system for removing wastewater and sewage, other than a system designed primarily for draining storm water.

"Valuable papers and records" means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts, but does not include "money", "securities" and "electronic media".

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

CONDOMINIUM UNIT OWNERS PROPERTY EXTENSION ENDORSEMENT

APPLICABLE TO THE COMMERCIAL BUILDING, CONTENTS, AND STOCK - BROAD FORM OR
COMMERCIAL BUILDING, CONTENTS, AND STOCK – NAMED PERILS FORM

In consideration of an Additional Premium and subject to the provisions herein, this Form is hereby extended to cover in amount(s) stated in the Declarations, as follows:

1. COVERAGES

Coverage A - Condominium Unit

This Form Insures the Insured's interest (excluding any interest in improvements and betterments made or acquired by the Insured) in the described Condominium "Unit" owned by the Insured, to the extent that it is not so insured by the "Condominium Corporation" or to the extent that the Insurance placed by the "Condominium Corporation" is not effective or is inadequate.

In the event of loss or damage to the Condominium "Unit" insured herein during the term of this Policy by the peril(s) insured against, the liability of the Insurer shall be determined as follows;

- (i) If the property is repaired or replaced with due diligence and dispatch, the Insurer shall pay the actual expense (if any) incurred by the Insured for such repair or replacement with materials of like kind and quality without deduction for depreciation, less any recovery for the benefit of the Insured for loss or damage to the "Unit" owned by the Insured, from any Insurance covering the collective interests of the "Unit" owners.
- (ii) If the property is not repaired or replaced with due diligence and dispatch, the Insurer shall pay the actual cash value of the damaged or destroyed "Unit", less any recovery for the benefit of the Insured for loss or damage to such "Unit" owned by the Insured, from any Insurance covering the collective interests of the "Unit" owners.

Coverage B - Unit Improvements And Betterments

This Form insures Improvements and Betterments to the "Unit" made or acquired by the Insured including;

- (i) Any building, structure or swimming pool situated on the premises; and
- (ii) Materials and supplies on the premises intended for such use in such Improvements and Betterments.

Coverage C - Condominium Unit Owners - Loss Assessment

In the event of any loss or damage to any portion of the common elements of the building of which the Insured's "Unit" forms a part caused by a peril insured against, this Form covers the Insured's share of an assessment against all "Unit" owners made by the "Condominium Corporation", provided such assessment is for actual expenditure for repair or replacement made necessary by such loss or damage which is in excess of any recovery for the benefit of the Insured as owner of the "Unit" from Insurance covering the collective interest of the Condominium "Unit" owners.

2. DEDUCTIBLE

Each claim for loss or damage shall be adjusted separately and from the amount of each adjusted claim the sum stated in the Declarations shall be deducted.

3. SUBROGATION

The Insurer, upon making any payment or assuming liability therefore under this Form, shall be subrogated to all rights of recovery of the Insured against others and may bring action to enforce such rights. Except with respect to arson, fraud, or vehicle impact, the Insurer agrees to waive its right of subrogation as to any claim against the "Condominium Corporation", its directors, property managers, agents and employees. Independent contractors shall not be considered to be agents or employees of the "Condominium Corporation", its directors, property managers, or of the "Unit" owners.

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 each.

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

Unless specifically noted otherwise, all terms, provisions, conditions and definitions of the Commercial, Building, Contents and Stock Form shall have full force, effect and be applicable to this form.

4. PROPERTY EXCLUDED

This Form does not insure loss of or damage to:

- (a) "building" or "contents", if all "units" are to the knowledge of the "Condominium Corporation" vacant or unoccupied for more than 30 consecutive days;
- (b) property belonging to the owners of individual "units";
- (c) improvements and betterments to individual units made or acquired by the owners of such "units";

5. EXTENSIONS OF COVERAGE

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

- (a) **Trustee Fees:** Where, pursuant to the Declaration and The Insurance Trust Agreement, the Insurance Trustee shall be entitled to levy and shall levy a fee or fees against The "Condominium Corporation" or any of the "Unit" Owners, and such fee or fees shall arise pursuant to loss otherwise insured by this Policy, the Insurer will indemnify the Insured for the amount of such fee or fees, subject to a limit of \$100,000, any one loss or occurrence under this Section and provided the amount of the fee or fees levied does not exceed the lesser of 1.25% of the sum insured or 1.25% of the loss sustained and otherwise payable under this Policy without regard to the benefit under this endorsement.
- (b) **Common Expense:** The Insurer agrees to indemnify The "Condominium Corporation" for the loss of such obligatory contribution toward common expense as may be assessed from time to time by the Condominium Corporation against all "unit" owners, provided that the Insurer shall be liable under this extension for not more than the pro-rata share of such expense during the time

the unit or units remain unoccupied and untenable following an occurrence; but in no event shall the limit of liability as stated in this Policy be exceeded.

(c) Property of Others: Where the "Condominium Corporation" accepts "contents" from others for custody or safe-keeping, and thereby becomes responsible for such property, the Insurer will indemnify the "Condominium Corporation" under the Section subject always to a limit of \$1,000. for each owner of such "contents" and a limit in any one occurrence of \$25,000.

For the purpose of this extension only, and no other, Item (b) of "Property Excluded" is waived.

(d) Additional Living Expense: If loss or damage by this Policy renders individual "Units" untenable, coverage is provided for the necessary increase in living expenses incurred by "Unit" owners for the following period of time:

- (i) the time required, with the exercise of due diligence and dispatch, to repair or replace the damaged property, or
- (ii) the time required for the "Unit" owner's household to become settled in permanent residential premises.

Coverage provided by this extension shall be excess of any other similar coverage available to the individual "Unit" owner and is subject to a limit of \$5,000. for any one "Unit" and not exceeding \$50,000. for all "Units" involved in one occurrence.

The liability of the Insurer in respect to this extension during any one policy period shall not exceed, in the aggregate, \$100,000.

6. BREACH OF CONDITIONS

It is further agreed that this insurance shall not be prejudiced by:

- (a) any act or neglect of any occupants or owners of the "building" or any part thereof when such act or neglect is not within the control of the "Condominium Corporation", or
- (b) failure of the "Condominium Corporation" to comply with any warranty or condition herein with regard to any portion of the "premises" over which the "Condominium Corporation" has no control.

7. SUBROGATION

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

- (a) the "Condominium Corporation", its Directors, Property Managers, agents and employees; and
- (b) the "unit" owners and, if residents of a "unit" owner's household, his or her "spouse", the relatives of either and any other person under the age of 21 in the care of a "unit" owner or his or her "spouse".

Independent contractors shall not be considered agents or employees of the "Condominium Corporation", its Directors, Property Managers, or of the "unit" owners. Any release from liability entered into by the Insured prior to loss does not affect the right of the Insured to recover.

8. LOSS ADJUSTMENT

The "Condominium Corporation" has the exclusive right to adjust any loss with the Insurer, and the owner of a damaged "unit" is bound by such adjustment, provided, however, that the said

"Condominium Corporation", may in writing, authorize an owner to adjust any loss to his "unit" with the Insurer.

9. LOSS PAYABLE

Loss, if any, shall be payable in accordance with the provisions of the provincial legislation under which the "Condominium Corporation" is constituted. If the legislation has no such provision, loss, if any, shall be payable as stated on the "Declarations Page".

10. WAIVER OF INSURER'S OPTION TO REPAIR

Where, after a loss, a valid determination is made in accordance with provincial legislation not to repair or rebuild and any relevant statutory requirements in connection with such determination have been complied with, or where, by virtue of such legislation, the Court has made an order directing the application of insurance monies, the Insurer waives its option to repair and settlement of the loss shall be on an actual cash value basis.

11. TERMINATION

In those jurisdictions where provincial legislation under which the "Condominium Corporation" is constituted prescribes different policy termination conditions from those contained in the Statutory Conditions or General Conditions of this policy as the case may be, such prescribed conditions shall apply.

12. DEFINITIONS

(a) "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.

(b) "Contents" means personal property not included in paragraph (a) owned by the "Condominium Corporation" and similar property belonging to others which the Insured is under obligation to keep insured or for which the Insured is legally liable, all while situated on the "premises".

(c) "Spouse" includes either of two persons who are living together in a conjugal relationship or have so lived together continuously for a period of three years or, if they are the natural or adoptive parents of a child, for a period of one year.

(d) "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.

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

PREMIUM PROPERTY PACKAGE EXTENSION

APPLICABLE TO THE COMMERCIAL BUILDING, CONTENTS AND STOCK - BROAD FORM OR THE COMMERCIAL BUILDING, CONTENTS AND STOCK – NAMED PERILS

This endorsement only applies if it is indicated “Covered” on the “Declarations Page” and there are limits shown on that page.

This endorsement is attached to and must be read together with the Commercial Building, Equipment and Stock Form and extensions thereto to which this endorsement is attached.

Words and phrases in quotation marks have special meaning as defined in this endorsement, or, if not defined in this endorsement, as defined in the Commercial Building, Equipment and Stock Form and extensions thereto to which this endorsement is attached.

SUMMARY OF COVERAGES

This SUMMARY OF COVERAGES describes the extension of coverage(s) and the corresponding maximum amount of insurance provided by this endorsement. Unless otherwise specified on the “Declarations Page”, the amount of insurance stated below is the maximum recovery for any extension of coverage in respect of any one occurrence taking place during the policy period. If an extension of coverage is indicated as NOT INSURED on the “Declarations Page” then no coverage will be afforded by those extensions or that section under this endorsement.

	Coverage	Amount of Insurance
1.	Accounts Receivable	\$100,000
2.	Arson Award	\$10,000
3.	Brands and Labels	\$25,000
4.	Contingent Business Interruption	\$25,000
5.	Contractual Penalties	\$10,000
6.	Course of Construction	\$150,000
7.	Deferred Payments	\$25,000
8.	Delayed Shipment Extension	\$25,000
9.	Electronic Data Processing (EDP) Equipment Breakdown	\$10,000
10.	Expediting Expense	\$25,000
11.	Fine Arts	\$25,000
12.	Fire Department Service Charges	\$25,000
13.	Fire Equipment Recharge	\$10,000
14.	Home Office Extension	\$25,000
15.	Inventory Preparation Expense	\$10,000
16.	Land and Water Pollution Clean Up	\$25,000
17.	Leasehold Interest – Rents	\$25,000
18.	Lock Re-Keying or Replacement	\$10,000

19.	Mortgage Rate Guarantee	\$25,000
20.	Peak Season Increase	25% (\$250,000 max)
21.	Personal Property of Officers and Employees	\$25,000
22.	Protection and Preservation of Property	\$25,000
23.	Reward	\$10,000
24.	Service Interruption	\$25,000
25.	Stock Spoilage	\$10,000
26.	Valuable Papers	\$50,000

The following Extensions of Coverage are subject to all of the terms, definitions, exclusions, stipulations, limitations, provisions and other conditions of this Policy including, but not limited to the Commercial Building, Equipment and Stock Form and extensions thereto to which this endorsement attaches unless otherwise stated in this endorsement.

\$1,000 deductible applies to each coverage per occurrence under this extension.

1. ACCOUNTS RECEIVABLE

This insurance is extended to cover:

- (a) all amounts due to the Insured from customers that the Insured is unable to collect as a direct result of loss or damage caused by an insured peril to records of accounts receivable;
- (b) interest charges on any loan required to offset impaired collections pending repayment of such amounts made uncollectible as a direct result of such loss or damage;
- (c) collection expenses in excess of "normal" collection expenses that are made necessary because of such loss or damage; and
- (d) other reasonable expenses incurred by the Insured in re-establishing records of accounts receivable following such loss or damage.

This insurance applies:

- (a) While the insured records are contained in the Insured's "Premises" specified in the "Declaration Page(s)". It is a condition precedent to any right of recovery hereunder that, except while in actual use, such records be kept in receptacles (minimum of metal filing cabinets), when the premises are not open for business.
- (b) While the insured records are being removed to and while at a place of safety because of an imminent danger of loss or damage and while being returned from such place, provided the insured notifies the insurer in writing within thirty (30) days of such removal;
- (c) While the insured records are being conveyed outside the Insured's "Premises" or while temporarily within other premises except for storage.

Additional Exclusions

This extension does not cover against loss or damage:

- (i) due to bookkeeping, accounting or billing errors or omissions;
- (ii) where the only proof of such loss is dependent upon an audit of records or an inventory computation;
- (iii) 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". This exclusion applies only to the extent of the wrongful giving, taking, obtaining or withholding.

Basis of Settlement

- (1) In the event that the Insured cannot accurately establish the total amount of accounts receivable outstanding as of the date of such loss, the Insurer will determine the amount as follows:
 - (i) the total of the average monthly accounts receivable for the 12 months immediately preceding the month in which the loss occurs will be determined; and
 - (ii) that total will be adjusted for any normal fluctuations in the amount of accounts receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.
- (2) The following will be deducted from the total amount of accounts receivable, however the amount is established:
 - (i) the amount of the accounts evidenced by records not lost or damaged;
 - (ii) the amount of the accounts that the Insured is able to re-establish or collect;
 - (iii) an amount to allow for probable bad debts which would normally have been uncollectible by the Insured; and
 - (iv) all unearned interest and service charges.

In the event that any recoveries are received by the Insured after payment of loss by the Insurer under this extension, all such recoveries shall be shared proportionately between

the Insured and the Insurer based on the amount of the loss that has been sustained by each.

2. ARSON REWARD

In the event of loss or damage by fire that results from an act of arson for which coverage is afforded under this Policy, the Insurer will reimburse the Insured for rewards paid to persons other than the Insured, and other officers and partners thereof, for information directly leading to convictions for that act of arson.

3. BRANDS AND LABELS

In case of loss or damage to "Stock" bearing a brand or trademark, or the sale of which in any way carries or implies the guarantee of the responsibility of the manufacturer or Insured, the salvage value of such damaged property shall be determined after removal and reidentifying such brands or trademarks or other identifying characteristics. The cost of such removal shall be borne by the Insurer up to the Limit of Insurance specified in the Summary of Coverages in this Form.

4. CONTINGENT BUSINESS INTERRUPTION

"Business Interruption" coverage provided by this Policy is extended to include loss sustained by the Insured, resulting from the interruption of the Insured's' business by direct physical loss or damage caused by an insured peril to property of a "contingent property" within the "coverage territory", provided that:

- (a) such location is not a property owned, operated, controlled, rented, or occupied by the Insured;
- (b) such location is not a facility furnishing communication services, electricity, water, heat, gas or steam or any other type of utility service to the Insured; and
- (c) no other satisfactory products, materials or services are available that could be used to reduce the period of interruption without causing any prejudice to the Insured.
- (d) Loss is not caused due to "Earthquake" even if extension of coverage for "Earthquake" exists elsewhere in the policy

Coverage under this extension shall be limited as follows:

- (i) If the "contingent property" is located in North America, we will cover the actual business loss sustained by the Insured for a limit of \$25,000, subject to a maximum of

\$25,000 in any one occurrence and an aggregate of \$25,000 in any one policy year, or the applicable amount(s) as shown on the “Declarations Page”.

- (ii) If the “contingent property” is located outside North America, we will cover the actual business loss sustained by the Insured for a limit of \$10,000, subject to a maximum of \$10,000 in any one occurrence and an aggregate of \$10,000 in any one policy year.

The inclusion of more than one supplier or customer in any one occurrence shall not increase the Insurer’s liability under this extension.

This extension of coverage shall apply only if “business interruption” insurance is shown on the “Declarations Page” and is subject to all the terms, limitations, exclusions, provisions and other conditions applicable to such “business interruption” insurance, unless otherwise stated in this endorsement

5. CONTRACTUAL PENALTIES

If “Business Interruption” insurance is provided under this Policy, this insurance is extended to cover fines, damages or penalties for breach of a written contract for late completion or non-completion of orders solely in consequence of the necessary “suspension” of the Insured’s operations during the “indemnity period” caused by direct physical loss or damage to insured property by an insured peril.

6. COURSE OF CONSTRUCTION

If this Policy covers “Buildings”, this insurance is extended to cover direct physical loss or damage caused by an insured peril to property intended for the Insured’s use or occupancy in the ordinary course of their business, in the course of construction, that consists of additions, extensions, and alterations to “buildings” within Canada, except while in transit, including:

- (a) “building materials and supplies”;
- (b) foundations, piers or other supports, excavation, site preparation and similar work;
- (c) landscaping, growing trees, plants, shrubs or flowers all to enter and form part of the construction project; or
- (d) temporary buildings, scaffolding, false work, forms and hoardings.

All the above include the cost of labour expended to repair, replace, or reinstate (whichever is least) the property on the same site with property of like kind and quality.

This coverage will cease 90 days from the date construction begins, or at the inception of more specific insurance, or until the expiry date of this policy, whichever occurs first. Premium will be payable from the date construction begins.

7. DEFERRED PAYMENTS

This insurance is extended to cover direct physical loss or damage caused by an insured peril, to "stock" and "equipment" sold by the Insured under any conditional sale, installment payment or other deferred payment plan after it has left the Insured's custody but before the Insured has received full payment.

If direct physical loss or damage to such "stock" or equipment" by an insured peril occurs anywhere within Canada or the United States of America, the Insurer will reimburse the Insured to the extent of the unpaid amount due to the Insured at the time of the loss, less any amount that may be recoverable from other insurance available to the Insured.

This extension does not apply to loss or damage caused directly or indirectly by the conversion, embezzlement, theft or secretion by any person in lawful possession of the property under any conditional sale, installment payment or other deferred payment plan, or other similar written agreement.

8. DELAYED SHIPMENT EXTENSION:

The insurance under this Form is extended to include loss of the Insured's "stock" through a delay in shipment, if such delay arises out of a direct physical loss or damage by an insured peril, and:

- (i) such delay causes "stock" to arrive late at its intended destination;
- (ii) the "Durable Life/Best Before Date" of such "stock" has expired while the "stock" was in transit, and
- (iii) the intended customer has rejected such "stock".

As used in this Extension Endorsement:

"Durable Life/Best Before Date" means the expiration date as per the manufacturer's specifications.

9. ELECTRONIC DATA PROCESSING (EDP) HARDWARE BREAKDOWN

This insurance is extended to cover direct loss of or damage to "hardware" and "electronic data and media" owned, leased or under the control of the Insured caused by a "breakdown".

This extension does not cover loss or damage due to:

- (a) programming errors or faulty machine instructions; or
- (b) change to, or interruption of, power supply that originates more than 100 kilometers away from the "premises".

10. EXPEDITING EXPENSE

This insurance is extended to cover the reasonable and necessary additional costs incurred by the Insured to make temporary repairs to or to expedite the permanent repairs or replacement of insured property at the "Premises" that has been lost or damaged by direct physical loss or damage caused by an insured peril. Expediting expenses include overtime and the extra cost of express or other rapid means of transportation. Expediting expenses do not include expenses the Insured incurs for the temporary rental of property or temporary replacement of damaged property.

11. FINE ARTS

This insurance is extended to cover direct physical loss or damage caused by an insured peril to "fine arts" which are not "Stock" while located at the "Premises" described in the "Declaration Pages" or while in transit.

Additional exclusions:

This extension does not cover:

- (a) breakage of glassware, statuary, marbles, bric-a-brac, porcelains and other fragile articles unless caused directly by:
 - (i) fire, lightning, explosion, impact by Aircraft, spacecraft or land vehicle, riot, vandalism, malicious acts, smoke, leakage from "fire protective equipment", windstorm or hail (all described in the Property Forms), theft or attempted theft, by a falling object striking the exterior of the "building", or by an accident to a transporting conveyance; or
 - (ii) Earthquake shock or flood, if otherwise insured by this Policy;
- (b) loss or damage caused directly or indirectly by any repairing, restoration or retouching process.

It is warranted by the Insured that the "fine arts" will be packed and unpacked by competent packers.

12. FIRE DEPARTMENT SERVICE CHARGES

This insurance is extended to cover expenses incurred by the Insured when a fire department is called to save or protect the insured property from an insured peril while the insured property is on the "Premises" described in the "Declaration Pages".

The Insurer's liability shall not increase if more than one fire department responds in any one occurrence.

13. FIRE EQUIPMENT RECHARGE

This insurance is extended to cover expenses incurred by the Insured to recharge any fire protection equipment located on the "Premises" that has been discharged as a result of an insured peril.

14. HOME OFFICE EXTENSION

The insurance under this Form is extended to insure "contents of every description" while such property is away from the "premises" and is at the permanent residence of the Insured or any "employee" of the Insured anywhere in Canada or the United States of America.

15. INVENTORY PREPARATION EXPENSE

If, as the result of loss or damage insured against by this Policy, the Insurer requests the preparation of inventories to help determine the amount of the loss, the Insurer will indemnify the Insured for the necessary expenses incurred to prepare such inventories up to \$10,000 in any one occurrence. The Insurer shall not be liable under this extension for expenses to prove this Form insures against a loss, nor for expenses incurred under the condition of this Policy relating to Appraisal.

16. LAND AND WATER POLLUTION CLEANUP

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

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

Additional exclusions

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, processing or treatment of waste.

Additional Policy Conditions

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

The most that the Insurer will pay under this extension in any one policy period is the amount of insurance specified for this extension on the Summary of Coverages, or if applicable, as specified on the "Declarations Page".

For the purposes of this extension "Premises" means the entire area within the property lines and areas under adjoining sidewalks and driveways at the location described on the "Declarations Page".

17. LEASEHOLD INTEREST - RENTS

If, as a result of loss or damage insured against, the Insured's lease is terminated by the landlord and the Insured is forced to move to another location, the Insurer will indemnify the Insured for any difference between the higher current rental value, and the rent paid in the original

lease. The difference is to be calculated on the basis that the Insured enters into a new lease for premises of like kind, location, condition and size for the purpose of continuing their business activities.

The Insurer is not liable for any increase in rent resulting from the Insured exercising an option to cancel the lease.

This extension of coverage will continue for:

- (a) the balance of the original lease term; or
- (b) 12 months from the date the lease was terminated,

whichever occurs first.

18. LOCK RE-KEYING OR REPLACEMENT

This insurance is extended to cover all costs of repairing, replacing or reprogramming keys, locks or access cards that control all doors at the "Premises" resulting directly from physical loss or damage to insured property caused by an insured peril.

19. MORTGAGE RATE GUARANTEE

[Is this only an extension of BI insurance or direct physical loss?]This insurance is extended to cover the increase in mortgage cost charged by mortgage providers for the reconstruction of "Building(s)" caused by direct physical loss of or damage to insured property at the "Premises" from an insured peril.

The Insurer will pay the difference in cost between the mortgage rate in effect at the time of the loss and the new mortgage rate, based on the outstanding mortgage balance.

It is a condition precedent to recovery under this extension that:

- (a) The loss or damage to the "Building" has been deemed a total loss, meaning that the "Building" cannot be repaired and must be demolished and reconstructed;
- (b) The existing mortgage must be closed by the mortgagee at the time of the loss, requiring a new mortgage at a higher, competitive rate of interest; and
- (c) The terms of the new mortgage must be the same in time frame, amortization, and interest rate option as the existing mortgage at the time of loss.

This extension of coverage will continue:

- (i) for the duration of the mortgage period that was in effect at the time of the loss, until its expiry;
 - (ii) until the Insured's interest in the "Building" ceases; or
 - (iii) for 60 months from the date of loss,
- whichever occurs first.

20. PEAK SEASON INCREASE

The limit of liability on "Stock" as stated on the "Declarations Page" or the amount of "Stock" to provide for seasonal variations. This increase shall not apply unless the limit of liability on "Stock" shown on the "Declarations Page" for this coverage is 100% or more of the Insured's average monthly values for the 12 months immediately preceding the date of loss or, in the event the Insured has been in business for less than 12 months, for such shorter period of time.

21. PERSONAL PROPERTY OF OFFICERS AND EMPLOYEES

This extension replaces the Personal Property of Officers and Employees extension of coverage contained in the Commercial Building, Equipment and Stock Form to which this endorsement attaches.

This insurance is extended to cover direct physical loss or damage caused by an insured peril to personal property of officers and employees of the Insured. The insurance on such property:

- (a) shall not apply if it is insured by the owner unless the Insured is obliged to insure it or is liable for its loss or damage; and
- (b) shall apply only to loss or damage occurring at the "Premises" or at any Newly Acquired Location as described in the Commercial Building, Equipment and Stock Form to which this endorsement attaches.

22. PROTECTION AND PRESERVATION OF PROPERTY

This insurance is extended to cover the reasonable and necessary costs incurred by the Insured to temporarily remove or protect the property insured from direct physical loss or damage caused by an insured peril at the "Premises".

The Insurer will pay the Insured an amount not exceeding whichever is the least of:

- (a) the value of the property that has been removed or protected; or
- (b) the amount of insurance specified on the Summary of Coverages, or if applicable, as specified on the "Declarations Page".

23. REWARD

This insurance is extended to reimburse the Insured for any reward, including costs to advertise a reward, paid to any person or persons other than to the Insured or officers and partners thereof for information that directly leads to the conviction of any person or persons for committing a felonious act resulting in loss or damage to insured property. This extension applies only if the crime results in the payment of a claim under this Policy. The Insurer will be the sole judge as to the person or persons to whom a reward is paid and to the size of the reward.

24. SERVICE INTERRUPTION

"Business Interruption" coverage provided by this policy is extended to include loss sustained by the Insured, caused by an interruption in "services". The interruption in "services" must be a result of direct physical loss or damage caused by an insured peril to any property used to generate or supply "services" to the "Premises".

This extension does not apply if the property is:

- (a) located on the Insured's "Premises";
- (b) owned, operated or controlled by the Insured; or
- (c) located beyond 100 kilometers of the Insured's "Premises".
- (d) Loss is caused due to "Earthquake" even if extension of coverage for "Earthquake" exists elsewhere in the policy

This extension does not cover loss during the first twenty-four (24) consecutive hours of loss of "services" or interruption in "services" directly or indirectly arising from:

- (i) loss of or damage to electrical transmission lines or distribution lines or their supporting structures;
- (ii) a discharge of water or sewage due to heavy rainfall or flooding;
- (iii) loss of or reduction of "services" due to lack of sufficient capacity;
- (iv) an intentional reduction in the supply of "services"; or
- (v) an interruption in "services" that does not exceed 24 consecutive hours.

As used in this Extension Endorsement:

"Services" means:

- (a) electricity, gas, water or steam;
- (b) communication supply services (excluding satellites); or
- (c) a utility system for removing wastewater and sewage, other than a system designed primarily for draining storm water.

This extension of coverage shall apply only if "business interruption" insurance is shown on the "Declarations Page" and is subject to all the terms, limitations, exclusions, provisions and other conditions applicable to such "business interruption" insurance, unless otherwise stated in this endorsement

25. STOCK SPOILAGE

This insurance is extended to cover physical loss of or damage to "perishable stock" on the "Premises" caused by dampness or dryness of atmosphere or changes in temperature.

The dampness or dryness of atmosphere or changes in 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:
 - (i) be caused by direct physical loss or damage by an insured peril to apparatus that is located within 100 kilometers of the "premises" that generates or supplies such "services" to the "premises"; and
 - (ii) exceed 24 consecutive hours.

Any insurance provided by (b) above will not be considered loss or damage to insured property by an insured peril for the purposes of any "business interruption" coverage provided under this policy.

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

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

For the purposes of this clause:

“Services” means:

- (a) electricity, gas, water or steam;
- (b) communication supply services (excluding satellites); or
- (c) a utility system for removing wastewater and sewage, other than a system designed primarily for draining storm water.

26. VALUABLE PAPERS

This insurance is extended to cover direct physical loss or damage caused by an insured peril to “valuable papers and records”.

This insurance applies only:

- (i) while the “valuable papers and records” are on the “Premises”. It is a condition precedent to any right of recovery hereunder, that the valuable papers and records shall be kept in protective container(s), at all times when the premises are not open for business, except while such valuable papers and records are in actual use or as stated in (ii) and (iii) below. ;
- (ii) while the insured Valuable Papers and Records are being removed to, and while at a place of safety because of imminent danger of loss or damage and while being returned from such place, provided the Insured notifies the Insurer in writing within thirty (30) days of such removal;
- (iii) while temporarily away from the “premises”, including while in transit.

Deductible

A minimum \$1,000 deductible or higher amount otherwise stated shall apply to each claim under this form.

Additional exclusions

This extension does not cover:

- (i) loss resulting directly from errors or omissions in processing or copying;
- (ii) to property held as samples or for sale or for delivery after sale; or
- (iii) "valuable papers and records" that cannot be replaced with similar property of like kind and quality.

Basis of Settlement

The Insurer will pay the Insured an amount not exceeding whichever is the least of:

- (1) the actual cash value of the insured property at the time of loss;
- (2) the cost to repair or replace the insured property with similar property;
- (3) the cost to compile information required and to transcribe or copy the lost or damaged "valuable papers and records";
- (4) the amount of insurance specified for this extension on the Summary of Coverages, or if applicable, as specified on the "Declarations Page".

This extension of coverage shall apply only if "business interruption" insurance is shown on the "Declarations Page" and is subject to all the terms, limitations, exclusions, provisions and other conditions applicable to such "business interruption" insurance, unless otherwise stated in this endorsement.

DEFINITIONS

Wherever used in this Form:

"Breakdown" means:

- (a) mechanical failure;
- (b) short circuit, blow-out or other electrical or magnetic disturbance, other than lightning, within electrical equipment, apparatus or devices;
- (c) "hardware" failure or malfunction occurring while "electronic data and media" is being run through the system.

"Building materials and supplies" means materials, machinery, equipment, permanent fixtures and fittings and supplies all to enter into and form part of the completed construction project. The "building materials and supplies" may be the property of the Insured or of others in the care, custody or control of the Insured.

“Business Interruption” means insurance provided by the following Forms:

- (a) Profits
- (b) Rents
- (c) Extra Expense

“Contingent property” means:

- (a) a property which provides the Insured with products, materials or services;
- (b) a property which receives the Insured’s products, materials or services that the Insured produces or sells; or
- (c) a property that is in the vicinity of the Insured’s business and attracts business to the Insured’s “premises”.

“Coverage territory” means anywhere within Canada or the continental United States of America.

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

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

“Electronic data and media” means all forms of converted “data”, programs or instruction vehicles employed in the Insured’s data processing operation, except for all such property that is obsolete or deteriorated due to usage.

“Electronic media” means any material on which “data” is electronically recorded or stored, except for all such property that is obsolete or deteriorated due to usage.

“Fine arts” means 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.

“Hardware” means the mechanical, magnetic, electronic, and electrical components and peripherals that make up a computer system used solely for electronic data processing operations.

“Money” means:

- (a) currency, coins and bank notes in current use and having a face value;
- (b) bullion, “cash cards”; and
- (c) traveler’s cheques, register cheques and money orders held for sale to the public.

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

“Other property” means any tangible property other than “money” and “securities” that has intrinsic value. “Other property” does not include computer programs, electronic data or any property specifically excluded.

“Perishable stock” means “Stock” maintained under controlled conditions for its preservation which is susceptible to loss or damage if the controlled conditions change.

“Premises” means the entire area within the property lines and areas under adjoining sidewalks and driveways at the location described on the “Declarations Page”.

“Securities” means all negotiable and non-negotiable instruments or contracts representing “money” or “other property” and includes:

- (a) tokens, tickets, revenue or other stamps (whether represented by actual stamps or unused value in a meter) in current use;
- (b) cheques, drafts;
- (c) warehouse receipts or bills of lading;

but does not include “money”.

“Services” means:

- (a) electricity, gas, water or steam;
- (b) communication supply services (excluding satellites); or
- (c) a utility system for removing wastewater and sewage, other than a system designed primarily for draining storm water.

“Valuable papers and records” means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts, but does not include “money”, “securities” and “electronic media”.

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

PROFITS

This form only applies if it is indicated “Covered” on the “Declarations Page” and there are limits shown on that page.

This Form is attached to and must be read together with the Commercial Building, Equipment and Stock Form to which this endorsement is attached. Unless otherwise provided, this Form is subject to all terms, conditions, exclusions, stipulations and provisions applicable to the Commercial Building, Equipment and Stock Form to which this endorsement is attached.

Words and phrases in quotation marks have special meaning as defined in this Form, or, if not defined in this Form, as defined in the Commercial Building, Equipment and Stock form to which this endorsement is attached.

1. INSURING AGREEMENT

This Form insures, up to the limit specified in the Declaration Page(s), against loss directly resulting from necessary interruption of the Insured’s business caused by direct physical loss or damage to insured property by the perils insured against, occurring during the term of this Policy, to “building(s)”, structure(s), machinery, equipment or stock on the “premises” specified in the Declaration Page(s).

2. MEASURE OF RECOVERY

This insurance, subject to the limit of the amounts of insurance as stated in the “Declarations Page”, is limited to loss of “Gross Profit” due to (a) Reduction in Turnover and (b) Increase in Cost of Working and the amount payable shall be:

(a) In respect of Reduction in Turnover: The sum produced by applying the "Rate of Gross Profit" to the amount by which the Turnover during the "Indemnity Period" shall, in consequence of the destruction or damage by a peril insured against, fall short of the Standard Turnover;

(b) In respect of Increase in Cost of Working: The additional expenditure (subject to clause 5.b.) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the "Indemnity Period" in consequence of the destruction or damage by a peril insured against, but not exceeding the sum produced by applying the "Rate of Gross Profit" to the amount of the reduction thereby avoided;

less any sum saved during the "Indemnity Period" in respect of such of the Insured Standing Charges (as described in clause 3) as may cease or be reduced in consequence of the destruction or damage by the perils insured against;

provided that if the amount of insurance stated in the "Declarations Page" be less than the sum produced by applying the "Rate of Gross Profit" to the Annual Turnover, the amount payable shall be proportionately reduced.

3. PAYROLL

The Insured's entire ordinary payroll expense is insured for a period of time not in excess of 90 consecutive days immediately following the date of loss, which may continue during a total or partial suspension of business, insuring only to the extent necessary to resume the "normal" business of the Insured with the same quality of service which existed immediately preceding the destruction or damage by the perils insured against, and which would have been earned had no destruction or damage by perils insured against occurred.

This Item does not insure any portion of salaries described under Insured Standing Charges (described in clause 4).

The Insurer shall not be liable, in the event of loss, for a greater proportion of the loss under this Item than the amount hereby insured under the said Item bears to 80% of the Insured's entire ordinary payroll expense, excluding only salaries described under "standing charges", that would have been earned (had no destruction or damage by a peril insured against occurred) during the 90 consecutive days immediately following the date of damage to or destruction of the described property.

4. **INSURED STANDING CHARGES**

All standing charges are insured unless otherwise specified by endorsement.

The following shall in no event be deemed to be standing charges:

- (a) Depreciation of "Stock";
- (b) Bad debts;
- (c) Wages and salaries other than salaries to permanent staff and wages to foremen and important employees whose services would not be dispensed with should the business be interfered with or interrupted.

6. **PROVISIONS**

- (a) If during the "Indemnity Period" goods shall be sold or services shall be rendered elsewhere than at the "Premises" for the benefit of the business, either by the Insured or by others on the Insured's behalf, the money paid or payable in respect of such sales or service shall be brought into account in arriving at the "Turnover" during the "Indemnity Period".
- (b) If any Standing Charges of the business be not insured by this Form then in computing the amount recoverable hereunder as Increase in Cost of Working that proportion only of the additional expenditure shall be brought into account which the sum of the "Net Profit" and the Insured Standing Charges bears to the sum of the "Net Profit" and all Standing Charges.
- (c) The liability of the Insurer shall in no case exceed the total amount of insurance or such other sum or sums as may be endorsed hereon.
- (d) The Insurer shall not be liable for any loss due to fines or damages for breach of contract for late or non-completion of orders or for any penalties of whatever nature.

- (f) Any loss hereunder shall not reduce the amount of insurance applicable to this Form.
- (g) On the happening of any physical destruction or damage by a peril insured against in consequence of which a claim is or may be made under this Form, the Insured shall with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimize or check any interruption of or interference with the business or to avoid or diminish the loss.

7. **PREMIUM ADJUSTMENT**

If within twelve (12) months after the expiration of this policy the Insured shall file with the Insurer a Premium Adjustment Application Form showing:

- (a) the total amount of insurance carried under this and all other policies insuring "Gross Profit" during the annual term of this policy and that such amount of insurance was not decreased during the policy term; and
- (b) that the "Gross Profit" certified by the Insured's auditors as earned during the Insured's financial year most nearly concurrent with the annual term of the policy, was less than the total amount of insurance carried thereon, then the Insurer will allow in respect of its pro rata proportion of the difference a return of premium not exceeding fifty per cent (50%) of the premium paid by the Insured under this Form.

In the event of loss originating within the term of this policy, the premium for the full term of this insurance on the full amount paid or payable for such loss shall be regarded as earned and no return premium shall be allowed in respect thereof.

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

8. Co-insurance Clause

The Insured shall maintain insurance concurrent in form, range, and wording with this insurance to the extent of at least the percentage stated in the "Declarations Page" of the annual "Gross Profit" herein defined and, failing 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.

9. Interruption by Civil Authority

This form is extended to include the actual loss as insured hereunder during the period of time, not exceeding 30 days, while access to the described premises is prohibited by order of civil authority, but only when such order is given as a direct result of physical damage to neighbouring premises by a peril insured against.

10. Reinstatement

Any loss hereunder shall not reduce the amount of insurance applicable to this form.

11. ADDITIONAL EXCLUSIONS

In addition to those exclusions found in the Commercial Building, Equipment and Stock Form to which this endorsement attaches the following exclusions apply:

The Insurer shall not be liable for:

- (a) any increase of loss caused by delays or loss of time due to the presence of strikers or other persons or to labour disturbances on or about the premises interfering with the rebuilding, repairing, or replacing of the property damaged or destroyed or the resumption or continuation of business or free access to or control of the premises or due to the action of sympathetic strikers elsewhere;

- (b) loss due to the suspension, lapse or cancellation of any lease or license, contract or order, which may affect the Insured's earnings after the period following any loss during which indemnity is payable;

12. PERMISSION IS GRANTED

Permissions is hereby granted:

(a) For further concurrent insurance either prior, co-incident or subsequent, and to increase or decrease insurance without notice until required, but this permission shall not be construed to waive the provision that if the Amount of Insurance be less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover, the amount payable shall be proportionately reduced.

(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.

AT UNSPRINKLERED LOCATIONS ONLY:

To make additions, alterations or repairs without limit of time.

To cease operations or to remain vacant or unoccupied for a period not exceeding thirty (30) days at any one time.

To keep and use fuel oil in the building for heating purposes.

To keep automobiles, tractors or other motor vehicles.

AT SPRINKLERED LOCATIONS ONLY:

For plant changes, alterations and repairs, and for ordinary additions without limit of time; but extraordinary additions and extensions are only permitted provided notice thereof is given the Insurer, at or about the time when work is commenced. Subject to the foregoing, the insurance on the property covered under this Form is hereby extended to said additions and extensions, subject to all the terms and conditions of the policy and to any adjustment of premium deemed necessary.

To cease operations in, and for any individual buildings to remain vacant or unoccupied without limit of time, but the entire plant not to cease operations, or to be vacant or unoccupied for a period exceeding thirty (30) days at any one time.

AUTOMATIC FIRE PROTECTION MAINTENANCE CLAUSE

The rate of premium being fixed having regard to the fact that the risk is mainly under sprinkler protection, it is understood and agreed that the Insured shall forthwith notify the Insurer of any interruption to or flaw or defect in the sprinkler equipment coming to the knowledge of the Insured.

13. OTHER INSURANCE

If at the time of the loss, there is other insurance covering the same interest (whether collectible or not), the Insurer shall be liable for no greater proportion of any loss than the amount of insurance applicable to this form bears to the total amount of insurance covering such interest.

14. DEFINITIONS

- (a) "Gross Profit" means the sum produced by adding to the "Net Profit" the amount of the Insured Standing Charges (as described at clause 4) or, if there is no "Net Profit", the amount of the Insured Standing Charges less such a proportion of any net trading loss as the amount of the Insured Standing Charges bears to all Standing Charges of the business.
- (b) "Net Profit" means net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured at the "Premises" after due provision has been made for all Standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.
- (c) "Turnover" means the money paid or payable to the Insured for goods sold and delivered and for services rendered in course of the business at the "Premises".
- (d) "Indemnity Period" means the period beginning with the occurrence of a peril insured against and ending no later than twelve (12) months thereafter during which the results of the business shall be affected in consequence of the destruction or damage by a peril insured against, except that if media for, or programming records pertaining to, electronic data processing or electronically controlled equipment including data thereon be destroyed or damaged by a peril insured against then the "Indemnity Period" in respect thereof shall not extend beyond
 - (a) thirty (30) consecutive days after the occurrence of such destruction or damage;
or
 - (b) the date upon which liability ceases under this insurance for loss arising from other property destroyed or damaged by the same occurrence;whichever shall be the later.
- (e) "Rate of Gross Profit" means the Rate of Gross Profit earned on the "Turnover": during the financial year immediately before the date of the destruction or damage by perils insured against.

- (f) "Annual Turnover" means the "Turnover" during the twelve (12) months immediately before the date of the destruction or damage by a peril or perils insured against.
- (g) "Standard Turnover" means the "Turnover" during that period in the twelve (12) months immediately before the date of the destruction or damage by a peril or perils insured against which corresponds with the "Indemnity Period".

To the "Rate of Gross Profit", "Annual Turnover" and "Standard Turnover" such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the destruction or damage by perils insured against or which would have affected the business had the destruction or damage by a peril or perils insured against not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the destruction or damage by perils insured against would have been obtained during the relative period after the destruction or damage by a peril or perils insured against.

Nothing herein contained shall vary, alter or extend any provision or condition of the Policy other than as above stated. This Form attaches to and forms part of the Policy.

RENTAL INCOME

This form only applies if it is indicated "Covered" on the "Declarations Page" and there are limits shown on that page.

This Form is attached to and must be read together with the Commercial Building, Equipment and Stock Form to which this endorsement is attached. Unless otherwise provided, this Form is subject to all terms, conditions, exclusions, stipulations and provisions applicable to the Commercial Building, Equipment and Stock Form to which this endorsement is attached.

Words and phrases in quotation marks have special meaning as defined in this Form, or, if not defined in this Form, as defined in the Commercial Building, Equipment and Stock form to which this endorsement is attached.

1. INSURING AGREEMENT

This form insures up to the amount(s) stated in the "Declarations Page", the rent and rental value of the "Building(s)" and its additions and extensions communicating and in contact therewith as described in the "Declarations Page" and at the location(s) shown therein.

2. Measure Of Recovery

The measure of recovery in the event of loss hereunder shall be the reduction in "gross rent and rental value" directly resulting from "Building(s)" being untenable solely and directly due to physical destruction or damage by the perils insured against to the described "Building(s)", less charges and expenses which do not necessarily continue during the period the "Building(s)" is so untenable, for not exceeding such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the "Building(s)" described as has been destroyed or damaged, commencing with the date of such destruction or damage and limited to a period of 12 consecutive calendar months from the date of such destruction or damage, but not exceeding the actual loss sustained by the Insured resulting from the "Building(s)" being untenable.

3. Co-insurance Clause

The Insured shall maintain insurance concurrent in form, range, and wording with this insurance to the extent of at least the percentage stated in the "Declarations Page" of the annual "gross rent and rental value" herein defined of the described "Building(s)" and, failing 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.

4. Interruption by Civil Authority

This form is extended to include the actual loss as insured hereunder during the period of time, not exceeding 30 days, while access to the described premises is prohibited by order of civil authority, but only when such order is given as a direct result of physical damage to neighbouring premises by a peril insured against.

5. Reinstatement

Any loss hereunder shall not reduce the amount of insurance applicable to this form.

6. Additional EXCLUSIONS

In addition to those exclusions found in the Commercial Building, Contents and Stock Form to which this endorsement attaches the following exclusions apply:

The Insurer shall not be liable for:

- (a) any increase of loss caused by delays or loss of time due to the presence of strikers or other persons or to labour disturbances on or about the premises interfering with the rebuilding, repairing, or replacing of the property damaged or destroyed or the resumption or continuation of business or free access to or control of the premises or due to the action of sympathetic strikers elsewhere;
- (b) loss due to the suspension, lapse or cancellation of any lease or license, contract or order, which may affect the Insured's "gross rent and rental value" after the period following any loss during which indemnity is payable;
- (c) loss due to fines or damages for breach of contract for late or non-completion of orders or for any penalties of whatever nature.

7. OTHER INSURANCE

If at the time of the loss, there is other insurance covering the same interest (whether collectible or not), the Insurer shall be liable for no greater proportion of any loss than the amount of insurance applicable to this form bears to the total amount of insurance covering such interest.

8. PERMISSIONS

Permission is hereby granted:

- (a) to make additions, alterations or repairs;
- (b) 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.

AT UNSPRINKLERED LOCATIONS ONLY:

- To make additions, alterations or repairs without limit of time.
- To cease operations or to remain vacant or unoccupied for a period not exceeding thirty (30) days at any one time.
- To keep and use fuel oil in the building for heating purposes.
- To keep automobiles, tractors or other motor vehicles.

AT SPRINKLERED LOCATIONS ONLY:

For plant changes, alterations and repairs, and for ordinary additions without limit of time; but extraordinary additions and extensions are only permitted provided notice thereof is given the Insurer, at or about the time when work is commenced. Subject to the foregoing, the insurance on the property covered under this Form is hereby extended to said additions and extensions, subject to all the terms and conditions of the policy and to any adjustment of premium deemed necessary.

To cease operations in, and for any individual buildings to remain vacant or unoccupied without limit of time, but the entire plant not to cease operations, or to be vacant or unoccupied for a period exceeding thirty (30) days at any one time.

AUTOMATIC FIRE PROTECTION MAINTENANCE CLAUSE

The rate of premium being fixed having regard to the fact that the risk is mainly under sprinkler protection, it is understood and agreed that the Insured shall forthwith notify the Insurer of any interruption to or flaw or defect in the sprinkler equipment coming to the knowledge of the Insured.

9. DEFINITIONS

Wherever used in this form:

- (a) "GROSS RENT AND RENTAL VALUE" means the sum of:
 - (i) the actual total annual gross rent or rental value of the occupied portion(s) of the "Building(s)";
 - (ii) the estimated annual rental value of the unoccupied portion(s) of the "Building(s)"; and
 - (iii) a fair rental value of the portion(s), if any, of the buildings occupied by the Insured.

Nothing herein contained shall vary, alter or extend any provision or condition of the Policy other than as above stated. This Form attaches to and forms part of the Policy.

EXTRA EXPENSE

This form only applies if it is indicated "Covered" on the "Declarations Page" and there are limits shown on that page.

This Form is attached to and must be read together with the Commercial Building, Equipment and Stock Form to which this endorsement is attached. Unless otherwise provided, this Form is subject to all terms, conditions, exclusions, stipulations and provisions applicable to the Commercial Building, Equipment and Stock Form to which this endorsement is attached.

Words and phrases in quotation marks have special meaning as defined in this Form, or, if not defined in this Form, as defined in the Commercial Building, Equipment and Stock Form to which this endorsement is attached.

1. INSURING AGREEMENT

This insurance is extended to cover the necessary "extra expense" incurred by the Insured in order to resume as nearly as practicable, their "normal business operations" that have been interrupted as a direct result of physical damage to or destruction of insured property at the "Premises" by an insured peril, where such damage or destruction is covered elsewhere in this Policy. The Insurer shall be liable for "Extra Expense" so incurred, for not exceeding such length of time, herein referred to as the Period of Restoration, commencing with the date of the loss and not limited by the date of expiration of this Form, as shall be required with the exercise of due diligence and dispatch to repair, rebuild, or replace such part of the described building(s) or additions thereto or contents thereof as may be destroyed or damaged.

2. INTERRUPTION BY CIVIL AUTHORITY

This form is extended to include the actual loss as insured hereunder during the period of time, not exceeding 30 days, while access to the described premises is prohibited by order of civil authority, but only when such order is given as a direct result of physical damage to neighbouring premises by a peril insured against.

3. REINSTATEMENT

Any loss hereunder shall not reduce the amount of insurance applicable to this form.

4. NEWLY ACQUIRED LOCATION

If there is coverage for "Newly Acquired Location" under the Commercial Property Form to which this extension attaches, then the "Extra Expense" coverage provided by this Form is extended to

include loss sustained by the Insured resulting from direct physical loss or damage by an insured peril at any newly acquired location within the "coverage territory" that is owned, rented or controlled by the Insured in whole or in part or in or on vehicles within 100 meters (328 feet) of such location up to a maximum limit of \$50,000.

This coverage applies from the time of the acquisition and extends for a period of 30 days, or to the date of endorsement of this policy adding such location, or until the expiry date of this policy, whichever occurs first. Premium will be payable from the date of acquisition.

5. ADDITIONAL EXCLUSIONS

In addition to those exclusions found in the Commercial Building, Equipment and Stock Form to which this endorsement attaches the following exclusions apply:

The Insurer shall not be liable for:

(a) any increase of loss caused by delays or loss of time due to the presence of strikers or other persons or to labour disturbances on or about the premises interfering with the rebuilding, repairing, or replacing of the property damaged or destroyed or the resumption or continuation of business or free access to or control of the premises or due to the action of sympathetic strikers elsewhere;

(b) loss due to the suspension, lapse or cancellation of any lease or license, contract or order, which may affect the Insured's earnings after the period following any loss during which indemnity is payable;

(c) any increase of loss directly or indirectly, proximately or remotely, resulting from, or contributed to by, the operation of any by-law, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures unless the liability is otherwise specifically assumed by endorsement hereon;

(e) the cost of compiling books of account, abstracts, drawings, card index systems or other records including film, tape, disc, drum, cell or other magnetic recording or storage media for electronic data processing; or

f) loss due to fines or damages for breach of contract for late or non-completion of orders, or for any penalties of whatever nature.

6. DEFINITIONS

Wherever used in this Form:

- (a) "Extra Expense" means the excess (if any) of the total cost during the Period of Restoration for the purpose of continuing the Insured's business over and above the total cost that would normally have been incurred to conduct the business during the same period had no loss occurred; the cost in each case to include expense of using other property or facilities of other concerns or other similar necessary emergency expenses. In no event, however, shall the Insurer be liable under this Policy for loss of income nor for "Extra Expense" in excess of that necessary to continue as nearly as practicable the normal conduct of the Insured's business, nor the cost of repairing or replacing any of the described property that has been damaged or destroyed by the perils insured against, except cost in excess of the normal cost of such repairs or replacements necessarily incurred for the purpose of reducing the total amount of "Extra Expense".
- (b) "Normal Business Operations" means all the actions that are necessary for running your company and generating income **had no loss occurred**.

Nothing herein contained shall vary, alter or extend any provision or condition of the Policy other than as above stated. This Form attaches to and forms part of the Policy.

EARTHQUAKE ENDORSEMENT

APPLICABLE TO THE COMMERCIAL BUILDING, CONTENTS AND STOCK - BROAD FORM

Words and phrases in quotation marks have special meaning as defined in this endorsement or, if not defined in this endorsement, as defined in the form to which this endorsement is attached.

This endorsement changes the insurance provided under the property form(s) to which it is attached. Please read it carefully.

Unless stated otherwise, this endorsement is subject to the terms, conditions, limitations and exclusions that are applicable to the Form to which this endorsement is attached.

1. INSURED PERIL

This insurance is hereby extended to insure physical loss or damage to insured property caused directly by the peril of earthquake subject to the following conditions:

2. 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 any one hundred and sixty-eight (168) hours during the term of this policy shall be deemed a single earthquake within the meaning hereof. Notwithstanding the foregoing, the Insurer shall not be liable for any 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.

3. DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by earthquake exceeds the amount of the deductible specified in the Declarations for Earthquake in any one occurrence. If a percentage is specified, the amount of the deductible shall be that percentage of the actual cash value (or for those items subject to a replacement cost endorsement, the replacement cost) of the insured property or interest, subject to a minimum dollar deductible if specified in the Declarations.

4. ADDITIONAL EXCLUSIONS

This endorsement does not cover loss or damage resulting from, contributed to or 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, riot, vandalism or malicious acts, flood of any nature, "surface water", waves, tsunamis, tides, tidal waves, high water, or the breaking out or overflow of any natural or artificial body of water, waterborne objects or ice.

5. EXTENSIONS OF COVERAGE

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

6. ANNUAL AGGREGATE LIMIT

If an Annual Aggregate Limit is specified in the Declarations with respect to this endorsement, the said limit is the maximum payable by the Insurer in each "annual period".

7. 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 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.

8. DEFINITIONS

"Annual period" means each consecutive period of one year commencing from the inception date of this policy, or if the last consecutive period is less than twelve (12) months, such period of less than twelve (12) months.

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

FLOOD EXTENSION

APPLICABLE TO THE COMMERCIAL BUILDING, CONTENTS AND STOCK - BROAD FORM

Words and phrases in quotation marks have special meaning as defined in this endorsement or, if not defined in this endorsement, as defined in the form to which this endorsement is attached.

This endorsement changes the insurance provided under the property form(s) to which it is attached and applies to each location for which Flood is specified on the "Declarations Page". Please read it carefully.

1. INSURED PERIL

This insurance is hereby extended to include physical loss or damage caused directly by the peril of "flood" subject to the following conditions:

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 in the "Declarations Page" for "flood" in any one "occurrence".

This deductible clause applies separately to each "occurrence" at each "Premises" to which this endorsement applies.

3. ADDITIONAL EXCLUSIONS

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

- (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) fire, explosion, smoke, "leakage from fire protective equipment" or leakage from a watermain, theft, riot, vandalism or malicious acts.

4. EXTENSIONS OF COVERAGE

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

5. ANNUAL AGGREGATE LIMIT

If an Aggregate Limit is specified for this endorsement on the "Declarations Page", the amount specified as the Aggregate Limit is the most the Insurer will pay for the total of all covered loss or damage (including "Business Interruption" if such coverage is provided) that is caused by "flood" during one "annual period", regardless of the number of "occurrences". If a "flood" "occurrence" begins during one "annual period" and ends during the following "annual period", only one Aggregate Limit will apply, and the Aggregate Limit applicable to the following "annual period" will not apply to such "occurrence".

6. 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 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.

7. DEFINITIONS

"Annual period" means that each consecutive period of one year commencing from the inception date of this policy, or if the last consecutive period is less than twelve (12) months, such period of less than twelve (12) months.

"flood" means the rising, breaking out, or overflow of any body of water whether natural, artificial or man-made and includes waves, tides, tidal waves and tsunamis and the unusual or rapid accumulation of runoff or "surface water";

"Occurrence" means all flooding which occurs within any 168 consecutive hours commencing during the policy period on or after the effective date of this endorsement. The expiration of this policy will not reduce the 168 hour period.

Unless stated otherwise, this endorsement is subject to the terms, conditions, limitations and exclusions that are applicable to the Form to which this endorsement is attached.

SEWER BACKUP EXTENSION

APPLICABLE TO THE COMMERCIAL BUILDING, CONTENTS AND STOCK - BROAD FORM

Words and phrases in quotation marks have special meaning as defined in this endorsement or, if not defined in this endorsement, as defined in the form to which this endorsement is attached.

This endorsement changes the insurance provided under the property form(s) to which it is attached and applies to each location for which Sewer Back-Up is specified on the "Declarations Page". Please read it carefully.

Unless stated otherwise, this endorsement is subject to the terms, conditions, limitations and exclusions that are applicable to the Form to which this endorsement is attached.

1. INSURED PERIL

This insurance is hereby extended to include physical loss or damage caused directly by the peril of "sewer back-up" subject to the following conditions:

2. SEWER BACK-UP

For the purpose of this endorsement, "sewer back-up" shall mean the sudden and accidental backing up, escape or overflow of water from within sewers, sumps, septic tanks or drains located inside a "Building(s)" described on the "Declarations Page".

3. DEDUCTIBLE

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

This deductible clause applies separately to each "Premises" to which this endorsement applies.

4. ADDITIONAL EXCLUSIONS

This endorsement does not insure damage:

- (a) caused directly or indirectly by continuous or repeated seepage or leakage;
- (b) occurring while the building is under construction or is vacant, even though permission may have been given for construction or vacancy.

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

VACANCY PERMIT ENDORSEMENT

APPLICABLE TO THE COMMERCIAL BUILDING, CONTENTS AND STOCK - BROAD FORM OR THE COMMERCIAL BUILDING, CONTENTS AND STOCK – NAMED PERILS

This endorsement changes the insurance provided under the property form(s) to which it is attached and applies to each location for which Vacancy Permit is specified on the "Declarations Page". Please read it carefully.

It is hereby understood and agreed that permission is hereby granted for the building or buildings described in the "Declaration Pages" to be vacant or unoccupied for the period of time stated in the "Declaration Pages" subject to the following terms and conditions:

- 1) all doors and windows shall be securely closed and locked;
- 2) all rubbish shall be removed from within and about said building(s) and premises;
- 3) building(s) must be checked a minimum of once every (168) one hundred and sixty-eight hours by a competent person;
- 4) the water supply has been shut off and the system and appliances of water have been drained or the heat in the building has been maintained and arrangements have been made to assure heat is continued.
- 5) all windows are completely covered, or the interior of the building cannot be viewed from the exterior

Otherwise this permit and coverage shall be null and void.

It is stated and agreed that this permission shall not modify or affect any limitations as to vacancy or non-occupancy elsewhere in this policy.

Item 4. PERILS INSURED - (D) RIOT, VANDALISM OR MALICIOUS ACTS is deleted in its entirety.

Perils Excluded: If this policy insures against the following risks or perils, they are deleted during the period of vacancy, stated above: Riot, vandalism or malicious acts, glass breakage and rupture, freezing or escape of water from a plumbing, heating or air conditioning device.

All other terms and conditions of the policy remain unchanged.

WRECKAGE VALUE ENDORSEMENT

APPLICABLE TO THE COMMERCIAL BUILDING, CONTENTS AND STOCK – NAMED PERILS FORM

It is agreed that Commercial Building, Contents and Stock (Named Perils Form), Section 1. Property Insured, is replaced with the following:

1. PROPERTY INSURED

This Form insures the following property but only those items for which an amount of insurance is specified on the "Declarations Pages" and only for "Wreckage Value" as defined herein.

"BUILDING"

This insurance applies only while such property is at the location(s) specified on the "Declaration Page" and excludes coverage for repair and/or replacement of property.

In consideration of the premium charged for this insurance and subject to terms, conditions and limitations of the Policy including endorsements thereon, it is agreed between the insurer by a peril insured against under the Policy, the amount of the loss shall be ascertained in accordance with the terms and provisions of the Policy Subject to the following:

Liability is limited to the "wreckage value" which means the value that would have been realized had the buildings or structures, as they were immediately prior to the loss or damage, been dismantled and the materials comprising the buildings or structures sold as salvage or scrap due to a covered peril per occurrence up to a maximum of one hundred thousand dollars (\$100,000).

All other terms and conditions of the policy remain unchanged.

SECTION II. CRIME

CRIME FORM

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

Words and phrases in quotation marks have special meaning as defined in this Form.

SUMMARY OF COVERAGES

This SUMMARY OF COVERAGES describes the coverage(s) insured under this Form.

Unless otherwise specified on the "Declarations Page", the amount of insurance stated below is the maximum recovery for any coverage item in respect of any one "occurrence" taking place during the policy period.

Insuring Agreement	Coverage Item	Limit of Insurance per "occurrence"
1.	Employee Dishonesty	\$10,000
2.	Theft, Robbery or Burglary	\$10,000
3.	Forgery or Alteration	\$10,000
4.	Money Order & Counterfeit Paper	\$10,000
5.	Computer Theft and Funds Transfer Fraud	\$10,000
6.	Customers Interest	\$10,000
7.	Telephone Fraud	\$10,000
8.	Unauthorized Business Card Use	\$10,000
9.	Claim's Preparation Cost	\$10,000

In the event that more than one coverage as provided under this Form applies to the risk insured, only the coverage with the highest amount of insurance will apply.

In addition to the terms, limitations, exclusions, provisions and other conditions in this Form, all coverage items are subject to Items V, VII, X, XI and XII of the Additional Conditions contained in the Insuring Agreement, Miscellaneous Clauses and Additional Conditions form and the Common Exclusions form attached to this policy.

SECTION A – COVERAGE ITEMS - INSURING AGREEMENTS

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

Insuring Agreements

1. Employee Dishonesty

Loss of "money", "securities", or "other property" sustained by the Insured directly resulting from one or more "fraudulent or dishonest acts" committed by an "employee", whether identified or not, acting alone or in collusion with others.

This insuring agreement will also insure loss caused by any "employee" while outside of the "coverage territory" for a period of not more than 90 days.

2. Theft, Robbery, or Burglary

2.1 Loss of or damage to:

- (a) "money" or "securities", by their actual destruction, disappearance or theft;
- (b) "other property", by actual or attempted "safe burglary" or "robbery";

Which the Insured sustains from any of the following locations:

- i. Within the "premises", "banking premises" or similar place of safe deposit;
- ii. While being carried by an armoured motor vehicle company or "messenger";

However, the Insurer will only pay for the amount of loss or damage the Insured cannot recover:

- 1. Under a contract with the armoured motor vehicle company; and
- 2. From any insurance or indemnity carried by, or for the benefit of customers of, the armoured motor vehicle company.

- iii. Within the regular living quarters of a "messenger".

2.2 Loss of or damage to "other property" by theft while within the living quarters of a "messenger";

2.3 Damage to the “premises” or its exterior directly resulting from an actual or attempted theft, “robbery” or “safe burglary” or by the unlawful entry or attempted unlawful entry into the “premises”, if the Insured is the owner of the “premises” or is liable for damage to the “premises”.

2.4 Loss of or damage to a locked cash drawer, cash box or cash register by actual or attempted unlawful entry into such container within the “premises” or by the unlawful taking of such container from inside the “premises”.

3. Forgery or Alteration

Loss sustained by the Insured resulting directly from “forgery” or alteration by a “third party” 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” that is:

- (a) made or drawn by or drawn upon the Insured, or that are purported to have been so made or drawn; or
- (b) made or drawn by anyone acting as agent of the Insured, or that are purported to have been so made or drawn.

If the Insured is sued for refusing to pay any financial instrument covered above, on the basis that it has been forged or altered, and the Insured has the Insurers’ prior written consent to defend against the action, the Insurer will pay for any reasonable legal expenses that the Insured incurs in that defense. The amount that the Insurer will pay for the Insured’s defense is in addition to any applicable amount of insurance for this coverage item.

This coverage item applies to loss sustained by the Insured due to an “occurrence” taking place anywhere in the world.

The Insurer will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

4. Money Orders and Counterfeit Paper Currency

Loss sustained by the Insured resulting directly from the Insured having accepted in good faith, in exchange for merchandise, “money” or services, any:

- (a) money order issued by any post office, express company or bank if such money order is not paid upon presentation; or
- (b) counterfeit Canadian or United States paper currency that is acquired during the regular course of business.

5. Computer Theft & Funds Transfer Fraud

COMPUTER THEFT & FUNDS TRANSFER FRAUD

- (a) Loss resulting directly from a fraudulent:
 - 1. entry of "electronic data" or "computer program" into; or
 - 2. change of "electronic data" or "computer program" within; any "computer system", provided such fraudulent entry or change causes:
 - i. "money", "securities" or "other property" to be transferred, paid or delivered; or
 - ii. the Insured's account at a "financial institution" to be debited or deleted.
- (b) Loss resulting directly from a "fraudulent instruction" directing a "financial institution" located within the "coverage territory" to debit the Insured's "transfer account" and transfer, pay or deliver "money" or "securities" from that account.
- (c) As used in Paragraph 5(a) above, fraudulent entry or fraudulent change of "electronic data" or "computer program" shall include such entry or change made by an "employee" acting, in good faith, upon a "fraudulent instruction" received from a computer software contractor who has a written agreement with the Insured to design, implement or service "computer programs" for a "computer system" covered under this Insuring Agreement.

Clause 5(a) of this Insuring Agreement covers loss sustained by the Insured resulting directly from an "occurrence" taking place anywhere in the world.

6. Customers Interest

Insuring Agreement 1 Employee Dishonesty is extended to cover loss of "money", "securities", or "other property" resulting directly from one or more "fraudulent or dishonest acts" committed by an "employee" acting alone or in collusion with others, which is sustained by the Insured's "client" within the "client's" premises.

The Insurer will not be liable under this coverage item for any settlement negotiated by the Insured with the "client" without the prior written consent of the Insurer.

Regardless of the amount of insurance provided under Insuring Agreement 1 - Employee Dishonesty, the most the Insurer will pay under this Insuring Agreement Customers Interest is as specified on the Summary of Coverages, or if applicable, as specified on the "Declarations Page".

7. Telephone Fraud

Long distance telephone charges incurred by the Insured resulting directly from the fraudulent access and use of the Insured's "telephone systems" whether or not access is initiated from the "premises".

This coverage item does not apply unless the loss is reported to the Insurer within 30 days of the fraudulent long-distance telephone charges having appeared on the Insured's statement of account.

This coverage item applies to loss sustained by the Insured due to an "occurrence" taking place anywhere in the world.

8. Unauthorized Business Card Use

Loss sustained by the Insured resulting directly from the unauthorized use of credit, debit and charge cards issued in the Insured's business name.

This coverage item does not apply:

- (a) to any loss unless the provisions, conditions and other terms under which such card was issued are fully complied with; and
- (b) unless the Insured is legally liable to the issuer of the card involved in the loss.

If the Insured is sued for refusing to pay any transaction on any credit or charge card, due to unauthorized use of such card, and the Insured has the Insurers' prior written consent to defend against the action, the Insurer will pay for any reasonable legal expenses that the Insured incurs in that defense. The amount that the Insurer will pay for the Insured's defense is in addition to any applicable amount of insurance for this coverage item.

9. Claims Preparation Costs

- (a) necessary and reasonable costs incurred in the preparation of a proof of loss; or
- (b) necessary and reasonable fees payable to external auditors, accountants, or other professionals for producing and certifying particulars or details of the Insured's business in order to establish the quantum of a claim.

All such costs and fees must be:

- (i) incurred by the Insured at the request of the Insurer; and

- (ii) associated with a claim payable under this Form for which liability has been otherwise accepted by the Insurer.

This Insuring Agreement does not apply to fees payable to lawyers, public adjusters, loss consultants or other professionals engaged by the Insured without the prior written approval of the Insurer.

SECTION B - EXCLUSIONS

These exclusions apply to all insuring agreements unless stated otherwise.

This Form does not apply to:

1. **Acts Committed by Insured or Partners:** loss or damage resulting directly or indirectly from theft or any other fraudulent, dishonest or criminal act committed by the Insured, or a partner of the Insured, whether acting alone or in collusion with others;
2. **Confidential or Personal Information:** Loss or damage resulting directly or indirectly from:
 - a. The disclosure of the Insured's or another person's or organization's confidential or personal information including but not limited to patents, trademarks, copyright, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information; or
 - b. The use of another person's or organization's confidential or personal information including but not limited to patents, trademarks, copyright, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information.
3. **Potential Income:** loss of potential income, including interest and dividends, not realized by the Insured because of a loss covered under this Form;
4. **Legal Liability of Insured:** all damages for which the Insured is legally liable, except compensatory damages arising directly from a loss covered under this Form;
5. **Expenses:** costs, fees or other expenses the Insured incurs in establishing either the existence or the amount of loss under this Form. This exclusion does not apply to coverage under Insuring Agreement 9 Claims Preparation Costs;
6. **Trading:** loss resulting directly or indirectly from "trading" whether in the name of the Insured, or in a genuine or fictitious account;
7. **Government Authority:** loss resulting directly or indirectly from the seizure or destruction of property by order of governmental authority;
8. **Copyright Infringement:** loss resulting directly or indirectly from any misappropriation, theft or infringement of any:
 - a. patent, trademark, copyright, trade secret or other intellectual property right; or
 - b. confidential or proprietary information;

9. **Legal Fees and Expenses:** fees, costs and expenses incurred by the Insured which are related to any legal action. This exclusion does not apply to coverage under Insuring Agreements 3 Forgery & Alteration and 8 Unauthorized Business Card Use;
10. **Acts of Employees, Managers, Directors:** loss resulting from theft or any other dishonest act committed by an "employee", director, trustee or authorized representative of the Insured whether acting alone or in collusion with others. This exclusion does not apply to coverage under Insuring Agreements 1 Employee Dishonesty and 6 Customers Interest;
11. **Data:** loss or damage to "data" or loss or damage directly or indirectly resulting from a "data problem";
12. **Social Engineering Fraud:** loss or damage directly or indirectly resulting from "social engineering fraud".
13. **Virtual Currency:** loss or damage resulting directly or indirectly or in any way involving "virtual currency" of any kind, by whatever name known, whether actual or fictitious, including, but not limited to, digital currency, crypto currency, or any other type of electronic currency.
14. **Data Security Breach:** any expenses or costs the Insured must incur or for any fines, fees or penalties the Insured must pay because access was provided to another person or organization's personal or confidential information including but not limited to patents, trademarks, copyright, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information, or that information was somehow disclosed.

15. **FUNGI AND SPORES**

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

16. **NUCLEAR**

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

- (a) 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 the form to which this endorsement attaches;

(b) by contamination by radioactive material.

17. **POLLUTION**

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 directly caused by a peril not otherwise excluded in this policy; or

(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".

18. **TERRORISM**

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

19. **WAR OR MILITARY ACTION**

This policy does not insure against loss or damage caused directly or indirectly in whole or in part by war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.

ADDITIONAL EXCLUSIONS APPLICABLE TO COVERAGE 1 – EMPLOYEE DISHONESTY

This insurance does not cover:

- (a) **Inventory Computation:** Loss or damage, or that part of any loss or damage, the proof of which, either to its existence or amount, is dependent upon an inventory computation or a profit and loss computation. However, where the Insured establishes with evidence that is independent from such computations that they have sustained a loss, then the Insured may offer their inventory records and actual physical count of inventory in support of the amount of loss claimed;
- (b) **Declined Insurance:** loss caused by any “employee” of the Insured, or the Insured’s predecessor, for whom prior similar Employee Dishonesty insurance has been declined or cancelled and has not been reinstated.
- (c) **Warehouse Receipts:** Loss or damage directly or indirectly resulting from the fraudulent or dishonest signing, issuing, cancelling or failing to cancel, a warehouse receipt or any paper connected with it.

ADDITIONAL EXCLUSIONS APPLICABLE TO INSURING AGREEMENT 2 – THEFT, ROBBERY, AND BURGLARY

This insurance does not cover:

- (a) **Accounting or Arithmetical Errors:** loss resulting from accounting or arithmetical errors or omissions;
- (b) **Exchanges or Purchases:** loss resulting from the giving or surrendering of “money” or “securities” or “other property” in any exchange or purchase;
- (c) **Books or Records:** loss of manuscripts, books of account or records;
- (d) **Money Operated Devices:** loss of “money” contained in any money operated device, unless the amount of “money” can be verified by a continuous recording instrument in the device;
- (e) **Fire:** loss or damage resulting directly or indirectly from fire, however caused, except:
 - i. to a safe or vault; or
 - ii. to “money” and “securities”;
- (f) **Motor Vehicles:** loss of or damage to motor vehicles, trailers or semitrailers or equipment and accessories attached to them.
- (g) **Transfer or Surrender of Property:** loss of or damage to “money”, “securities” and “other property” that has been transferred or surrendered to a person or place outside the “premises” or “banking premises”:
 - i. on the basis of unauthorized instructions;
 - ii. as a result of a threat to do bodily harm to any person;
 - iii. as a result of a threat to do damage to any property;

- iv. as a result of a threat to introduce a denial of service attack into any "computer system"
- v. as a result of a threat to introduce a virus or other malicious instruction into the Insured's "computer system" which is designed to damage, destroy or corrupt data or computer programs stored within the Insured's "computer system";
- vi. as a result of a threat to contaminate, pollute or render substandard the Insured's products or goods; or
- vii. as a result of a threat to disseminate, divulge or utilize the Insured's confidential information or weaknesses in the source code within the Insured's "computer system".

This exclusion does not apply to loss of "money", "securities" or "other property" while outside the "premises" in the care and custody of a "messenger" if the Insured:

- (1) had no knowledge of any threat at the time the conveyance began; or
 - (2) had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.
- (h) **Vandalism:** loss from or damage to the "premises" or its exterior, or to any safe, vault, cash register, cash box, cash drawer, or "other property" by vandalism or malicious mischief.
 - (i) **Voluntary Parting of Title to or Possession of Property:** Loss resulting directly or indirectly from the Insured, or anyone acting on the Insured's express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property;

ADDITIONAL EXCLUSIONS APPLICABLE TO COVERAGE 5- COMPUTER THEFT & FUNDS TRANSFER FRAUD

This insurance does not cover:

- (a) **Inventory Shortages:** loss or damage, or that part of any loss or damage, the proof of which, either to its existence or amount, is dependent upon an inventory computation or a profit and loss computation;
- (b) **Credit Card Transactions:** loss resulting directly or indirectly from the use or purported use of credit, debit, charge, access, identification, "cash cards" or other cards or the information contained on such cards;
- (c) **Exchanges or Purchases:** loss resulting from the giving or surrendering of "money" or "securities" or "other property" in any exchange or purchase;
- (d) **Authorized Access:** Loss resulting from a fraudulent:
 - i. entry of "electronic data" or "computer program" into; or
 - ii. change of "electronic data" or "computer program" within;

any "computer system" owned, leased or operated by the Insured by a person or organization with authorized access to that "computer system", except when covered under Insuring Agreement 5(c).

- (e) **Fraudulent Instruction:** Loss resulting from an "employee" or "financial institution" acting upon any instruction to:
- i. transfer, pay or deliver "money", "securities" or "other property"; or
 - ii. debit or delete the Insured's account;
- which instruction proves to be fraudulent, except when covered under Insuring Agreement 5(b) or 5(c)

SECTION C – CONDITIONS

In addition to the exclusions set out above and the common policy and statutory conditions and exclusions, the foregoing insuring agreements are subject to the following conditions and limitations.

Conditions Applicable to All Insuring Agreements

1. Policy Period, Territory, Discovery

This Form only applies to loss the Insured sustains resulting directly from an "occurrence":

(a) taking place:

- i. during the policy period shown in the "Declarations Page", except as otherwise specified in:
 1. Condition 2 – Loss Sustained During Prior Insurance Issued by the Insurer; or;
 2. Condition 3 – Loss Sustained During Prior Insurance; and
- ii. Within the "coverage territory", except as otherwise specified in Insuring Agreements 1 Employee Dishonesty, 3 Forgery or Alteration, 5 Computer Theft and Funds Transfer Fraud, and 7 Telephone Fraud; and

(b) That is "discovered" by the Insured during the policy period shown on the "Declarations Page", or during the period of time provided for under Condition 5 – Extended Discovery Period of time.

2. Loss Sustained During Prior Insurance Issued by the Insurer

(a) Loss Sustained Partly During this Policy and Partly During Prior Insurance

If the Insured "discovers" loss during the policy period shown on the "Declarations Page", resulting directly from an "occurrence" taking place:

1. partly during the policy period shown on the "Declarations Page"; and

2. partly during the policy period(s) of any prior cancelled, terminated or expired insurance that the Insurer or any affiliate had issued to the Insured or any predecessor in interest;

and this Form became effective at the time of cancellation, termination or on the expiry date of the prior insurance, the Insurer will first settle the amount of loss that the Insured sustained during the policy period shown on the "Declarations Page" up to the amount of insurance shown on the Summary of Coverages, or if applicable, on the "Declarations Page". The Insurer will then settle the remaining amount of loss that the Insured sustained during the policy period(s) of the prior insurance in accordance with general agreement 2(c) below.

(b) Loss Sustained Entirely During Prior Insurance

If the Insured "discovers" loss during the policy period shown on the "Declarations Page", resulting directly from an "occurrence" taking place entirely during the policy period(s) of any prior cancelled, terminated or expired insurance that the Insured or any affiliate issued to the Insured or any predecessor in interest, the Insurer will pay for the loss provided:

1. This Form became effective at the time of cancellation, termination or on the expiry date of the prior insurance; and
2. The loss would have been covered under this Form had it been in effect at the time of the "occurrence".

The Insurer will first settle the amount of loss that the Insured sustained during the most recent prior insurance. The Insurer will then settle any remaining amount of loss that the Insured sustained during the policy period(s) of any other prior insurance in accordance with condition 2(c) below.

(c) Deductible

The Insurer will apply the applicable deductible amount specified on the "Declarations Page" to the amount of loss sustained during the policy period shown on the "Declarations Page". If no loss was sustained during such policy period, the Insurer will apply the deductible amount to the amount of loss sustained during the most recent prior insurance.

If the deductible amount is larger than the amount of loss sustained during the policy period or the most recent prior insurance, the Insurer will apply the remaining deductible amount to the remaining amount of loss sustained in any prior insurance.

3. **Loss Covered Under this Policy and Prior Insurance Issued by the Insurer**

With respect to loss or damage which occurs:

- (a) Partly during the policy period; and
- (b) Partly during the period of other bonds or policies issued by the Insurer to the Insured or to any predecessor in interest of the Insured and terminated or cancelled or allowed to expire and in which the period for discovery has not expired at the time any such loss or damage is discovered;

The most the Insurer will pay is the larger of the amount recoverable under this Form or the prior insurance.

3. Sustained During Prior Insurance

(a) If the Insured "discovers" loss during the policy period shown on the "Declarations Page", resulting directly from an "occurrence" taking place, in whole or in part, during the policy period of any prior cancelled, terminated or expired insurance that was issued to the Insured or any predecessor in interest by any insurer, and the Insured would have recovered under such insurance except that the period of time to "discover" loss under that insurance had expired, the Insurer will pay for the loss under this Form, provided:

- 1. This Form became effective at the time of cancellation, termination or on the expiry date of the prior insurance; and
- 2. The loss would have been covered under this Form had it been in effect at the time of the "occurrence".

(b) the coverage under this condition 3 is part of and not in addition to, the amount of insurance applying under this Form and is limited to the lesser of the amount recoverable under this Form or the prior insurance had it remained in effect.

4. Concealment or Misrepresentation

This Form is void if the Insured or any other Insured, at any time, intentionally conceals or misrepresents any material fact or circumstance relating to:

- i. this insurance;
- ii. the property covered under this Form;
- iii. the Insured's interest in the property covered under this Form; or
- iv. A claim under this Form.

5. Consolidation – Merger Or Acquisition

If the Insured consolidates or merges with, or purchases or acquires the assets or liabilities of, another entity:

(1) the Insured must give the Insurer written notice as soon as possible and obtain the Insurer's written consent to extend the coverage provided by this Form to such consolidated or merged entity or such purchased or acquired assets or liabilities. The Insurer may condition its consent by requiring payment of an additional premium; but

(2) For the first 90 days after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities, the coverage provided by this policy shall apply to such consolidated or merged entity or such purchased or acquired assets or

liabilities, provided that all "occurrences" causing or contributing to a loss involving such consolidation, merger or purchase or acquisition of assets or liabilities, must take place after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities.

6. **Additional Premises or Employees:**

If, while the coverage under this Form is in force, you establish any additional "premises" or hire additional "employees", other than through consolidation or merger with, or purchase or acquisition of assets or liabilities of, another entity, such "premises" and "employees" shall automatically be covered under this policy. Notice to us of an increase in the number of "premises" or "employees" need not be given and no additional premium need be paid for the remainder of the Policy Period shown in the Declarations.

7. **Joint Insured**

If there is more than one Insured named on the "Declarations Page" the following conditions apply:

- (a) The first Named Insured will act for itself and for every other Insured for all purposes of this Form. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.
- (b) If any Insured, or partner, or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
- (c) An "employee" of any Insured is considered to be an "employee" of every Insured under this insurance.
- (d) The Insurer shall not pay more for loss sustained by more than one Insured than the amount it would pay if all such loss had been sustained by one Insured.
- (e) Payments for loss made to the first Named Insured will constitute full settlement of the claim with respect to any Insured.

8. **Deductible**

The Insurer will not pay for loss resulting directly from an "occurrence" that does not exceed the deductible amount. If the amount of loss is larger than the deductible amount for the coverage item under this Form as shown on the "Declarations Page" the Insurer will pay for the amount of the loss that is in excess of the deductible amount, up to the amount of insurance for the applicable insuring agreement.

9. **Cancellation as to Any Employee**

Coverage under this Form shall be deemed cancelled as to any "employee":

- (a) immediately upon "discovery" by:
 - i. the Insured; or
 - ii. any of the Insured's partners, managers, officers, directors or trustees not acting in collusion with the "employee";

- of theft or any other fraudulent or dishonest act committed by the "employee" whether before or after becoming employed by the Insured; or
- (b) on the effective date specified in a notice mailed to the first Named Insured. That date will be at least 30 days after the date of mailing. The Insurer will mail or deliver their notice to the first Named Insured's last mailing address known to them. If notice is mailed, proof of mailing will be sufficient proof of notice.

10. **Duties in the Event of Loss**

Upon knowledge or "discovery" by the Insured of a loss or a situation or "occurrence" that may give rise to a claim, the Insured must:

- (a) notify the Insurer or its authorized agents, as soon as possible. If the Insured has reason to believe that any loss involves a violation of law, the Insured must also notify the local law enforcement authorities as soon as possible;
- (b) upon the Insurer's request, submit to examination under oath by the Insurer, all at reasonable times and places as the Insurer will designate and give the Insurer a signed statement of their answers;
- (c) produce for the Insurer's examination all pertinent records for investigation;
- (d) provide the Insurer with a detailed sworn proof of loss within 120 days of the loss being "discovered";
- (e) co-operate with the Insurer in the investigation and settlement of any loss or claim; and
- (f) include with the proof of loss any document that is the basis of the claim for loss, or, if that is not possible, an affidavit of the Insured or the Insured's bank of deposit setting forth the amount and cause of loss. This duty only applies to coverage under Insuring Agreement 3 - Forgery or Alteration and Insuring Agreement 8 - Unauthorized Business Card Use.

11. **Extended Discovery Period**

In the event that this insurance is terminated or cancelled by either the Named Insured or the Insurer, for reasons other than nonpayment of premium, a 1 year extended discovery period will apply in respect of any covered loss that is subsequently "discovered" arising from an "occurrence" taking place prior to the effective date of such cancellation or termination during the time that this insurance had been in effect, provided that the loss must be reported to the Insurer within 1 year of the date of termination. However, this extended discovery period terminates immediately upon the effective date of any other insurance obtained by the Insured replacing in whole or in part the coverage afforded by this Form, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

12. **Legal Action Against Insurer**

No action shall lie against the Insurer unless, as a condition precedent thereto:

- (a) the Insured has complied with all the terms of this policy, including this Form;
- (b) until 90 days after the Insured has filed the required proof of loss with the Insurer; and
- (c) unless brought within 2 years from the date the Insured “discovers” the loss.

If any limitation of time for notice of loss or damage or any legal proceeding herein contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this policy, the shortest permissible statutory limitation of time shall govern and shall supersede the time limitation herein stated.

13. **Non-Accumulation of Liability**

Regardless of the number of years that the Insured maintains continuous crime coverage in effect with the Insurer or any affiliate or the number of premiums paid, whether the crime coverage was provided by the Insurer under the same policy or under a series of successive policies which may have included a variety of policy forms and varying terms, the amounts of insurance for an “occurrence” will not be cumulative from year to year or policy period to policy period.

The inclusion of more than one Insured shall not increase the maximum amount of insurance specified on the Summary of Coverages, or if applicable, as specified on the “Declarations Page”.

14. **Other Insurance**

If, on the happening of any loss or damage covered under this Form, there is in effect any other insurance covering the same interest, this insurance will apply only as excess insurance over any other valid and collectible insurance that would apply in the absence of this insurance.

15. **Ownership of Property - Interests Covered**

The property covered this Form is limited to:

- (a) property the Insured owns or leases;
- (b) property the Insured holds for others whether or not the Insured is legally liable for the loss of such property; or
- (c) property inside the premises of a “client” of the Insured, but only to the extent of coverage provided under Insuring Agreement 6 – Customers Interest.

However, this insurance is for the Insured’s benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this insurance must be made by the Insured.

16. **Property of Others**

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

17. **Recoveries**

If the Insured shall sustain any loss covered under this Form which exceeds the applicable amount of insurance hereunder, then any recoveries, less the cost of obtaining them, made after settlement of loss covered under this Form will be distributed as follows:

- (a) First, to the Insured, until they are reimbursed for any loss that they have sustained that exceeds the amount of insurance and the deductible amount, if any;
- (b) Second, to the Insurer, until it is reimbursed for the amounts paid to an Insured for a covered loss or damage; and
- (c) Third, to the Insured, until they are reimbursed for that part of the loss equal to the deductible amount, if any.

Recoveries do not include:

- i. any amounts from insurance, suretyship, reinsurance, security or indemnity taken for the Insurer's benefit; or
- ii. recovery of original "securities" after duplicates have been issued.

18. **Reinstatement**

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

19. **Valuation - Settlement**

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

- (d) Loss of "money", but only up to and including its face value. The Insurer may, at its option, pay for loss of or damage to "money" issued by any country other than Canada (i) at face value in the "money" issued by that country or (ii) in the Canadian dollar equivalent determined by the rate of exchange on the day the loss or damage was first "discovered".
- (e) "securities", at an amount up to and including their market value at the close of business on the business day immediately preceding the day the loss was "discovered". The Insurer may, at its option:
 - i. (i) pay the value of such "securities" or replace them in kind, in which event the Insured must assign to the Insurer all rights, title and interest in and to those "securities"; or

- ii. (ii) pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, the Insurer will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
 - 1. value of the "securities" at the close of business on the day the loss was "discovered"; or
 - 2. the amount of insurance.
- (f) all "other property", or loss from damage to the "premises" or its exterior, the Insurer shall not be liable for more than:
- i. The actual cash value of such property; or
 - ii. The actual cost of repairing such property or of replacing same with property or material of like quality and value.

The Insurer may, at its election pay such actual cash value, or make such repairs or replacements. If the Insurer and the Insured cannot agree upon such cash value or such cost of repairs or replacements, such cash value or such cost shall be determined by arbitration.

20. **Loss Caused By Unidentifiable Employees**

If a loss or damage is alleged to have been caused by the "fraudulent or dishonest acts" of any "employee(s)" and the Insured shall be unable to identify the specific "employee" or "employees" causing such "loss", the Insured shall nevertheless have the benefit of Insuring Agreement 1 – Employee Dishonesty, subject all other applicable terms, provisions and exclusions of this Form, provided that the evidence submitted reasonably proves that the loss was in fact due to the "fraudulent or dishonest acts" of one or more of the said "employee(s)", and provided, further, that the aggregate liability of the Insurer for any such loss shall not exceed the limit of insurance applicable to Insuring Agreement 1.

21. **Records**

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

22. **Prior Fraud, Dishonesty or Cancellation**

The coverage of Insuring Agreement 1 – Employee Dishonesty shall not apply to any "employee" from and after the time that the Insured or any partner or officer thereof not in collusion with such "employee" shall have knowledge or information that such "employee" has committed any "fraudulent or dishonest act", whether such act be committed before or after the date of employment by the insured.

If, prior to the issuance of this form, any fidelity insurance in favour of the insured or any predecessor in interest of the insured and covering one or more of the insured's "employees" shall have been cancelled as to any of such "employees" by

reason of the giving of written notice of cancellation by that insurer issuing such fidelity insurance, whether the insurer or not, and if such "employees" shall not have been reinstated under the coverage of said fidelity insurance or superseding fidelity insurance, the Insurer shall not be liable on account of such "employees" unless the Insurer shall agree in writing to include such "employees" within the coverage of Insuring Agreement 1.

23. **No Benefit to Bailee**

This Condition applies only to Insuring Agreement 2 – Theft, Robbery or Burglary. The insurance afforded under this Form shall not inure directly or indirectly to the benefit of any carrier or other bailee for hire.

24. **Cooperation**

The Insured must cooperate with the Insurer in all matters pertaining to this Policy, including this Form, as stated in its terms and conditions.

DEFINITIONS:

1. "Banking premises" means the interior of that portion of any building which is occupied by a banking institution.
2. "Cash cards" means cards designed to store a cash value by electronic means as a mode of payment, without a personal identification number and without direct access to a bank or other account.
3. "Clean up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to any of these processes.
4. "Client" means a customer of the Insured to whom such Insured provides goods or services pursuant to a written contract or for a fee".
5. "computer fraud" means the unlawful taking of "money", "securities" or "other property" resulting from:
 - a. The unauthorized entry of "data" or computer instructions directly into; or
 - b. The unauthorized change of data or computer instructions within;A "computer system", including any such entry or change made via the internet, by a natural person or entity, other than an "employee" or an individual under the direct supervision of the Insured.

"computer fraud" does not include "social engineering fraud".
6. "computer program" means a set or related electronic instructions, which direct the operation and function of a computer or devices connected to it, which enable the computer or devices to receive, process, store or send "electronic data".
7. "computer system" means any computer or network of computers, including its input, output, process, storage and communication facilities, operating system or application software that is rented by, owned by, leased by, licensed to, or under the direct operational control of, the Insured.

8. "Coverage territory" means anywhere within Canada or the continental United States of America.
9. "Custodian" means the Insured or a partner of the Insured or any "employee" who is duly authorized by the Insured to have the care and custody of the insured property outside the "premises".
10. "data" means representation of information or concepts, in any form stored in a "computer system".
11. "Data problem" means:
 - a. erasure, destruction, corruption, misappropriation, misinterpretation of "data";
 - b. error in creating, amending, entering, deleting or using "data"; or
 - c. inability to receive, transmit or use "data".
12. "Declarations Page" means the declarations page(s) applicable to this Form.
13. "Discover", "discovery" or "discovered" means:
 - a. the time when the Insured first became aware of facts that would cause a reasonable person to assume that a loss of a type covered by this Form has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of the loss may not then be known; or
 - b. the time when the Insured first received notice of an actual or potential claim in which it is alleged that the Insured is liable to a third party under circumstances which, if true, would constitute a loss under this Form.
14. "Electronic data" means information, facts, images or sounds stored as or on, created or used on, or transmitted to or from computer software (including systems or applications software) on data storage devices, including hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
15. "Employee" means any natural person:
 - a. while in the regular employment of the Insured or for 30 consecutive days after termination of employment;
 - b. who the Insured compensates directly by salary, wages or commissions; and
 - c. who the Insured has the right to direct and control in the performance of such employment."Employee" does not mean:
 - i. any volunteer, agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character;
 - ii. any person leased to the Insured by a labor leasing firm; or
 - iii. any director or trustee, except while performing acts coming within the scope of the usual duties of an "employee".
16. "Financial Institution" means:
 - a. A bank, trust company, savings bank, credit union, savings and loan association, or similar banking institution; or
 - b. A stock brokerage firm, mutual fund, liquid assets fund, or similar investment institution.
17. "Forgery" means the signing of the name of another person or entity with intent to deceive. "Forgery" does not mean a signature which consists in whole or in part of one's own named signed with or without authority, in any capacity, for any purpose.
18. "Fraudulent instruction" means:
 - a. an electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by the Insured, but which was in fact

- fraudulently transmitted by someone else without the Insured's knowledge or consent;
- b. a written instruction (other than those described in Insuring Agreement 3 - Forgery or Alteration) issued by the Insured, which was forged or altered by someone other than the Insured without the Insured's knowledge or consent, or which purports to have been issued with the Insured's knowledge or consent, or which purports to have been issued by the Insured, but was in fact fraudulently issued without the Insured's knowledge or consent; or
19. "Fraudulent or dishonest acts" means only fraudulent or dishonest acts committed by an "employee" with the manifest intent to:
- a. cause the Insured to sustain loss or damage; and
 - b. obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - i. any "employee"; or
 - ii. any other person or organization.
- This definition of "fraudulent or dishonest acts" does not apply to Conditions 8 Cancellation as to Any Employee or 21 Prior Fraud, Dishonesty or Cancellation.
20. "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.
21. "Messenger" means the Insured, or a partner of 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".
22. "Money" means:
- a. currency, coins and bank notes in current use and having a face value;
 - b. bullion, "cash cards"; and
 - c. traveler's cheques, register cheques and money orders held for sale to the public.
- "money" does not include "virtual currency".
23. "Occurrence" with respect to:
- a. Insuring Agreement 1 - Employee Dishonesty and Insuring Agreement 6 - Customers Interest means:
 - i. an individual act;
 - ii. the combined total of multiple separate acts whether or not related; or
 - iii. a series of acts whether or not related;
 committed by one or more "employees";
 - b. Insuring Agreement 3 - Forgery or Alteration and Insuring Agreement 8 - Unauthorized Business Card Use means:
 - i. an act;
 - ii. the combined total of multiple separate acts whether or not related; or
 - iii. a series of acts whether or not related;
 committed by any person acting alone or in collusion with others, involving one or more transactions or instruments;
 - c. all other insuring agreements in this Form means
 - i. an act or event, or a series of acts or events whether or not related caused by any person acting alone or in collusion with others; or:

- ii. an act or event, the total of multiple acts, or a series of acts or events whether or not related not involving any person.
24. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include:
 - a. intangible property such as computer programs or electronic data;
 - b. any property specifically excluded under this Form; or
 - c. "virtual currency".
 25. "Premises" means the interior of that portion of any building at a location specified on the "Declarations Page" that is occupied by the Insured in conducting its business.
 26. "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.
 27. "Robbery" means the unlawful taking of property from the care and custody of a person by someone who has:
 - a. Caused or threatened to cause that person bodily harm; or
 - b. Committed an overt unlawful act witnessed by that person and of which that person was actually cognizant.
 28. "Safe burglary" means the unlawful taking of property from within a locked safe or vault by forcible or violent entry, as evidenced by visible marks upon its exterior, or the unlawful taking of a safe or vault from within the "premises"
 29. "Securities" means all negotiable and non-negotiable instruments or contracts representing "money" or "other property" and includes:
 - a. tokens, tickets, revenue or other stamps (whether represented by actual stamps or unused value in a meter) in current use;
 - b. cheques, drafts; and
 - c. warehouse receipts or bills of lading;but does not include "money" or "virtual currency".
 30. "Social engineering fraud" means the intentional misleading of an "employee" or the Insured (if the Insured named in the "Declarations Page" is a natural person who is a sole proprietor), through the use of an instruction received by the "employee" or the Insured that:
 - a. Causes such "employee" or such Insured to transfer, pay, or deliver money, securities or other property;
 - b. Contains a misrepresentation of a material fact; and
 - c. Is relied upon by such "employee" or such Insured believing the material fact to be true.
 31. "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".
 32. "Telephone systems" means a private branch exchange (PBX) or electronic key system, with or without adjuncts including but not limited to voice mail, automated call attendant and automated call directors, that are owned or exclusively leased by the Insured and located on the Insured's "premises".
 33. "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.
 34. "Third party" means a natural person, other than:
 - a. An "employee"; or

- b. A natural person acting in collusion with an "employee".
- 35. "Trading" means any transaction that deals in securities, commodities, futures, options, currencies, foreign exchange or any similar transaction.
- 36. "Transfer account" means an account maintained by the Insured at a "financial institution" from which the Insured can initiate the transfer, payment or delivery of "money" and "securities":
 - a. by means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
 - b. by means of written instructions (other than those described in Insuring Agreement 3 - Forgery or Alteration) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.
- 37. "Virtual Currency" means a digital or electronic medium of exchange that is used and accepted as a means of payment, but that is not issued by, or guaranteed by, a central bank, government or public authority.

SECTION III. EQUIPMENT BREAKDOWN

EQUIPMENT BREAKDOWN COVERAGE

COVERAGE AGREEMENTS

1. BASIC COVERAGE

If there is a Breakdown or Electronic Circuitry Impairment of Insured Equipment at a Location specified in the Declarations, we will:

- a. pay for loss
 - i) to the Insured Equipment; and
 - ii) to other Insured Property; directly damaged by the Breakdown or Electronic Circuitry Impairment;
- b. if Option 3 or Option 4 is specified as covered in the Declarations, pay for loss of perishable Insured Property that spoils solely as a result of the Breakdown or Electronic Circuitry Impairment;
- c. pay for the Business Interruption/Extra Expense which results solely from the Breakdown or Electronic Circuitry Impairment.

2. OTHER COVERAGES AND LIMITS

a. EXPEDITING EXPENSES

If there is a Breakdown or Electronic Circuitry Impairment of Insured Equipment, we will pay the reasonable extra cost to:

- i) make temporary repairs;
 - ii) expedite permanent repairs; or
 - iii) expedite permanent replacement;
- of the Insured Equipment or other Insured Property which is directly damaged by the Breakdown or Electronic Circuitry Impairment.

b. SERVICE INTERRUPTION

If solely as a result of a Breakdown or Electronic Circuitry Impairment of equipment which is not owned or operated by you and located on or within one thousand (1000) metres of your Location, you incur:

- i) if Option 3 or Option 4 is indicated as covered in the Declarations, loss of perishable Insured Property which spoils; or
- ii) Business Interruption/Extra Expense loss;

We will pay for such loss only if the equipment is also:

- 1) of a type described in the definition of Insured Equipment;
- 2) owned by the building owner at your Location or public utility company; and

- 3) used to supply communication, electricity, air conditioning, refrigeration, heating, gas, water or steam services to your Location.

SERVICE INTERRUPTION AND CLOUD COMPUTING

We will pay for your loss and expense as defined under Coverage Agreement 1.c. that results from a Breakdown or Electronic Circuitry Impairment of equipment which is not owned or operated by you and which is used to supply Cloud Computing Services to a Location specified in the Declarations, provided that the equipment:

- i) is of a type described in the definition of Insured Equipment; and
- ii) is located within Canada, the United States of America, Puerto Rico or in any other country in which a Location specified in the Declarations is located.

c. BY-LAWS

If prior to the time of a Breakdown or Electronic Circuitry Impairment of Insured Equipment there is in force a law, by-law, ordinance, regulation, rule or ruling regulating or restricting repair, alteration, use, operation, construction or installation of Insured Property, we will pay:

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

d. HAZARDOUS SUBSTANCES

If a Hazardous Substance is involved in or released by a Breakdown or Electronic Circuitry Impairment of Insured Equipment, we will pay:

- i) the increase in cost to repair, replace, cleanup or dispose of, affected Insured Property; and
- ii) the increase in Business Interruption/Extra Expense loss because of the presence of Hazardous Substances;

however, in no event will we pay more than \$100,000.

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

e. PROFESSIONAL FEES

If there is a Breakdown or Electronic Circuitry Impairment of Insured Equipment, we will pay for the reasonable and necessary fees authorized by us and payable to auditors, accountants, lawyers, architects, engineers or other professionals, excepting your own employees, for producing and certifying the information required by us in order to arrive at the amount of loss payable under the policy.

In no event we will pay more than the \$100,000.

f. DENIAL OF ACCESS / CIVIL AUTHORITY

If there is a Breakdown or Electronic Circuitry Impairment of equipment of a type described as Insured Equipment on or within one thousand (1000) metres of your Location and as a result access to your Location is denied, we will pay any resulting Business Interruption/Extra Expense for up to thirty (30) consecutive days.

g. AUTOMATIC COVERAGE

We will automatically cover you for loss from a Breakdown or Electronic Circuitry Impairment at a newly acquired Location for up to ninety (90) days after acquisition provided:

- i) you inform us in writing of the acquisition;
- ii) the equipment is of a type covered in the definition of Insured Equipment;
- iii) you pay an additional premium for the acquisition; and
- iv) any newly acquired location is within Canada, the United States of America, Puerto Rico or in any other country in which a Location is specified in the Declarations.

Any loss will be subject to the highest deductible amount stated in the policy.

h. ERRORS AND OMISSIONS

We will pay you for loss otherwise not payable solely due to any of the following:

- i) any error or unintentional omission by you in the description of any covered Location;
- ii) the failure by you through error to include in the policy any premises owned or occupied by you at the inception date of the policy; or
- iii) any error or unintentional omission by you that results in the cancellation of a Location.

The following conditions apply to this coverage:

- 1) you must notify us of such error or omission immediately upon discovery and report corrections;
 - 2) the Location is within Canada, the United States of America, Puerto Rico or within any other country in which a Location is specified in the Declarations;
 - 3) you agree to pay an additional premium from the date the Location should have been insured had no error or omission occurred;
 - 4) the deductible amount for such coverage will be the amount shown in the Declarations; and
 - 5) we shall be liable for loss under this coverage only to the extent that we would have been liable had the error or omission not occurred;
- however, in no event will we pay more than \$100,000.

i. DATA RESTORATION

We will pay for your loss and expense as defined under Coverage Agreements 1.a. and 1.c. for the cost of gathering or reproducing Data if such Data is lost or damaged as a result of the following:

- i) a Breakdown or Electronic Circuitry Impairment to Insured Equipment; or
 - ii) a Breakdown or Electronic Circuitry Impairment to equipment not owned or operated by you which is used to supply Cloud Computing Services to a Location specified in the Declarations provided that the equipment is of a type described in the definition of Insured Equipment;
- however, in no event will we pay more than \$25,000.

We will not pay for Data which is lost or damaged as a result of programming errors of any kind including the inability of software to correctly read, recognize, save, process or interpret any date or time.

j. ANCHOR LOCATION

We will pay for your loss and expense as defined under Coverage Agreement 1.c. that results from a Breakdown or Electronic Circuitry Impairment of equipment you do not own or operate and is located at an Anchor Location, but only if the equipment is of a type described in the definition of Insured Equipment.

k. GREEN COVERAGE

- i) Under Coverage Agreement 1.a., if Insured Equipment requires repair or replacement due to a Breakdown or Electronic Circuitry Impairment, we will pay the additional cost:
 - 1) to repair or replace damaged property, whichever is the lesser of the cost at the time of a Breakdown or Electronic Circuitry Impairment, using equipment, materials and service firms required or recommended by a Recognized Environmental Standards Program;
 - 2) to dispose of damaged property or equipment, if practicable, through a recycling process; and
 - 3) to flush out reconstructed space with up to one hundred (100) percent outside air using new filtration media.
- ii) With respect to any building that is Insured Property and was, at the time of the Breakdown or Electronic Circuitry Impairment, certified by a Recognized Environmental Standards Program, we will pay the additional costs:
 - 1) to prevent lapse of such certification;
 - 2) to reinstate the certification or replace it with an equivalent certification;
 - 3) for an engineer authorized by a Recognized Environmental Standards Program to oversee the repair or replacement of the damaged Insured Property; and
 - 4) for a professional engineer to commission or recommission your damaged mechanical, electrical, or electronic building systems.
- iii) As used in this coverage, additional costs mean those beyond what would have been payable in the absence of this Green Coverage.

- iv) This coverage is subject to the following provisions:
 - 1) This coverage applies in addition to any coverage that may apply under the Environmental and Efficiency Improvements condition, or any other applicable coverage.
 - 2) This coverage only applies to Insured Property that must be repaired or replaced as a direct result of a Breakdown or Electronic Circuitry Impairment.
 - 3) This coverage does not apply to any Insured Property to which Actual Cash Value applies.

In no event will we pay more than \$25,000.

L. OFF PREMISES TRANSPORTABLE INSURED EQUIPMENT

We will pay for your loss and expense as defined in Coverage Agreements 1.a. and 1.c. from a Breakdown or Electronic Circuitry Impairment to transportable Insured Equipment that at the time of the Breakdown or Electronic Circuitry Impairment are not at a Location specified in the Declarations provided that the transportable Insured Equipment:

- i) is of a type described in the definition of Insured Equipment; and
- ii) is at a location within Canada, the United States of America, Puerto Rico, or any other country in which a Location specified in the Declarations is located.

Our liability for loss to any transportable Insured Equipment that is three (3) years old or more from the date of purchase new, is its Actual Cash Value.

We will not pay for loss under this Coverage to transportable Insured Equipment:

- 1) which is a refrigeration system and its accessory equipment mounted temporarily or permanently on a trailer or vehicle;
 - 2) which is manufactured or distributed by you for sale;
 - 3) which is a watercraft, aircraft or unmanned aerial vehicle (drone); or
 - 4) resulting from collision, upset or external impact;
- however, in no event will we pay more than \$10,000.

m. PUBLIC RELATIONS

We will pay for loss under Business Interruption Coverage as defined in Coverage Agreement 1.c. for reasonable costs for professional public relations services to create and disseminate communications, when the need for such communications arises directly from interruption of your business. These communications must be directed to one or more of the following:

- i) the media;
- ii) the public; or
- iii) your customers, clients or members.

Such costs must be incurred during the period of time that begins at the time of the Breakdown or Electronic Circuitry Impairment and continues until:

THIS POLICY CONTAINS A CLAUSE WHICH MAY LIMIT THE AMOUNT PAYABLE
Insurance coverage underwritten by The Boiler Inspection and Insurance Company of Canada

- 1) thirty (30) consecutive calendar days after the date the Insured Property is repaired or replaced; or
- 2) the length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such Insured Property as has been destroyed or damaged by the Breakdown or Electronic Circuitry Impairment.

We will pay the lesser of:

- i) fifty (50) percent of the Business Interruption payment to you; or
- ii) \$25,000.

n. BRANDS AND LABELS

If branded or labeled merchandise that is Insured Property is damaged as a direct result of a Breakdown or Electronic Circuitry Impairment, but retains a salvage value, you may:

- i) stamp the word SALVAGE on the merchandise or its containers if the stamp will not physically damage the merchandise; or
- ii) remove the brands or labels, if doing so will not physically damage the merchandise. You must re-label the merchandise or its containers to comply with any applicable law.

We will pay for the reasonable and necessary expenses you incur to perform either of these two actions to the extent that they do not exceed the amount recoverable from salvage.

We will not pay for loss under this Coverage if coverage is provided by any other policy of insurance in effect at the time of the loss whether collectable or not.

In no event will we pay more than \$100,000.

o. CONTINGENT BUSINESS INTERRUPTION

We will pay for your loss under Business Interruption Coverage described in Coverage Agreement 1.c., from a Breakdown or Electronic Circuitry Impairment to equipment not owned, operated or controlled by you provided that the equipment:

- i) is of a type described in the definition of Insured Equipment; and
- ii) is located at the premises of any company that is located within Canada, the United States of America, Puerto Rico, or any other country in which a Location specified in the Declarations is located which is:
 - 1) a Customer Location, being property to which your product(s) is shipped, which wholly or partially prevents the acceptance of product(s) produced by you and results in a necessary interruption of your business,
 - 2) a Supplier Location, being property of supplier(s) of materials to you, which wholly or partially prevents the delivery of material(s) to you and results in a necessary interruption of your business.

The following provisions shall apply to this Coverage:

- i) As respects any Insured Equipment, we will not pay for loss from the explosion of said Insured Equipment other than:
 - 1) any steam boiler, steam piping, steam turbine, gas turbine, steam engine; or
 - 2) any machine when such loss is caused by centrifugal force or mechanical breakdown.
- ii) As respects any catalyst within any Insured Equipment, the catalyst shall not be considered to be part of the Insured Equipment and we will not pay for loss caused by or resulting from damage to the catalyst.

In no event will we pay more than \$25,000.

p. FUTURE LOSS AVOIDANCE

Under Coverage Agreement 1.a., we will pay for the cost to purchase and install Protective Equipment provided:

- i) you have received a payment for loss to Insured Property at a Location specified in the Declarations;
- ii) the Protective Equipment is installed at the Location of the loss covered in clause i) above; and
- iii) such Protective Equipment will reasonably reduce the likelihood of a future Breakdown or Electronic Circuitry Impairment similar to the loss covered in clause i).

We must receive invoices for any purchase or installation costs no later than one hundred and eighty (180) days from the date you received payment for the loss described in clause i) above.

The amount we will pay under this Coverage for any One Breakdown shall be the lesser of:

- 1) ten (10) percent of any Eligible Payment made to you prior to any payment under this Coverage; or
- 2) \$10,000.

q. RESULTANT LOSS FROM A CYBER EVENT

We will pay for your loss and expense as described in Coverage Agreements 1.a, 1.b., and 1.c., from a Breakdown or Electronic Circuitry Impairment caused by or resulting from a Cyber Event that causes direct physical damage to Insured Equipment at a Location specified in the Declarations.

EXCLUSIONS

We will not pay for:

1. loss caused by or resulting from nuclear reaction or radiation, or radioactive contamination, however caused;
2. loss from a Breakdown or Electronic Circuitry Impairment caused by or resulting from:
 - a. war, including undeclared civil war;
 - b. warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents;
 - c. insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these; or
 - d. strike, riot, civil commotion or sabotage;
3. loss caused by or resulting from a Breakdown or Electronic Circuitry Impairment 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. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

As used herein 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) for the purpose of influencing any government and/or instilling fear in the public or a section of the public;
4. loss caused by or resulting from pollution, contamination or damage by a Hazardous Substance, however caused, except as provided in Coverage Agreement 2.d.;
5. loss caused by or resulting from:

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

 - a. the erasure, destruction, corruption, misappropriation or misinterpretation of Data;
 - b. any error in creating, amending, entering, deleting or using Data;
 - c. the inability to receive, transmit or use Data; or
 - d. the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or of any internet address, website or similar facility;however, we do cover loss that ensues solely from the Breakdown or Electronic Circuitry Impairment of any other Insured Equipment;
6. loss from a Breakdown or Electronic Circuitry Impairment caused by or resulting from:
 - a. earth movement, including but not limited to earthquake, landslide, mud flow, subsidence, volcanic eruption, tidal wave or tsunami;
 - b. wind, including but not limited to cyclone, tornado or hurricane;
 - c. flood;

- d. fire, smoke or combustion explosion;
 - e. water or other means used to extinguish a fire;
 - f. collapse of any building or structure; or
 - g. falling objects, hail or weight of snow, ice or sleet;
7. loss caused by or resulting from:
- a. fire, smoke or combustion explosion; unless at the time of the Breakdown or Electronic Circuitry Impairment to Insured Equipment, which is an enclosed electrical or electronic machine or apparatus or an enclosed electrical panel, fire ensues inside such Insured Equipment, then we shall also be liable for the additional cost of such damage inside this Insured Equipment;
 - b. lightning, if coverage for that cause of loss is provided by any other policy of insurance in effect at the time of the loss whether collectible or not;
 - c. escape of water resulting from a Breakdown or Electronic Circuitry Impairment unless:
 - i) coverage is not provided by any other policy of insurance in effect at the time of the loss whether collectible or not; and
 - ii) the water escapes from Insured Equipment that normally contains water or steam;
 - d. damage to Data except as provided in Coverage Agreement 2.i.; or
 - e. except as provided in Coverage Agreements 1.b. and 1.c., any other indirect result of a Breakdown or Electronic Circuitry Impairment;
8. under any Business Interruption/Extra Expense coverage
- a. loss during any time during which business could not or would not have been carried on if the Breakdown or Electronic Circuitry Impairment had not occurred;
 - b. loss resulting from your failure to use due diligence and dispatch to resume as soon as possible complete or partial operations of the business;
 - c. fines or damages for breach of contract; or
 - d. any penalties;
9. loss caused directly or indirectly by or resulting from:
- a. any communicable disease or any infectious agent; or
 - b. the fear or threat (whether actual or perceived) of any communicable disease or any infectious agent;
10. loss where payment would constitute a violation of, or expose us to a sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Canada, the United States of America, United Kingdom, or the European Union;
11. loss caused directly or indirectly by or resulting from any Cyber Event, except as specifically provided in 2. Other Coverages and Limits, q. Resultant Loss from a Cyber Event;
12. loss from a Breakdown or Electronic Circuitry Impairment caused by or resulting from vandalism or malicious acts that cause damage or destruction, however, this exclusion shall not apply to a Cyber Event to the extent that coverage is provided in 2. Other Coverages and Limits, q. Resultant Loss from a Cyber Event;

13. with respect to 2. Other Coverages and Limits, b. Service Interruption, f. Denial of Access / Civil Authority, i. Data Restoration, paragraph ii), j. Anchor Location, and o. Contingent Business Interruption, any direct or indirect loss, damage or expense caused by or resulting from a Cyber Event.

DEFINITIONS

1. BREAKDOWN

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

Breakdown does not mean:

- a. depletion, deterioration, corrosion or erosion of material;
- b. wear and tear;
- c. the functioning of any safety or protective device; nor
- d. the failure of a structure or foundation supporting the equipment or a part of the equipment.

2. ELECTRONIC CIRCUITRY IMPAIRMENT

Electronic Circuitry Impairment shall mean a sudden and accidental failure of the Electronic Circuitry of Insured Equipment in your care, custody or control, that causes the Insured Equipment to suddenly lose its ability to function as it had been functioning immediately before the failure.

Electronic Circuitry Impairment shall not mean:

- a. any condition that can be remedied by:
 - i) normal maintenance, including but not limited to replacing expendable parts, recharging batteries or cleaning;
 - ii) rebooting, reloading or updating software or firmware; nor
 - iii) providing necessary power or supply.
- b. any condition caused by or related to:
 - i) incompatibility of the Insured Equipment with any software or equipment installed, introduced or networked within the prior thirty (30) days; or
 - ii) insufficient size, capability or capacity of the Insured Equipment.
- c. exposure to adverse environmental conditions including, but not limited to, change in temperature or humidity, unless such condition results in a loss of functionality. Loss of warranty shall not be considered a loss of functionality.

3. INSURED EQUIPMENT - OPTION 1

If Option 1 is specified as covered in the Declarations, Insured Equipment is any equipment owned, leased, operated or controlled by you as described below:

- a. any boiler, fired or unfired pressure vessel normally subject to vacuum or internal pressure other than static pressure of contents, any piping and its accessory equipment, or any heat exchanger that forms part of forced air heating equipment, but not including:
 - i) any vessel or piping forming a part of a refrigerating or air conditioning system;
 - ii) any boiler setting, any refractory or insulating material;
 - iii) any part of a boiler or fired pressure vessel that does not contain steam or water; nor
 - iv) any buried piping other than that contained in a duct, tunnel or runway, domestic and supply water piping, waste disposal piping, drainage piping, or sprinkler piping and its accessory equipment;
- b. any mechanical or electrical equipment used for the generation, transmission or utilization of mechanical or electrical power, but not including:
 - i) any machinery or apparatus used for refrigeration or air conditioning;
 - ii) any vehicle or self-propelled mobile equipment;
 - iii) any lifting or safety cables, anchorages, car buffers or counterweight buffers forming part of an elevator system;
 - iv) any electronic equipment, device, instrument or fibre optic cable used for research, diagnosis, treatment, communication, word processing, data processing, duplicating, monitoring or scanning; nor
 - v) any complete production machine or apparatus which processes, forms, cuts, shapes, grinds or conveys raw materials, materials in process or finished product, and any equipment forming a part of the driving or controlling mechanism for such production machine or apparatus.

4. INSURED EQUIPMENT - OPTION 2

If Option 2 is specified as covered in the Declarations, Insured Equipment is any equipment owned, leased, operated or controlled by you as described below:

- a. any boiler, fired or unfired pressure vessel normally subject to vacuum or internal pressure other than static pressure of contents, any refrigerating or air conditioning vessels and piping, any other piping and its accessory equipment, or any heat exchanger that forms part of forced air heating equipment, but not including:
 - i) any boiler setting, any refractory or insulating material;
 - ii) any part of a boiler or fired pressure vessel that does not contain steam or water; nor
 - iii) any buried piping other than that contained in a duct, tunnel or runway, domestic and supply water piping, waste disposal piping, drainage piping, or sprinkler piping and its accessory equipment;
- b. any mechanical or electrical equipment used for the generation, transmission or utilization of mechanical or electrical power, but not including:
 - i) any vehicle or self-propelled mobile equipment;
 - ii) any lifting or safety cables, anchorages, car buffers or counterweight buffers forming part of an elevator system;

- iii) any electronic equipment, device, instrument or fibre optic cable used for research, diagnosis, treatment, communication, word processing, data processing, duplicating, monitoring or scanning; nor
- iv) any complete production machine or apparatus which processes, forms, cuts, shapes, grinds or conveys raw materials, materials in process or finished product, and any equipment forming a part of the driving or controlling mechanism for such production machine or apparatus.

5. INSURED EQUIPMENT – OPTION 3

If Option 3 is specified as covered in the Declarations, Insured Equipment is any equipment owned, leased, operated or controlled by you as described below:

- a. any boiler, fired or unfired pressure vessel normally subject to vacuum or internal pressure other than static pressure of contents, any refrigerating or air conditioning vessels and piping, any other piping and its accessory equipment, or any heat exchanger that forms part of forced air heating equipment, but not including:
 - i) any boiler setting, any refractory or insulating material;
 - ii) any part of a boiler or fired pressure vessel that does not contain steam or water; nor
 - iii) any buried piping other than that contained in a duct, tunnel or runway, domestic and supply water piping, waste disposal piping, drainage piping, or sprinkler piping and its accessory equipment;
- b. any mechanical or electrical equipment used for the generation, transmission or utilization of mechanical or electrical power; but not including:
 - i) any vehicle or self-propelled mobile equipment;
 - ii) any lifting or safety cables, anchorages, car buffers or counterweight buffers forming part of an elevator system; nor
 - iii) any complete production machine or apparatus which processes, forms, cuts, shapes, grinds or conveys raw materials, materials in process or finished product, and any equipment forming a part of the driving or controlling mechanism for such production machine or apparatus;
- c. any electronic equipment or fibre optic cable, but not including:
 - i) any anode tube, x-ray tube, video amplifier or klystron tube; nor
 - ii) any laser cartridge.

6. INSURED EQUIPMENT – OPTION 4

If Option 4 is specified as covered in the Declarations, Insured Equipment is any equipment owned, leased, operated or controlled by you as described below:

- a. any boiler, fired or unfired pressure vessel normally subject to vacuum or internal pressure other than static pressure of contents, any refrigerating or air conditioning vessels and piping, any other piping and its accessory equipment, or any heat exchanger that forms part of forced air heating equipment, but not including:
 - i) any boiler setting, any refractory or insulating material;
 - ii) any part of a boiler or fired pressure vessel that does not contain steam or water; nor

- iii) any buried piping other than that contained in a duct, tunnel or runway, domestic and supply water piping, waste disposal piping, drainage piping, or sprinkler piping and its accessory equipment;
 - b. any mechanical or electrical equipment used for the generation, transmission or utilization of mechanical or electrical power; but not including:
 - i) any vehicle or self-propelled mobile equipment; nor
 - ii) any lifting or safety cables, anchorages, car buffers or counterweight buffers forming part of an elevator system;
 - c. any electronic equipment or fibre optic cable, but not including:
 - i) any anode tube, x-ray tube, video amplifier or klystron tube; nor
 - ii) any laser cartridge.

7. INSURED PROPERTY

Insured Property is:

- a. Property you own; or
- b. Property of others in your care, custody or control and for which you are legally liable.

8. BUSINESS INTERRUPTION/EXTRA EXPENSE

Business Interruption/Extra Expense is:

- a. the actual loss sustained by your business because of the loss of gross profit due to reduction in business revenue, and
- b. the reasonable and necessary extra expense you incur in order to either resume or continue the normal operation of business.

9. HAZARDOUS SUBSTANCE

A Hazardous Substance is:

- a. any pollutant, contaminant or other substance declared by a government authority to be hazardous to health or the environment; or
- b. any mould, yeast, fungus or mildew including any spores or toxins created or produced by or emanating from such mould, yeast, fungus or mildew, whether or not allergenic, pathogenic or toxigenic.

However, a Hazardous Substance shall not include any communicable disease or infectious agent.

10. DATA

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

11. MEDIA

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

12. ONE BREAKDOWN

If either the Breakdown or Electronic Circuitry Impairment of Insured Equipment causes the Breakdown or Electronic Circuitry Impairment of other Insured Equipment or a series of Breakdowns or Electronic Circuitry Impairments occur at the same time as a result of the same cause, they will all be considered as one Breakdown.

13. ELECTRONIC CIRCUITRY

Electronic Circuitry means microelectronic components, including, but not limited to, circuit boards, integrated circuits, computer chips and disk drives.

14. CLOUD COMPUTING SERVICES

Cloud Computing Services means professional, on-demand, self-service data storage or data processing services provided through the Internet or over telecommunications lines. This includes services known as IaaS (Infrastructure as a Service), PaaS (Platform as a Service), SaaS (Software as a Service) and NaaS (Network as a Service). This includes business models known as public clouds, community clouds and hybrid clouds. Cloud Computing Services include private clouds if such services are owned and operated by a third party.

15. LOCATION

Location means the premises owned or occupied by you at the address shown in the Declarations.

16. RECOGNIZED ENVIRONMENTAL STANDARDS PROGRAM

Recognized Environmental Standards Program means one of the following:

- a. The ENERGY STAR® program;
- b. The Canadian Green Building Council LEED® program; or
- c. Any nationally or internationally recognized environmental standards program designed to achieve energy savings and related objectives of the type included in the programs listed above.

17. ANCHOR LOCATION

Anchor Location means a Location, operated by others, upon which you depend to attract customers to your Location. An Anchor Location must have been open for business for at least six (6) months prior to the Breakdown or Electronic Circuitry Impairment, and must be located within one thousand (1000) metres of your Location.

18. PROTECTIVE EQUIPMENT

Protective Equipment means the following:

- a. electrical surge protection or single phase protection equipment; or
- b. any other permanently installed physical device with the principal function of safeguarding Insured Equipment from a Breakdown or Electronic Circuitry Impairment.

19. ELIGIBLE PAYMENT

Eligible Payment means the total amount paid by us to you in the event of a loss.

Eligible Payment does not mean:

- a. any deductible or coinsurance amount;
- b. any payment made for loss covered under Coverage Agreements 1.b. and 1.c.; or
- c. any payment made after this policy has been cancelled or non-renewed.

20. ACTUAL CASH VALUE

Actual Cash Value means the cost of replacing the damaged property with property of similar kind, capacity, size, quality and function less depreciation however caused. We will consider such items as the age, condition and normal life expectancy of the damaged property in determining depreciation

21. CYBER EVENT

Cyber Event means a hostile, illegal or transgressive act committed through electronic systems. This includes, but is not limited to, hacking, a denial of service attack or the deployment of malware. However, a Cyber Event shall not include any act as excluded in Exclusion 2.

CONDITIONS

1. POLICY PERIOD

For coverage to apply under this policy Section, the Breakdown or Electronic Circuitry Impairment must occur within the Policy Period in the Declarations. Coverage begins and ends at 12:01 a.m. Standard Time at the Location where the Breakdown or Electronic Circuitry Impairment occurs.

2. ADDITIONAL INSURED

If a person or organization is named in the policy as Additional Insured, we will consider them to be an insured under the policy as their interest may appear.

3. UNINSURED EQUIPMENT

If any equipment is shown in the policy as Uninsured Equipment, we will not pay for any loss resulting from the Breakdown or Electronic Circuitry Impairment of such equipment.

4. EXAMINATION OF THE BOOKS AND RECORDS

We may examine and audit your books and records as they relate to the policy at any time during the Policy Period and up to three (3) years afterwards.

5. INSPECTION

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

6. SUSPENSION

If we find Insured Equipment in or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance against loss from the Breakdown or Electronic Circuitry Impairment of that equipment. We will give you notice of the suspension either at your mailing address or at the Location of the equipment. Once coverage has been suspended, it can only be reinstated by an endorsement to the policy.

If we suspend insurance, you will receive a pro-rata refund of the premium for that equipment for the period that coverage is suspended.

7. CHANGES

The policy contains all agreements between you and us concerning the insurance afforded. The policy may only be changed by an endorsement issued by us to form part of the policy.

8. TRANSFER OF INTEREST

Your interest in the policy can only be transferred or assigned with our agreement in writing, except when bankruptcy, insolvency or death occurs. In such cases, your legal representative will be covered automatically in place of you but only if we are notified in writing within sixty (60) days of such occurrence.

9. MORTGAGEE INTEREST

If the Mortgagee is named in the policy for any covered Location, any loss to your property at that Location will be paid jointly to you and the Mortgagee as interests may appear.

While we have the right to cancel the policy, if a Mortgagee is named, we will also mail a copy of the notice of cancellation to the Mortgagee at the address shown for them in the policy. We will protect the Mortgagee's interest for fifteen (15) days after the date we mail the copy. If you want to cancel the policy, we will send details of your request to the Mortgagee and continue their protection for fifteen (15) days in the same way.

Suspension of coverage as described in the Suspension Condition, will suspend all coverage, including the Mortgagee's interest. However, we will provide them with a copy of the written notice at the address shown for them in the policy.

10. CANCELLATION

The policy may be cancelled at any time by you or by us. You may cancel by notifying us in writing of the date thereafter you want your coverage to end. We will refund to you seventy-five (75) percent of the unearned premium.

We may cancel by mailing to you or personally delivering to you written notice stating the date of cancellation of the policy. We will notify you at least:

- a. fifteen (15) days before coverage ends if we cancel for non-payment of premium; or
- b. thirty (30) days before coverage ends if we cancel for any other reason.

If we cancel by mail, we will use registered mail and the notice period will begin on the day after it arrives at the post office from which it is delivered to you. If we cancel, we will refund to you the pro-rata unearned premium.

11. NOTICE OF LOSS

When a Breakdown or Electronic Circuitry Impairment occurs which may result in loss under the policy, you or your representative must notify us immediately and provide written confirmation as soon as possible.

12. DUTIES IN THE EVENT OF LOSS OR DAMAGE

In the event of loss or damage following a Breakdown or Electronic Circuitry Impairment of Insured Equipment:

- a. you must take the measures necessary to salvage or protect Insured Property from further damage. You must however allow us reasonable time and opportunity to examine the damaged property before physical evidence of the Breakdown or Electronic Circuitry Impairment is removed;
- b. you must reduce your loss, if possible, by:
 - i) resuming business, either partially or completely;
 - ii) using merchandise or other property available to you;
 - iii) using the property or services of others;
- c. you must assist us in investigating and adjusting the claim, including making property and records available for us to see, and permitting us to question you and your employees about any matter relating to the insurance or the claim; and

- d. you must send us a signed statement of loss containing the information we require to settle the claim.

13. BASIS OF SETTLEMENT

a. PROPERTY DAMAGE

Under Coverage Agreement 1.a., we will pay for Insured Property which is damaged as follows:

- i) on business records, including Media and Data the cost of blank material plus the cost of transcription from duplicates or from originals;
- ii) on any heat exchanger that forms part of forced air heating equipment that is five (5) years old or more from the date of purchase new, its Actual Cash Value;
- iii) on all other Insured Property, the lesser of the cost at the time of the Breakdown or Electronic Circuitry Impairment
 - 1) to repair, or
 - 2) to replace with similar property of like kind, capacity, size, quality and function.

We will not pay for:

- 1. cost of repairing any part or parts of a piece of equipment which is greater than the cost of repairing or replacing the entire piece of equipment;
- 2. more than the cost for you to replace the property with other property of like kind, capacity, size, quality and function, except as described in Condition 13.b. Environmental and Efficiency Improvements;
- 3. more than the cost for you to replace the damaged property at the same or adjacent site; nor
- 4. loss or damage to property which is useless or obsolete to you.

If you do not repair or replace the damaged property within twenty four (24) months after the date of the Breakdown or Electronic Circuitry Impairment then we will only pay for the Actual Cash Value of the damaged property.

b. ENVIRONMENTAL AND EFFICIENCY IMPROVEMENTS

Under Coverage Agreement 1.a., if Insured Equipment requires replacement due to a Breakdown or Electronic Circuitry Impairment, we will pay your additional cost to replace with equipment that is better for the environment, or more efficient than the equipment being replaced. However, we will not pay more than one hundred fifty (150) percent of what the cost would have been to replace with like, kind, capacity, size, quality and function.

This provision does not apply to any property valued or insured on an Actual Cash Value basis.

c. SPOILAGE

If Option 3 or Option 4 is specified as covered in the Declarations, we will pay under Coverage Agreement 1.b. the amount you spend to replace perishable Insured Property which spoils solely as a result of the Breakdown or Electronic Circuitry Impairment of Insured Equipment. If the Insured Property is not replaced, we will only pay for the Actual Cash Value of the property.

d. BUSINESS INTERRUPTION/EXTRA EXPENSE

Under Coverage Agreement 1.c., we will pay until the earlier of:

- i) the date the revenue and operations of the business return to normal, or
- ii) twelve (12) months from the date of the Breakdown or Electronic Circuitry Impairment.

14. DEDUCTIBLE

From the total amount of loss, damage and expense for which we are liable following any One Breakdown of Insured Equipment, we will subtract the Deductible shown in the Declarations.

If more than one Deductible is shown in the Declarations and is applicable to loss from any One Breakdown, only one Deductible shall be applied and that shall be the largest of the applicable Deductibles.

15. SPARES MITIGATION

If a Breakdown or Electronic Circuitry Impairment occurs to Spare Insured Equipment that is in use due to a Breakdown or Electronic Circuitry Impairment of Insured Equipment, such Breakdown or Electronic Circuitry Impairment to the Spare Insured Equipment shall be considered as One Breakdown and no additional Deductible shall apply.

The Breakdown or Electronic Circuitry Impairment to Spare Insured Equipment must occur:

- a. within fourteen (14) days of the Breakdown or Electronic Circuitry Impairment of Insured Equipment; or
 - b. before the policy expiry,
- whichever is the lesser.

As used herein, Spare Insured Equipment shall mean Insured Equipment acquired by you prior to the occurrence of loss under this policy and held specifically to spare existing operating equipment.

16. PAYING LOSSES

We will make payment to you or as you direct us in writing except that:

- a. if there is a Mortgagee or Additional Insured shown in the policy, we will make payment jointly to them as well as you, and
- b. if there is a Loss Payee shown in the policy, we will make payment to the person or organization shown as Loss Payee together with any Mortgagee or Additional Insured.

17. RECOVERY FROM OTHERS

When we make payment, the rights you may have to recover all or part of your loss from someone else are transferred to us to the extent of our payment. You must give us any legal documents and other assistance we may require to pursue such rights. You must not do anything to waive or prejudice these rights of recovery.

18. OTHER INSURANCE

If you have other insurance which would apply to a loss covered by this policy if this policy did not exist, this insurance shall apply only as excess insurance over the other insurance provided, however;

- a. in the event the other insurance contains a similar other insurance clause, this policy produces its effects in proportion to all the insurance in force up to the amount of the loss. For this sole purpose of determining our contribution to a loss under this subparagraph, the amount of insurance under this policy is deemed to be the total value of the property insured at the Location as the last reported to and on file with us;
- b. in the event that the other insurance is of a class other than boiler and machinery insurance, we shall be liable for and only for the proportion of the loss set out in subparagraph a. above.

19. ACTION AGAINST US

You cannot bring action against us in connection with this policy unless you have first complied with all of its terms and conditions or unless commenced within fourteen (14) months from the date of the Breakdown or Electronic Circuitry Impairment. If this limitation of time is shorter than the prescribed applicable statute, it is agreed such statutory limitation of time shall apply.

20. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this policy without any additional premium within forty-five (45) days prior to or during the policy period, the broadened coverage will apply immediately to this policy.

21. LIMIT OF LIABILITY

The most we will pay under Coverage Agreement 1 for any One Breakdown is the Limit of Insurance shown in the Declarations for this Coverage.

The Limits of Insurance shown for Coverage Agreement 2, Other Coverages and Limits, will not increase the Limit of Insurance shown on the Declarations for Coverage Agreement 1.

22. CURRENCY

It is agreed that all Limits and Deductibles expressed in the Policy and all premiums are in Canadian currency.

SECTION IV. OFF PREMISES COVERAGE: INLAND MARINE INSURANCE

CONTRACTORS' EQUIPMENT AND TOOLS FLOATER – SCHEDULED ITEMS

The Insured means the insured named in the "Declarations Page".

The Insurer means the company providing the insurance.

Other words and phrases in quotations have special meaning as described in the definitions.

1. INDEMNITY AGREEMENT

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

- a. The actual cash value of the property at the time of loss or damage
- b. The interest of the Insured in the property;
- c. The amount of insurance specified in the "Declarations page" in respect of the property lost or damaged.

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

2. PROPERTY INSURED

This Floater insures:

- a. "Contractors' equipment" and "portable hand or power tools" owned by the Insured; and
- b. "Contractors' equipment" and "portable hand or power tools" of others in the Insured's care, custody or control;

that are usual to the business of the Insured and scheduled in the "Declarations Page".

3. ACQUISITION CLAUSE

If during the policy period, the Insured newly acquires "contractors' equipment" or "portable power or hand tools" of a kind similar to that scheduled in the "Declarations page" and insured hereunder, this Floater is extended to cover such property for up to 30 days, but not beyond the end of the policy period. The most the Insurer will pay under this extension of coverage is the Newly Acquired Equipment Limit - Scheduled shown in the "Declarations Page" or, if no such limit

be shown, two hundred and fifty thousand dollars (\$250,000) with respect to any one "occurrence", regardless of the number of newly acquired items and locations involved.

If the Insured does not report their acquisition of such property within 30 days from the date acquired and pay any additional premium due, coverage will cease automatically 30 days after the acquisition date or at the end of the policy period, whichever occurs first.

4. LIMITS OF INSURANCE

- a. Subject to paragraph b., the liability of the Insurer in respect to claims arising from loss or damage to an item of equipment insured hereunder shall not exceed the Limit of Insurance specified in the "Declarations page" for such item or in the schedule attached to the "Declarations Page" or filed with the Insurer.
- b. The maximum amount the insurer will pay in any one "occurrence" for the cumulative total of all adjusted net claims (including all costs, fees, charges and expenses) covered under one or more coverages, floaters, endorsements or any form included in this policy of Inland Marine Insurance shall not exceed whichever is the lesser of:
 - i. the sum of the amounts of insurance as shown on the "Declarations Page" for CONTRACTORS' EQUIPMENT FLOATER – BLANKET BASIS, CONTRACTORS' EQUIPMENT AND TOOLS FLOATER – SCHEDULED ITEMS, INSTALLATION FLOATER, TRANSIT FLOATER, MISCELLANEOUS PROPERTY FLOATER, RIGGER'S LIABILITY COVERAGE and TOOL FLOATER – BLANKET BASIS, ELECTRONIC EQUIPMENT AND LAPTOPS FLOATER; or
 - ii. two million dollars (\$2,000,000).

5. DEDUCTIBLE

Subject to the Limit of Insurance, the Insurer will pay the amount of covered loss or damage, after application of Co-insurance, if applicable, in excess of the applicable dollar deductible as shown on the "Declarations page" for each "occurrence".

Should one "occurrence" give rise to the application of more than one deductible, only the largest individual deductible amount shall apply.

With respect to insured loss or damage caused directly or indirectly by breaking through ice, or by subsidence into muskeg, swamp, sand, or other soft ground a minimum \$5,000 deductible, or the deductible specified in the "Declarations page", whichever is the greater, shall apply.

6. CO-INSURANCE

The Insurer will not pay the full amount of any loss or damage if the Limit of Insurance shown on the "Declarations page" for the item of insured property is less than 90% of the actual cash value of the item at the time of the loss or damage.

Instead, the Insurer will determine the most it will pay using the following steps:

- i. Multiply the value of the item of insured property at the time of the loss by 90%;
- ii. Divide the Limit of Insurance of the property by the figure determined in step (i);
- iii. Multiply the total amount of the covered loss or damage, before the application of any deductible, by the figure determined in step (ii); and
- iv. Subtract the deductible from the figure determined in step (iii).

The Insurer will pay the amount determined in step (iv) or the applicable Limit of Insurance, whichever is less. For the remainder, the Insured will have to rely on other insurance or absorb the loss themselves.

This provision applies separately to each item insured.

7. PERILS INSURED

This Floater insures against all risks of direct physical loss or damage to the property insured from any external cause except as herein excluded.

EXCLUSIONS

8. PROPERTY EXCLUDED

Insurance provided by this Floater will not apply to any of the following:

- a) contraband or property illegally acquired, kept, stored or transported, or property seized or confiscated for breach of any law or by order of any public authority;
- b) automobiles, motorcycles, trailers, semitrailers, or other vehicles licensed for use on public roads, aircraft, watercraft, amphibious or air cushion vehicles, or spacecraft;
- c) money, notes, securities, accounts, bills, evidence of debt or valuable papers;
- d) plans, blueprints, designs, or specifications;
- e) personal belongings or effects;
- f) property while located underground, in caissons or underwater;
- g) offshore rigs or property on offshore rigs;
- h) property which has become a permanent part of any structure;
- i) property insured under the terms of any marine insurance;
- j) property while waterborne from the commencement of loading until the completion of discharge except that this Floater insures property while on a ferry, railway car or transfer barge, all in connection with land transportation;
- k) Property while airborne unless otherwise endorsed hereon;
- l) Property leased, rented or loaned to others unless otherwise endorsed hereon;
- m) electrical devices, appliances, apparatuses or wiring where damage or loss is caused by natural or artificially generated electrical currents, including arcing, unless fire or explosion ensues and then only for such ensuing loss or damage;
- n) Crane or derrick boom(s);
- o) Tires or tubes unless the loss or damage is caused by fire or theft or is coincident with other loss or damage insured by this Floater but in no event for more than the actual value of the tires or tubes at the time of loss or damage;
- p) Tools and clothing belonging to your employees;

- q) Property which is specifically scheduled elsewhere in this Policy of Inland Marine Insurance;
- r) "Electronic data processing Equipment", "media" or "data".

9. PERILS EXCLUDED

9.A. This policy does not insure against loss or damage caused directly or indirectly by or resulting from any of the following. Such loss or damage is excluded regardless of any other cause or event (whether covered or not) that contributes concurrently or in any sequence to the loss or damage.

a) Governmental Action

Seizure or destruction of property by order of governmental authority.

But the Insurer will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Floater.

b) Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination results in fire, the Insurer will pay for the direct loss or damage caused by that fire if the fire would be covered under this Floater.

c) War And Military Action

- (i) War, including undeclared or civil war;
- (ii) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (iii) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

d) Terrorism

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

Where any part of this exclusion is deemed to be invalid or unenforceable, the remainder shall have full force and effect.

e) Pollution

The 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 policy; or

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

This insurance also does not apply to the 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".

f) Data

(i) A "data problem". However, this exclusion (i) does not apply to loss or damage to insured property caused directly by resultant fire, explosion of natural, coal or manufactured gas, smoke, leakage from "fire protective equipment", or water damage caused by bursting of frozen pipes and tanks;

(ii) This insurance also does not insure "data".

g) Fungi

Presence, growth, proliferation, spread or any activity of "fungi", or wet or dry rot. But if "fungi", or wet or dry rot results in an insured peril, the Insurer will pay for the loss or damage caused by that insured peril to insured property. This exclusion does not apply when "fungi", or wet or dry rot results from fire or lightning.

h) Communicable Disease

(i) "Communicable Disease" or the actual, alleged, fear of or threat of a "Communicable Disease" including the fear or threat of transfer, transmission, infection, contamination, quarantine, or closure by civil authority due to or in any way related to "Communicable Disease".

(ii) For the purposes of this exclusion, loss or damage includes, but is not limited to, any cost to clean-up, detoxify, remove, prevent, monitor or test:

(a) for a "Communicable Disease" or the substance or agent associated with the "Communicable Disease", or

(b) any property insured hereunder that is affected by such "Communicable Disease" or the substance or agent associated with the "Communicable Disease".

These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

9.B. This Floater does not insure against loss or damaged caused directly or indirectly by or resulting from:

- a) the weight of any load including the load block, if any, and all rigging exceeding any or all of:
 - i. the maximum allowable load;
 - ii. the lifting capacity;
 - iii. the rated load;
 - iv. eighty-five percent (85%) of the minimum tipping load;any or all of which may be set out in the manufacturer's specifications, capacity tables, or rating sheets for the particular unit involved;
- b) mechanical or electrical breakdown or derangement;
- c) dishonest, fraudulent or criminal act(s) committed by:
 - i. The Insured, any of the Insured's partners, employees (including temporary employees and leased workers), officers, directors, trustees, or authorized representatives;
 - ii. Anyone else with an interest in the property, or their employees or authorized representatives;Whether acting alone or in collusion with each other or with any other person.

This exclusion applies whether or not an act occurs during the Insured's normal hours of operation.

This exclusion does not apply to:

- iii. physical damage caused directly by employees of the Insured which results from a peril otherwise insured under this Floater; or
- iv. carriers for hire.
- d) any blasting or dynamiting operation conducted by or under the control of the Insured;
- e) explosion originating within the following if owned and/or operated by the Insured:
 - a. steam boilers, pipes, fly-wheels, engines and machinery connected there with and operated thereby;
- f) loss or damage by wear and tear, latent defect, gradual depreciation or deterioration, inherent vice, faulty material or workmanship or design;
- g) delay, loss of use, loss of market or any other consequential loss;
- h) dampness or dryness of atmosphere, extremes, or changes of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, contamination, change in colour or texture of finish, marring, scratching, crushing, rust, corrosion, unless such loss or damage to the property insurance is caused directly by fire, lightning, windstorm, explosion, strike, riot or civil commotion, collapse of bridges or culverts, collision, upset or overturn, or theft;
- i) misappropriation, secretion, conversion, infidelity or any dishonest act of anyone to whom the insured property may be entrusted, bailees for hire excepted.
- j) any act that is intended by the Insured or can be expected from the standpoint of a reasonable person to cause damage, even if the damage is of a different degree or type than actually intended or expected.
- k) gnawing, nesting or infestation, or discharge or release of waste products or secretions, by rodents, raccoons, skunks, insects, bats or birds;

- l) voluntary parting with any property by the Insured or anyone entrusted with the property if instructed to do so by fraudulent scheme, trick, devise or false pretense;
- m) unauthorized instructions to transfer property to any person or to any place.

Nor does this Floater insure against:

- n) Mysterious disappearance or shortage of property disclosed on taking inventory;
- o) Loss or damage sustained to property insured while actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting, servicing or processing of property insured unless fire or explosion ensues and then only for direct loss or damage caused by such ensuing fire or explosion.

ADDITIONAL COVERAGES

10. Debris Removal

- (1) The Insurer will pay the Insured's expenses to remove debris of insured property caused by or resulting from an insured peril that occurs during the policy period. The expenses will only be paid if they are reported to the Insurer in writing within 180 days of the date of the covered direct physical loss or damage.
- (2) The most the Insurer will pay under this additional coverage is 25% of
 - (a) The amount the Insurer pays for the direct physical loss or damage to insured property; plus
 - (b) The deductible in this Policy applicable to that loss or damage.
- (3) Payment under this additional coverage will not increase the applicable Limit of Insurance, but if:
 - (a) The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
 - (b) The debris removal expense exceeds the amount payable under the 25% limitation;

The insurer will pay up to an additional \$5,000 in any one "occurrence" under this Additional Coverage.

- (4) This Additional Coverage does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.

11. Preservation of Property

If it is necessary to move insured property to preserve it from loss or damage by an insured peril, the insurer will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

This Additional Coverage does not increase the Limit of Insurance.

12. Fire Department Service Charge Expense

When the fire department is called to save or protect insured property from an insured peril, the Insurer will pay up to \$10,000 for the Insured's liability for fire department service charges:

- (1) Assumed by contract or agreement prior to insured loss or damage; or
- (2) Required by local ordinance.

No deductible applies to this additional coverage.

ADDITIONAL CONDITIONS

The following conditions apply in addition to the Property – General Provisions and the Common Policy Conditions:

13. 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 Floater, 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.

14. OTHER INSURANCE

- (a) If the Insured has other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Floater, the Insurer will pay its share of the covered loss or damage. The Insurer's share is the proportion that the applicable Limit of Insurance under this Floater bears to the Limits of Insurance of all insurance covering on the same basis.
- (b) If there is other insurance covering the same loss or damage, other than that described in Paragraph a. above, the Insurer will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether the Insured can collect on it or not. But the Insurer will not pay more than the applicable Limit of Insurance under this Floater.
- (c) If loss or damage is also covered by a service agreement, any amounts payable for such loss or damage under this Floater will be excess over any amounts payable under such agreement. Service agreement means a service plan, property restoration plan, or similar service warranty agreement, even if it is characterized as insurance.

15. REINSTATEMENT

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

16. LOCKED VEHICLE WARRANTY

It is warranted by the Insured that any vehicle in which the property insured is carried is equipped with a fully enclosed metal 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 and windows of which shall have been securely locked.

This clause shall not apply to property which is in the custody of a common carrier.

17. SOUND CONDITION

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

18. POLICY PERIOD, TERRITORY

The insurance under this Floater covers only loss or damage occurring during the policy period shown on the "Declarations page" and within the territorial limits of Canada.

19. BASIS OF SETTLEMENT – REPLACEMENT COST

If "Replacement Cost" is indicated on the "Declarations Page", then the following extension changes the policy.

19.1 The Insurer agrees to amend the basis of settlement from actual cash value to "replacement cost" subject to the following provisions:

- (a) settlement on a "replacement cost" basis shall only apply to covered property which has been manufactured within three (3) years of the date of covered loss or damage;
- (b) "replacement" shall be effected by the Insured with due diligence and dispatch;
- (c) 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";
- (d) failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this extension has not been in effect and will be made on an actual cash value basis;
- (e) this endorsement applies separately to each item(s) to which it is applicable.

19.2 In the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that damaged or destroyed 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 extension.

19.3 Any reference to actual cash value in a co-insurance clause in this Floater is deemed to be a reference to "Replacement Cost" of the property insured.

20. ECONOMIC TRADE SANCTIONS

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Canada, the European Union, United Kingdom or United States of America.

21. BROAD LOSS PAYEE AND/OR ADDITIONAL INSURED

- (a) When the Insured is required, in writing, to add a Loss Payee and/or Additional Insured for property insured by this Floater and a Certificate of Insurance has been issued to such Loss Payee and/or Additional Insured, the Insurer agrees to:
 - a. adjust losses with the Insured; and
 - b. pay any claim for loss or damage to insured property jointly to the Insured, the Loss Payee and/or Additional Insured, as their interest may appear; and
- (b) Nothing in this document increases the applicable Limit of Insurance shown on the "Declarations page". The Insurer will not pay any Loss Payee and/or Additional Insured more than its financial interest in the insured property. The most the Insurer will pay for the insured property is the applicable Limit of Insurance shown on the "Declarations page".
- (c) Any coverage provided under this provision shall be excess over any other valid and collectible insurance or indemnification available to the Loss Payee and/or Additional Insured with respect to the insured property, whether such other insurance is primary, contributory, excess, contingent, or otherwise.
- (d) Prior to a loss, if required by contract, the Insured may waive subrogation, in writing, against the Additional Interest and/or Additional Insured if they are scheduled on the "Declarations Page".

22. DEFINITIONS

- (a) "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.
- (b) "Communicable Disease"

As used herein, a Communicable Disease means any disease, known or unknown, which can be transmitted by means of any substance or agent from any organism to another organism where:

- i. the substance or agent includes, but is not limited to, a virus, bacterium, archaeon, parasite, protozoa, prions or other organism or pathogen or any variation or mutation thereof, whether deemed living or not;
- ii. the method of transmission, whether direct or indirect, includes but is not limited to, airborne or aerosolized or droplet transmission, bodily fluid transmission, physical

- contact, vector-borne transmission, transmission from or to any surface or object, solid, liquid or gas or transmission between organisms, and
- iii. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property of any kind.
- (c) "Contractors' equipment" means mobile equipment consisting principally of backhoes, bulldozers, cherry pickers, compactors, forklifts, graders, loaders, road scrapers, skid steers, tractors, pneumatic tools, scaffolding, generators, compressors, and including accessories and spare parts thereof (attached and detached) other than "portable hand or power tools".
- (d) "Data" means representation of information or concepts in any form.
- (e) "data problem" means:
- iv. erasure, destruction, distortion, alteration, corruption, misappropriation, misinterpretation, unexpected encryption, damage or loss of "data";
 - v. any error in creating, amending, entering, deleting or using "data";
 - vi. the introduction of any harmful or otherwise unauthorized instructions or code;
 - vii. inability to receive, transmit or use "data"; or
 - viii. the impact of any virus, ransomware, malware, or the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or any internet address, website or similar facility.
- (f) "electronic data processing equipment" means:
- i. Data processing, word processing or computing equipment, including components, extensions, connections, ancillary equipment and educational or training materials;
 - ii. Portable electronic equipment, including laptop computers, tablets, e-readers and cellular, mobile and smart phones.
- (g) "Declarations Page" means the Declarations Page(s) applicable to this Floater.
- (h) "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.
- (i) "Media" means all forms of material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks, flash drives, disk packs, diskettes and cassettes.
- (j) "Occurrence" means all loss or damage that is attributable directly or indirectly to one cause or a series of similar or related causes. All such loss or damage shall be treated as arising from one occurrence.
- (k) "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.

- (l) "Portable hand or power tools" are tools or equipment usual to the insured's business, intended for use at project sites that can be operated by hand, without requiring the use of an engine or motor for mobility.
- (m) "Replacement cost" means the cost of replacing, or repairing (whichever is the least) the covered property with new property of like kind and quality without deduction for depreciation; and
- (n) "Replacement" includes repair, or replacement with new property of like kind and quality.
- (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) "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 person(s), 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.

EXCEPT AS OTHERWISE PROVIDED IN THIS FLOATER, ALL TERMS, CONDITIONS AND PROVISIONS OF THE POLICY TO WHICH THIS FLOATER IS ATTACHED SHALL HAVE FULL FORCE AND EFFECT.

CONTRACTORS' EQUIPMENT FLOATER – BLANKET BASIS

The Insured means the insured named in the "Declarations Page".

The Insurer means the company providing the insurance.

Other words and phrases in quotations have special meaning as described in the definitions.

1. INDEMNITY AGREEMENT

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

- a. The actual cash value of the property at the time of loss or damage
- b. The interest of the Insured in the property;
- c. The amount of insurance specified in the "Declarations page" in respect of the property lost or damaged.

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

2. PROPERTY INSURED

This Floater insures "Contractors' equipment" being:

- a. the property of the Insured other than "portable power or hand tools" which is usual to the business of the Insured as set out in the "Declarations page"; or
- b. the property of others used in the business of the Insured as set out in the "Declarations page" and for which the Insured is legally liable other than "portable power or hand tools";

with a maximum value per item and amount of insurance per item not to exceed fifty thousand dollars (\$50,000).

Insured property does not include any property with a value per item greater than fifty thousand dollars (\$50,000).

3. ACQUISITION CLAUSE

If during the policy period the Insured newly acquires "contractors' equipment", other than "portable power or hand tools", of a kind similar to that insured hereunder being usual to the business of the Insured with a maximum value of less than \$50,000 per item, this Floater is extended to cover such property for up to 30 days, but not beyond the end of the policy period.

The most the Insurer will pay under this extension of coverage is the Newly Acquired Equipment Limit -Blanket shown in the "Declarations Page" or, if no such limit be shown, fifty thousand dollars (\$50,000) with respect to any "occurrence", regardless of the number of newly acquired items involved.

If the Insured does not report their acquisition of such property within 30 days from the date acquired and pay any additional premium due, coverage will cease automatically 30 days after the acquisition date or at the end of the policy period, whichever occurs first.

4. LIMITS OF INSURANCE

- a. Subject to paragraph b., the **Contractors Equipment Blanket Limit** shown on the "Declarations page" is the maximum amount the Insurer will pay in any one "occurrence" for the total of all loss or damage to all insured property which is covered by this Floater regardless of the number of separate items involved. This limit is the most the Insurer will pay regardless of the number of projects, premises or locations involved in any one "occurrence". Subject to this limit, the most the insurer will pay in any one "occurrence" for covered loss or damage to any single item insured under this Floater is fifty thousand dollars (\$50,000).
- b. The maximum amount the insurer will pay in any one "occurrence" for the cumulative total of all adjusted net claims (including all costs, fees, charges and expenses) covered under one or more coverages, floaters, endorsements or any form included in this policy of Inland Marine Insurance shall not exceed whichever is the lesser of:
 - iii. the sum of the amounts of insurance as shown on the "Declarations Page" for CONTRACTORS' EQUIPMENT FLOATER – BLANKET BASIS, CONTRACTORS' EQUIPMENT AND TOOLS FLOATER – SCHEDULED ITEMS, INSTALLATION FLOATER, TRANSIT FLOATER, MISCELLANEOUS PROPERTY FLOATER, RIGGER'S LIABILITY COVERAGE and TOOL FLOATER – BLANKET BASIS, ELECTRONIC EQUIPMENT AND LAPTOPS FLOATER; or
 - iv. two million dollars (\$2,000,000).

5. DEDUCTIBLE

Subject to the Limit of Insurance, the Insurer will pay the amount of covered loss or damage, after application of any Co-insurance, in excess of the applicable dollar deductible amount as shown on the "Declarations page" for each "occurrence".

Should one "occurrence" give rise to the application of more than one deductible, only the largest individual deductible amount shall apply.

With respect to insured loss or damage caused directly or indirectly by breaking through ice, or by subsidence into muskeg, swamp, sand, or other soft ground a 5% of the limit of insurance (minimum \$5,000) deductible, or the deductible specified in the "Declarations page", whichever is the greater, shall apply.

6. CO-INSURANCE

The Insurer will not pay the full amount of any loss if the Limit of Insurance shown on the "Declarations page" is less than 90% of the actual cash value of all insured property under this Floater at the time of the loss. The co-insurance percentage applies to all such covered property at all described premises. Instead, the Insurer will determine the most it will pay using the following steps:

- i. Multiple the value of covered property at the time of the loss by the coinsurance percentage;
- ii. Divide the Limit of Insurance of the property by the figure determined in step (i);
- iii. Multiply the total amount of the covered loss, before the application of any deductible, by the figure determine in step (ii); and
- iv. Subtract the deductible from the figure determined in step (iii).

The Insurer will pay the amount determined in step (iv) or the applicable Limit of Insurance, whichever is less. For the remainder, the Insured will have to rely on other insurance or absorb the loss themselves.

This provision applies separately to each item insured.

7. PERILS INSURED

This Floater insures against all risks of direct physical loss or damage to the property insured from any external cause except as herein excluded.

EXCLUSIONS

8. PROPERTY EXCLUDED

Insurance provided by this Floater will not apply to any of the following:

- (a) contraband or property illegally acquired, kept, stored or transported, or property seized or confiscated for breach of any law or by order of any public authority;
- (b) automobiles, motorcycles, trailers, semitrailers, or other vehicles licensed for use on public roads, aircraft, watercraft, amphibious or air cushion vehicles, or spacecraft;
- (c) money, notes, securities, accounts, bills, evidence of debt or valuable papers;
- (d) plans, blueprints, designs, or specifications;
- (e) personal belongings or effects;
- (f) property while located underground, in caissons or underwater;
- (g) property which has become a permanent part of any structure;
- (h) property insured under the terms of any marine insurance;
- (i) property while waterborne from the commencement of loading until the completion of discharge except that this form insures property while on a ferry, railway car or transfer barge, all in connection with land transportation;
- (j) property while airborne unless otherwise endorsed hereon.
- (k)** property leased, rented or loaned to others unless otherwise endorsed hereon;
- (l) electrical devices, appliances, apparatuses or wiring where damage or loss is caused by natural or artificially generated electrical currents, including arcing, unless fire or explosion ensues and then only for such ensuing loss or damage;
- (m) Offshore rigs or property on offshore rigs;
- (n) Crane or derrick boom(s);
- (o) Tires or tubes unless the loss or damage is caused by fire or theft or is coincident with other loss or damage insured by this Floater but in no event for more than the actual value of the tires or tubes at the time of loss or damage;
- (p) "portable power or hand tools";
- (q) Tools or equipment belonging to the Insured's employees;
- (r) Property which is specifically scheduled elsewhere in this Policy of Inland Marine Insurance;
- (s) "Electronic data processing Equipment", "media", or "data";
- (t) property with an actual cash value of equal to or greater than \$50,000.

9. PERILS EXCLUDED

9.A. This policy does not insure against loss or damage caused directly or indirectly by or resulting from any of the following. Such loss or damage is excluded regardless of any other cause or event (whether covered or not) that contributes concurrently or in any sequence to the loss or damage.

a) **Governmental Action**

Seizure or destruction of property by order of governmental authority.

But the Insurer will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Floater.

b) **Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination results in fire, the Insurer will pay for the direct loss or damage caused by that fire if the fire would be covered under this Floater.

c) War And Military Action

- (i) War, including undeclared or civil war;
- (ii) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (iii) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

d) Terrorism

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

Where any part of this exclusion is deemed to be invalid or unenforceable, the remainder shall have full force and effect.

e) Pollution

The 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 policy; or

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

This insurance also does not apply to the 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".

f) Data

- (i) A "data problem". However, this exclusion (i) does not apply to loss or damage to insured property caused directly by resultant fire, explosion of natural, coal or manufactured gas, smoke, leakage from "fire protective equipment", or water damage caused by bursting of frozen pipes and tanks;

(ii) This insurance also does not insure "data".

g) Fungi

Presence, growth, proliferation, spread or any activity of "fungi", or wet or dry rot.

But if "fungi", or wet or dry rot results in an insured peril, the Insurer will pay for the loss or damage caused by that insured peril to insured property. This exclusion does not apply when "fungi", or wet or dry rot results from fire or lightning.

h) Communicable Disease

(i) "Communicable Disease" or the actual, alleged, fear of or threat of a "Communicable Disease" including the fear or threat of transfer, transmission, infection, contamination, quarantine, or closure by civil authority due to or in any way related to "Communicable Disease".

(ii) For the purposes of this exclusion, loss or damage includes, but is not limited to, any cost to clean-up, detoxify, remove, prevent, monitor or test:

(a) for a "Communicable Disease" or the substance or agent associated with the "Communicable Disease", or

(b) any property insured hereunder that is affected by such "Communicable Disease" or the substance or agent associated with the "Communicable Disease".

These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

9.B. This Floater does not insure against loss or damaged caused directly or indirectly by or resulting from:

(a) the weight of any load including the load block, if any, and all rigging exceeding any or all of:

- i. the maximum allowable load;
- ii. the lifting capacity;
- iii. the rated load;
- iv. eighty-five percent (85%) of the minimum tipping load; any or all of which may be set out in the manufacturer's specifications, capacity tables, or rating sheets for the particular unit involved;

(b) mechanical or electrical breakdown or derangement;

(c) dishonest, fraudulent or criminal act(s) committed by:

- i. The Insured, any of the Insured's partners, employees (including temporary employees and leased workers), officers, directors, trustees, or authorized representatives;
 - ii. Anyone else with an interest in the property, or their employees or authorized representatives;
- Whether acting alone or in collusion with each other or with any other person.

This exclusion applies whether or not an act occurs during the Insured's normal hours of operation.

This exclusion does not apply to:

- (i) physical damage caused directly by employees of the Insured which results from a peril otherwise insured under this Floater; or
 - (ii) carriers for hire.
- (d) any blasting or dynamiting operation(s) conducted by or under the control of the Insured;
- (e) explosion originating within the following property if owned and/or operated by the Insured:
- i. steam boilers, pipes, fly-wheels, engines and machinery connected therewith and operated thereby;
- (f) wear and tear, latent defect, gradual depreciation or deterioration, inherent vice, or faulty material or workmanship or design. Nor does this Floater cover the cost of correcting or making good faulty material, workmanship or design.
- (g) delay, loss of use, loss of market or any other consequential loss;
- (h) dampness or dryness of atmosphere, extremes, or changes of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, change in colour or texture of finish, marring, scratching, crushing, rust, corrosion, unless such loss or damage to the insured property is caused directly by fire, lightning, windstorm, explosion, strike, riot or civil commotion, collapse of bridges or culverts, collision, upset or overturn, or theft;
- (i) misappropriation, secretion, conversion, infidelity or any dishonest act of anyone to whom the insured property may be entrusted, bailees for hire excepted;
- (j) gnawing, nesting or infestation, or discharge or release of waste products or secretions, by rodents, raccoons, skunks, insects, bats or birds;
- (k) voluntary parting with any property by the Insured or anyone entrusted with the property if instructed to do so by fraudulent scheme, trick, devise or false pretense;
- (l) unauthorized instructions to transfer property to any person or to any place;

- (m) any act that is intended by the Insured or can be expected from the standpoint of a reasonable person to cause damage, even if the damage is of a different degree or type than actually intended or expected.

Nor does this Floater insure against:

- (n) Mysterious disappearance or shortage of equipment disclosed on taking inventory;
- (o) Loss or damage sustained to property insured while actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting, servicing or processing of property insured unless fire or explosion ensues and then only for direct loss or damage caused by such ensuing fire or explosion.

ADDITIONAL CONDITIONS

The following conditions apply in addition to the Property – General Provisions and the Common Policy Conditions:

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 Floater, 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. OTHER INSURANCE

- (a) If the Insured has other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Floater, the Insurer will pay its share of the covered loss or damage. The Insurer's share is the proportion that the applicable Limit of Insurance under this Floater bears to the Limits of Insurance of all insurance covering on the same basis.
- (b) If there is other insurance covering the same loss or damage, other than that described in Paragraph a. above, the Insurer will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether the Insured can collect on it or not. But the Insurer will not pay more than the applicable Limit of Insurance under this Floater.
- (c) If loss or damage is also covered by a service agreement, any amounts payable for such loss or damage under this Floater will be excess over any amounts payable under such agreement.

Service agreement means a service plan, property restoration plan, or similar service warranty agreement, even if it is characterized as insurance.

12. REINSTATEMENT

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

13. LOCKED VEHICLE WARRANTY

It is warranted by the Insured that any vehicle in which the property insured is carried is equipped with a fully enclosed metal 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 and windows of which shall have been securely locked and closed.

This clause shall not apply to property which is in the custody of a common carrier.

14. SOUND CONDITION

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

15. POLICY PERIOD, TERRITORY

The insurance under this Floater only covers loss or damage occurring during the policy period shown on the "Declarations page" and within the territorial limits of Canada.

16. BASIS OF SETTLEMENT - REPLACEMENT COST

If "Replacement Cost" is indicated on the "Declarations Page", then the following extension changes the policy.

16.1 The Insurer agrees to amend the basis of settlement from actual cash value to "replacement cost" subject to the following provisions:

- (a) settlement on a "replacement cost" basis shall only apply to covered property which has been manufactured within three (3) years of the date of covered loss or damage;
- (b) "replacement" shall be effected by the Insured with due diligence and dispatch;
- (c) 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";

- (d) failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this extension has not been in effect and will be made on an actual cash value basis;
- (e) this endorsement applies separately to each item(s) to which it is applicable.

16.2 In the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that damaged or destroyed 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 extension.

16.3 Any reference to actual cash value in a co-insurance clause in this Floater is deemed to be a reference to "Replacement Cost" of the equipment insured.

17. ECONOMIC TRADE SANCTIONS

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Canada, the European Union, United Kingdom or United States of America.

18. BROAD LOSS PAYEE AND/OR ADDITIONAL INSURED

- (a) When the Insured is required, in writing, to add a Loss Payee and/or Additional Insured for property insured by this Floater and a Certificate of Insurance has been issued to such Loss Payee and/or Additional Insured, the Insurer agrees to:
 - i. adjust losses with the Insured; and
 - ii. pay any claim for loss or damage to insured property jointly to the Insured, the Loss Payee and/or Additional Insured, as their interest may appear; and
- (b) Nothing in this document increases the applicable Limit of Insurance shown on the "Declarations page". The Insurer will not pay any Loss Payee and/or Additional Insured more than its financial interest in the insured property. The most the Insurer will pay for the insured property is the applicable Limit of Insurance shown on the "Declarations page".
- (c) Any coverage provided under this provision shall be excess over any other valid and collectible insurance or indemnification available to the Loss Payee and/or Additional Insured with respect to the insured property, whether such other insurance is primary, contributory, excess, contingent, or otherwise.
- (d) Prior to a loss, if required by contract, the Insured may waive subrogation, in writing, against the Loss Payee and/or Additional Insured.

19. DEFINITIONS

(a) "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.

(b) "Communicable Disease"

As used herein, a Communicable Disease means any disease, known or unknown, which can be transmitted by means of any substance or agent from any organism to another organism where:

- i. the substance or agent includes, but is not limited to, a virus, bacterium, archaeon, parasite, protozoa, prions or other organism or pathogen or any variation or mutation thereof, whether deemed living or not;
- ii. the method of transmission, whether direct or indirect, includes but is not limited to, airborne or aerosolized or droplet transmission, bodily fluid transmission, physical contact, vector-borne transmission, transmission from or to any surface or object, solid, liquid or gas or transmission between organisms, and
- iii. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property of any kind.

(c) "Contractors' equipment" means mobile equipment consisting principally of backhoes, bulldozers, cherry pickers, compactors, forklifts, graders, loaders, road scrapers, skid steers, tractors pneumatic tools, scaffolding, generators, compressors, and including accessories and spare parts thereof (attached and detached).

(d) "Data" means representation of information or concepts in any form.

(e) "data problem" means:

- iv. erasure, destruction, distortion, alteration, corruption, misappropriation, misinterpretation, unexpected encryption, damage or loss of "data";
- v. any error in creating, amending, entering, deleting or using "data";
- vi. the introduction of any harmful or otherwise unauthorized instructions or code;
- vii. inability to receive, transmit or use "data"; or
- viii. the impact of any virus, ransomware, malware, or the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or any internet address, website or similar facility.

(f) "electronic data processing equipment" means:

- iii. Data processing, word processing or computing equipment, including components, extensions, connections, ancillary equipment and educational or training materials;
- iv. Portable electronic equipment, including laptop computers, tablets, e-readers and cellular, mobile and smart phones.

- (g) "Declarations Page" means the Declarations Page(s) applicable to this Floater.
- (h) "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.
- (i) "Media" means all forms of material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks, flash drives, disk packs, diskettes and cassettes.
- (j) "occurrence" means all loss or damage that is attributable directly or indirectly to one cause or a series of similar or related causes. All such loss or damage shall be treated as arising from one occurrence.
- (k) "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.
- (l) "Portable hand or power tools" are tools or equipment usual to the insured's business, intended for use at project sites that can be operated by hand, without requiring the use of an engine or motor for mobility.
- (m) "Replacement cost" means the cost of replacing, or repairing (whichever is the least) the covered property with new property of like kind and quality without deduction for depreciation.
- (n) "Replacement" includes repair, or replacement with new property of like kind and quality.
- (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) "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 person(s), 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

EXCEPT AS OTHERWISE PROVIDED IN THIS FLOATER, ALL TERMS, CONDITIONS AND PROVISIONS OF THE POLICY TO WHICH THIS FLOATER IS ATTACHED SHALL HAVE FULL FORCE AND EFFECT

ELECTRONIC EQUIPMENT AND LAPTOPS FLOATER

The Insured means the insured named in the "Declarations Page".

The Insurer means the company providing the insurance.

Other words and phrases in quotations have special meaning as described in the definitions.

This Floater only applies if indicated with a limit shown on the "Declarations page".

1. INDEMNITY AGREEMENT

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

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

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

2. PROPERTY INSURED

Except as otherwise excluded herein, the following is insured property under this Floater:

- a) Electronic data processing, word processing or computing equipment, including components, extensions, connections, ancillary equipment and educational or training materials;

- b) Portable electronic equipment, including laptop computers; which is owned by the Insured or rented by and under the control of the Insured and for which the Insured is liable.

]

3. POLICY PERIOD, TERRITORIAL LIMITS

This insurance covers only loss or damage occurring during the policy period shown on the "Declarations page" and within the limits of Canada.

4. LIMITS OF INSURANCE

- c. Subject to paragraph b., the Electronic and Laptops Floater Limit shown on the "Declarations page" is the maximum amount the Insurer will pay in any one "occurrence" for the total of all loss or damage to all insured property which is covered by this Floater regardless of the number of projects, premises or locations involved in any one "occurrence".
- d. The maximum amount the insurer will pay in any one "occurrence" for the cumulative total of all adjusted net claims (including all costs, fees, charges and expenses) covered under one or more coverages, floaters, endorsements or any form included in this policy of Inland Marine Insurance shall not exceed whichever is the lesser of:
- v. the sum of the amounts of insurance as shown on the "Declarations Page" for CONTRACTORS' EQUIPMENT FLOATER – BLANKET BASIS, CONTRACTORS' EQUIPMENT AND TOOLS FLOATER – SCHEDULED ITEMS, INSTALLATION FLOATER, TRANSIT FLOATER, MISCELLANEOUS PROPERTY FLOATER, RIGGER'S LIABILITY COVERAGE and TOOL FLOATER – BLANKET BASIS, ELECTRONIC EQUIPMENT AND LAPTOPS FLOATER; or
- vi. two million dollars (\$2,000,000).

5. EXTENSIONS OF COVERAGE

The following extensions are subject to all terms of this Floater unless otherwise specified.

- a) **ACCOUNTS RECEIVABLE:** This Floater is extended to cover all sums due the Insured from customers provided the Insured is unable to effect collection thereof as a direct result of physical loss or damage, by an insured peril, to electronic records of accounts receivable. The maximum amount the Insurer will pay under this extension is the Accounts Receivable limit specified in the "Declarations page" or, if no such limit be shown, ten thousand dollars (\$10,000) maximum any one "occurrence". After payment of loss all amounts recovered by the Insured on accounts receivable for which the Insured has been indemnified shall belong and be paid to the Insurer by the Insured up to the total amount of loss paid by the Insurer, but all recoveries in excess of such amounts shall belong to the Insured.

EXTRA EXPENSE: This Floater is extended to cover “extra expense” necessarily incurred by the Insured in maintaining “normal” operations which are interrupted by a loss insured under this Floater, for the period of time required with the exercise of due diligence and dispatch to restore “normal” operations. The maximum amount the Insurer will pay under this extension is the This form only applies if it is indicated “Covered” on the “Declarations Page” and there are limits shown on that page.

- b) limit specified in the “Declarations page” or, if no such limit be shown, ten thousand dollars (\$10,000) maximum any one “occurrence”.
- c) **NEWLY ACQUIRED EQUIPMENT:** If during the policy period the Insured newly acquires property of a kind similar to that insured hereunder, this Floater is extended to cover such property for up to 30 days, but not beyond the end of the policy period. The most the Insurer will pay under this extension of coverage is the Newly Acquired Electronic Equipment Limit shown in the “Declarations Page” or, if no such limit be shown, ten thousand dollars (\$10,000) with respect to any “occurrence”, regardless of the number of newly acquired items involved.

If the Insured does not report their acquisition of such property within 30 days from the date acquired and pay any additional premium due, coverage will cease automatically 30 days after the acquisition date or at the end of the policy period, whichever occurs first.

6. DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by any of the perils insured against exceeds the amount of the deductible specified in the “Declarations page” in any one “occurrence”.

Should one “occurrence” give rise to the application of more than one deductible, only the largest individual deductible amount shall apply.

7. CO-INSURANCE

The Insurer will not pay the full amount of any loss if the Limit of Insurance shown on the “Declarations page” is less than co-insurance percentage specified in the “Declarations page” of the replacement cost of all insured property under this Floater at the time of the loss. The co-insurance percentage applies to all such covered property at all described premises. Instead, the Insurer will determine the most it will pay using the following steps:

- v. Multiply the value of covered property at the time of the loss by the coinsurance percentage;
- vi. Divide the Limit of Insurance of the property by the figure determined in step (i);
- vii. Multiply the total amount of the covered loss, before the application of any deductible, by the figure determine in step (ii); and
- viii. Subtract the deductible from the figure determined in step (iii).

The Insurer will pay the amount determined in step (iv) or the applicable Limit of Insurance, whichever is less. For the remainder, the Insured will have to rely on other insurance or absorb the loss themselves.

This clause does not apply to the Extensions of Coverage set out in this Floater.

8. PERILS INSURED

This Floater insures against all risks of direct physical loss or damage to the property insured from any external cause except as herein excluded.

9. PROPERTY EXCLUDED

Except as may be otherwise expressly provided in the Clause 5 - Extensions, insurance provided by this Floater will not apply to any of the following:

- a) accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents;
- b) any "media" or "data", including "electronic data processing media" and "electronic data";
- c) property rented or leased to others while away from the "premises" of the Insured;
- d) property at locations which to the knowledge of the Insured, are vacant, unoccupied or shut down for more than thirty (30) consecutive days;
- e) contraband, or property illegally acquired, kept, stored or transported; property subject to forfeiture, seized or confiscated for breach of any law or by order of any public authority;
- f) samples, property held for sale or delivery after sale or in the mail;
- g) electrical devices, appliances or wiring caused by natural or artificially generated electrical currents, including arcing, unless fire or explosion ensues and then only for such ensuing loss or damage.
- h) property while airborne;
- i) property while waterborne from the commencement of loading until the completion of discharge except that this form insures property while on a ferry, railway car or transfer barge, all in connection with land transportation;
- j)** cryptocurrency, digital currency, electronic currency, virtual currency or any other type of virtual or digital representation of value or any device or ledger used to hold, manage or otherwise use crypto, digital, electronic or virtual currency including any type of crypto wallet;
- k)** non-fungible tokens or any other information or data stored on a digital ledger, including blockchain, that certifies a digital asset to be unique or not interchangeable.

10. PERILS EXCLUDED

10.A This policy does not insure against loss or damage caused directly or indirectly by or resulting from any of the following. Such loss or damage is excluded regardless of any other cause or event (whether covered or not) that contributes concurrently or in any sequence to the loss or damage.

i) Governmental Action

Seizure or destruction of property by order of governmental authority.

But the Insurer will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Floater.

j) Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination results in fire, the Insurer will pay for the direct loss or damage caused by that fire if the fire would be covered under this Floater.

k) War And Military Action

- (i) War, including undeclared or civil war;
- (ii) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (iii) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

l) Terrorism

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

Where any part of this exclusion is deemed to be invalid or unenforceable, the remainder shall have full force and effect.

m) Pollution

The 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 policy; or

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

This insurance also does not apply to the 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".

n) Data

- (i) A "data problem". However, this exclusion (i) does not apply to loss or damage to insured property caused directly by resultant fire, explosion of natural, coal or

manufactured gas, smoke, leakage from "fire protective equipment", or water damage caused by bursting of frozen pipes and tanks;

- (ii) This insurance also does not insure "data".

However, these exclusions do not apply to the extent coverage is expressly provided for in the Extensions of Coverage.

o) Fungi

Presence, growth, proliferation, spread or any activity of "fungi", or wet or dry rot. But if "fungi", or wet or dry rot results in an insured peril, the Insurer will pay for the loss or damage caused by that insured peril to insured property. This exclusion does not apply when "fungi", or wet or dry rot results from fire or lightning.

p) Communicable Disease

(i) "Communicable Disease" or the actual, alleged, fear of or threat of a "Communicable Disease" including the fear or threat of transfer, transmission, infection, contamination, quarantine, or closure by civil authority due to or in any way related to "Communicable Disease".

(ii) For the purposes of this exclusion, loss or damage includes, but is not limited to, any cost to clean-up, detoxify, remove, prevent, monitor or test:

- (a) for a "Communicable Disease" or the substance or agent associated with the "Communicable Disease", or

- (b) any property insured hereunder that is affected by such "Communicable Disease" or the substance or agent associated with the "Communicable Disease".

These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

10.B. This Floater does not insure against loss or damage caused directly or indirectly by or resulting from:

- a) dampness or dryness of atmosphere, changes of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, contamination, 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 fire, lightning, windstorm, explosion, strike, riot or civil commotion, theft or attempt thereat or accident to transporting conveyance provided such perils are not otherwise excluded;
- b) rodents, raccoons, skunks, insects, bats or birds, but this exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded;
- c) misappropriation, secretion, conversion, infidelity or any dishonest manner of acquiring possession 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);

- d) wear and tear, gradual deterioration, latent defect, inherent vice, or the cost of making good faulty or improper material, faulty or improper workmanship, or faulty or improper design, provided, however, to the extent otherwise insured and not otherwise excluded under this Floater, resultant damage to the property is insured.
- e) any dishonest, fraudulent or criminal act by any Insured, a partner therein or an officer, director, trustee, whether acting alone or in collusion with others;
- f) delay, loss of market, loss of income, interruption of business, or any other consequential loss of any nature, except as provided under Clause 5 - Extensions;
- g) loss, suspension, lapse or cancellation of any lease, license, contract or order;
- h) the neglect of the Insured to use all reasonable means to save and preserve the property insured at the time of and after any loss or damage;
- i) any act that is intended by the Insured or can be expected from the standpoint of a reasonable person to cause damage, even if the damage is of a different degree or type than actually intended or expected.
- j) programming errors or incorrect instructions to the insured property;
- k) actual work upon the insured property, including repairing, adjusting, servicing or maintenance operations;
- l) A computer virus, harmful code, or similar instruction introduced into or enacted on a computer system or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operations and/or intentional or attempted sabotage;
- m) Date and/or time changes;

Nor does this form insure:

- n) any loss or shortage of property insured disclosed on taking inventory or any mysterious disappearance;

ADDITIONAL CONDITIONS

The following conditions apply in addition to the Property – General Provisions and the Common Policy Conditions:

11. 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 Floater, 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.

12. BASIS OF SETTLEMENT – REPLACEMENT COST

If “Replacement Cost” is indicated on the “Declarations Page”, then the following extension changes the policy.

12.1 The Insurer agrees to amend the basis of settlement from actual cash value to “replacement cost” subject to the following provisions:

- (a) settlement on a “replacement cost” basis shall only apply to covered property which has been manufactured within three (3) years of the date of covered loss or damage;

- (b) "replacement" shall be effected by the Insured with due diligence and dispatch;
- (c) 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";
- (d) failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this extension has not been in effect and will be made on an actual cash value basis;
- (e) this endorsement applies separately to each item(s) to which it is applicable.

12.2. In the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that damaged or destroyed 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 extension.

12.3 This insurance does not apply to any increase in the cost of replacement occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.

13. REINSTATEMENT

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

14. LOCKED VEHICLE WARRANTY

It is warranted by the Insured that any vehicle in which the property insured is carried is equipped with a fully enclosed metal 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 and windows of which shall have been securely locked and closed.

This clause shall not apply to property which is in the custody of a common carrier.

15. OTHER INSURANCE

If at the time of loss or damage there is available to the Insured any other insurance which would apply in the absence of this policy, the insurance under this Floater shall apply only as excess insurance over such other insurance.

16. DIFFERENCE IN CONDITIONS

If the insured property is rented to the Insured, coverage provided by this Floater shall be for the Difference in Conditions between the protection afforded by the lessor under the hold harmless provision of the rental agreement and the coverages provided under this Floater.

17. DEFINITIONS

Wherever used in this Form:

- a) **“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.
- b) **“Communicable Disease”**

As used herein, a Communicable Disease means any disease, known or unknown, which can be transmitted by means of any substance or agent from any organism to another organism where:

- ix. the substance or agent includes, but is not limited to, a virus, bacterium, archaeon, parasite, protozoa, prions or other organism or pathogen or any variation or mutation thereof, whether deemed living or not;
 - x. the method of transmission, whether direct or indirect, includes but is not limited to, airborne or aerosolized or droplet transmission, bodily fluid transmission, physical contact, vector-borne transmission, transmission from or to any surface or object, solid, liquid or gas or transmission between organisms, and
 - xi. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property of any kind.
- c) **“Data”** means representation of information, facts or concepts in any form.
 - d) **“data problem”** means:
 - (i) erasure, destruction, distortion, alteration, corruption, misappropriation, misinterpretation, unexpected encryption, damage or loss of “data”;
 - (ii) any error in creating, amending, entering, deleting or using “data”;
 - (iii) the introduction of any harmful or otherwise unauthorized instructions or code;
 - (iv) inability to receive, transmit or use “data”; or
 - (v) the impact of any virus, ransomware, malware, or the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or any internet address, website or similar facility.
 - e) **“Declarations page”** means the Declarations Page(s) applicable to this Floater.
 - f) **“Electronic data”** means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.
 - g) **“electronic data processing media”** means punch cards, tapes, discs, diskettes, drums, cells, other magnetic or optical recording or storage devices, “electronic data” recorded

on such media, and any original source material used to enter data or program such information.

It does not mean media held for sale or distribution, media that has been sold or telephone equipment.

- h) "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.
- i) **"Media"** means all forms of material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks, flash drives, disk packs, diskettes and cassettes.
- j) **"Premises"** means the interior of that portion of the building at the location designated in the "Declarations page" which is occupied by the Insured for the business purposes stated therein.
- k) "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.
- l) **"Occurrence"** means all loss or damage that is attributable directly or indirectly to one cause or a series of similar or related causes. All such loss or damage shall be treated as arising from one occurrence.
- m) **"Extra Expense"** means the excess (if any) of the total cost during the period of restoration of the operation of the business over and above the total cost of such operation that would normally have been incurred during the same period had no loss occurred; the cost in each case to include expense of using other property or facilities of other concerns or other necessary emergency expenses.

In no event however, shall the Insurer be liable for loss of profits or earnings resulting from diminution of business, nor for any direct or indirect property damage or loss insurable under the Commercial Property Damage policies, or for expenditures incurred in the purchase, construction, repair or replacement of any physical property unless incurred for the purpose of reducing any loss under this Floater not exceeding, however, the amount in which the loss is so reduced. Any salvage value of property so acquired which may be sold or utilized by the Insured upon resumption of "normal" operations, shall be taken into consideration in the adjustment of any loss hereunder.

- n) **"Normal"** means the condition that would have existed had no loss occurred.
- o) **"Replacement cost"** means the cost of replacing, or repairing (whichever is the least) the covered property with new property of like kind and quality without deduction for depreciation.
- p) **"Replacement"** includes repair, or replacement with new property of like kind and quality.

- q) **"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".
- 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 person(s), 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

EXCEPT AS OTHERWISE PROVIDED IN THIS FLOATER, ALL TERMS, CONDITIONS AND PROVISIONS OF THE POLICY TO WHICH THIS FLOATER IS ATTACHED SHALL HAVE FULL FORCE AND EFFECT.

INSTALLATION FLOATER

The Insured means the insured named in the "Declarations Page".

The Insurer means the company providing the insurance.

Other words and phrases in quotations have special meaning as described in the definitions.

1. INDEMNITY AGREEMENT

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

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

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

2. PROPERTY INSURED

2.1 This Floater, except as otherwise provided herein, insures:

- a) any and all materials, equipment, machinery and supplies:
 - (i) owned by the Insured; or
 - (ii) owned by others for which the Insured is legally liable and provided the value of such property is included in the amount of insurance;

being intended to enter into and form part of the completed installation at the "installation site", including expendable materials and supplies, not otherwise excluded, necessary to complete the installation at the "installation site".

2.2 This Floater insures such property described above only:

- a) While at the "installation site" awaiting and during erection or installation;
- b) While temporarily warehoused at unnamed locations, provided such locations are not owned, rented or controlled in whole or in part by the Insured; or
- c) While in transit to or from such "installation site" or temporary warehouse.

2.3 The coverage under this Floater ends when the first of the following occurs:

- a) the Insured's interest in the insured property ceases;
- b) thirty (30) days after completion of the installation;
- c) the buyer accepts the insured property;
- d) the insured property is put to use for its intended purpose; or
- e) the expiration, cancellation, or termination of this insurance.

3. LIMITS OF LIABILITY

- a. Subject to paragraph b., the Installation Floater Limit of Liability specified on the "Declarations page" is the maximum amount the Insurer will pay in any one "occurrence" for the total of all loss or damage to all insured property which is covered by this Floater regardless of the number of premises or locations involved in any one "occurrence".
- b. The maximum amount the insurer will pay in any one "occurrence" for the cumulative total of all adjusted net claims (including all costs, fees, charges and expenses) covered under one or more coverages, floaters, endorsements or any form included in this policy of Inland Marine Insurance shall not exceed whichever is the lesser of:
 - i. the sum of the amounts of insurance as shown on the "Declarations Page" for CONTRACTORS' EQUIPMENT FLOATER – BLANKET BASIS, CONTRACTORS' EQUIPMENT AND TOOLS FLOATER – SCHEDULED ITEMS, INSTALLATION FLOATER, TRANSIT FLOATER, MISCELLANEOUS PROPERTY FLOATER, RIGGER'S LIABILITY COVERAGE and TOOL FLOATER – BLANKET BASIS, ELECTRONIC EQUIPMENT AND LAPTOPS FLOATER; or
 - ii. two million dollars (\$2,000,000).

4. DEDUCTIBLE

Subject to the applicable Limits of Insurance, the Insurer will pay the amount of covered loss or damage, after application of any Co-insurance, in excess of the applicable dollar deductible amount as shown on the "Declarations page", for each "occurrence".

Should one "occurrence" give rise to the application of more than one deductible, only the largest individual deductible amount shall apply.

5. CO-INSURANCE

In the event of loss, if the total value of all property insured shall at that time exceed the amount of insurance set out in the "Declarations page", the Insured shall be entitled to recover only that 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.
This provision applies separately to each item insured.

6. PERILS INSURED

This Floater insures against all risks of direct physical loss or damage to the property insured from any external cause except as herein excluded.

7. PROPERTY EXCLUDED

Insurance provided by this Floater does not apply to any of the following:

- a) property:
 - (i) while waterborne, from the commencement of loading until completion of discharge except while on a ferry, railway car or transfer barge, all in connection with land transportation;
 - (ii) while insured under an Ocean Marine Cargo Policy;
 - (iii) while aboard or being transported by any aircraft;
 - (iv) while being shipped by mail;
 - (v) while undergoing any testing;
 - (vi) while being installed in bridges, viaducts, docks, piers, wharves, tunnels, or dams;
- b) underground shafts or tunnels or property therein;
- c) boilers and pressure vessels including all piping and apparatus attached thereto, when loss or damage is caused directly or indirectly:
 - (i) by the pressure of steam or water therein;
 - (ii) while such property is undergoing any hydrostatic, pneumatic or gas pressure test;
or
 - (iii) by the use thereof;
- d) contractor's and sub-contractor's tools and equipment including spare parts and accessories whether owned, loaned, hired or leased;
- e) electrical devices, appliances or wiring where damage or loss is caused by natural or artificially generated electrical currents, including arcing, unless fire or explosion ensues and then only for such ensuing loss or damage;
- f) accounts, bills, currency, deeds, evidence of debt, money, notes, securities, manuscripts, records, blueprints, original plans and specifications, watercraft, aircraft, motorcycles, motor vehicles, trailers or other conveyances or their appurtenances or accessories;
- g) buildings, but building materials and supplies are covered until such time they become a permanent part of any installation projected completed by the Insured,
- h) "data" and "media";
- i) Property illegally acquired, kept, stored or transported;

- j) Property at locations which to the knowledge of the Insured are vacant, unoccupied or shut down for more than 30 consecutive days;
- k) Property while located at any premises owned, leased, rented, occupied, or controlled by the Insured.
- l) Property which is specifically scheduled elsewhere in this Policy of Inland Marine Insurance;
- m) "Electronic data processing equipment";
- n) while the property is in due course of transit other than while in transit to or from such "installation site" or temporary warehouse.

8. PERILS EXCLUDED

9.A. This policy does not insure against loss or damage caused directly or indirectly by or resulting from any of the following. Such loss or damage is excluded regardless of any other cause or event (whether covered or not) that contributes concurrently or in any sequence to the loss or damage.

q) Governmental Action

Seizure or destruction of property by order of governmental authority.

But the Insurer will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Floater.

r) Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination results in fire, the Insurer will pay for the direct loss or damage caused by that fire if the fire would be covered under this Floater.

s) War And Military Action

- (i) War, including undeclared or civil war;
- (ii) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (iii) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

t) Terrorism

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

Where any part of this exclusion is deemed to be invalid or unenforceable, the remainder shall have full force and effect.

u) Pollution

The 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 policy; or

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

This insurance also does not apply to the 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".

v) Data

(i) A "data problem". However, this exclusion (i) does not apply to loss or damage to insured property caused directly by resultant fire, explosion of natural, coal or manufactured gas, smoke, leakage from "fire protective equipment", or water damage caused by bursting of frozen pipes and tanks;

(ii) This insurance also does not insure "data".

w) Fungi

Presence, growth, proliferation, spread or any activity of "fungi", or wet or dry rot. But if "fungi", or wet or dry rot results in an insured peril, the Insurer will pay for the loss or damage caused by that insured peril to insured property. This exclusion does not apply when "fungi", or wet or dry rot results from fire or lightning.

x) Communicable Disease

(i) "Communicable Disease" or the actual, alleged, fear of or threat of a "Communicable Disease" including the fear or threat of transfer, transmission, infection, contamination, quarantine, or closure by civil authority due to or in any way related to "Communicable Disease".

(ii) For the purposes of this exclusion, loss or damage includes, but is not limited to, any cost to clean-up, detoxify, remove, prevent, monitor or test:

(a) for a "Communicable Disease" or the substance or agent associated with the "Communicable Disease", or

(b) any property insured hereunder that is affected by such "Communicable Disease" or the substance or agent associated with the "Communicable Disease".

y) Ordinance or Law

- (i) The enforcement of or compliance with any ordinance or law:
 - i. Regulating the construction, use or repair of any property; or
 - ii. Requiring the tearing down of any property, including the cost of removing its debris.
- (ii) This exclusion applies whether the loss or damage results from:
 - i. An ordinance or law that is enforced even if the property has not been damaged; or
 - ii. The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss or damage to that property.

These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

9.B. This Floater does not insure against loss or damage caused directly or indirectly by or resulting from:

- a) wet or dry rot, mould, rust or corrosion, dampness or dryness of atmosphere, frost or freezing, rodents, raccoons, skunks, insects, bats or birds, inherent vice, latent defect, wear and tear, or gradual deterioration, unless directly caused by a peril not otherwise excluded herein;
- b) electric or magnetic injury, disturbance or erasure of electronic recordings, except by lightning;
- c) falling through ice on lakes, rivers, or other bodies of water, or sinking in muskeg;
- d) centrifugal force, mechanical or electrical breakdown or derangement, unless fire ensues and then only for the loss or damage caused by such ensuing fire;
- e) earthquake, except:
 - i. for ensuing damage which results directly from fire, explosion, smoke or leakage from fire protective equipment;
- f) flood, including "surface water", 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. However, this exclusion does not apply to loss or damage:
 - i. caused by escape of water from an elevated water tank maintained on the premises for firefighting purposes;
 - ii. occurring while the property is in due course of transit; or
 - iii. resulting from ensuing fire, explosion or smoke.
- g) misappropriation, secretion, conversion, infidelity or any dishonest, fraudulent 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) whether acting alone or in collusion with others;

- h) cessation of work or by interruption of construction, unless directly caused by a peril otherwise insured and not otherwise excluded under this Floater;
- i) delay, loss of market or loss of use or occupancy, or any other consequential loss;
- j) 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 re-instate the property as it was immediately prior to the loss;
- k) the weight of a load exceeding the registered lifting capacity of any machinery;
- l) settling, shrinkage, expansion, subsidence or earth movement underneath or adjacent to foundations, footings or structures;
- m) any act that is intended by the Insured or can be expected from the standpoint of a reasonable person to cause damage, even if the damage is of a different degree or type than actually intended or expected.

Nor does this Floater insure against:

- n) Any loss or shortage disclosed on taking inventory or making appraisal or unexplained loss or mysterious disappearance;
- o) the cost of making good:
 - (i) faulty or improper material;
 - (ii) faulty or improper workmanship;
 - (iii) faulty or improper design;or loss or damage caused directly or indirectly therefrom, provided however, to the extent not otherwise excluded under this Floater, resultant damage to the property insured caused by fire or explosion shall be insured;
- p) penalties or liquidated damages for non-completion of or delay in completion of contract or non-compliance with contract conditions or costs incurred solely in an effort to eliminate or reduce penalties or liquidated damages for which the Insured may be contractually liable;
- q) loss or damage 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 Floater;
- r) Loss or damage directly or indirectly caused by, resulting from, or in connection with the Insured's use of or reliance upon or sale or supply of any computer hardware or related Information Technology or communication system, any computer software, Internet, Intranet, Website or similar facility, system or network and/or any electronic data or related information.

9. EXTENSIONS OF COVERAGE

Notwithstanding any provision to the contrary contained within this policy it is understood and agreed that the following shall apply:

The following extensions of coverage shall not increase the amounts of insurance applying under this Floater and are subject to all terms, limitations and conditions of this Floater:

- a) **Removal:** If any of the insured property is necessarily removed from the "installation site" to prevent loss or damage or further loss or damage thereto, that part of the insurance under this Floater that exceeds the amount of the Insurer's liability for any loss already incurred shall, for seven (7) days only, or for the unexpired term of the Policy if less than seven (7) days, insure the property removed and any property remaining at the "installation site" in the proportions which the value of the property in each of the respective locations bears to the value of the property in them all.
- b) **Debris Removal:** The Insurer will indemnify the Insured for expenses incurred in the removal from the "installation site" of debris of the property insured, occasioned by loss or damage to such property, for which loss or damage which is not otherwise excluded under this Floater. The total amount payable under this extension shall not exceed 25% of the total amount payable for the direct physical loss, subject to a maximum limit of \$50,000, to property insured plus the amount of the applicable deductible.

This extension of coverage does not apply to:

- (i) direct or indirect loss, damage, cost or expense, arising out of the clean-up, removal, containment, treatment, detoxification, decontamination, stabilization, neutralization, or remediation resulting from any actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release, or escape of "pollutants" from land or water.
- (ii) direct or indirect loss, damage, cost or expense, for any testing, monitoring, evaluation or asses sing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

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

ADDITIONAL CONDITIONS

The following conditions apply in addition to the Property – General Provisions and the Common Policy Conditions:

10. Report and Premium Adjustment

This clause applies only if this Floater is on a Reporting Basis and an adjustment rate is shown in the "Declarations page".

The premium stated in this "Declaration pages" for this coverage is provisional. The Insured shall report to the Insurer within thirty (30) days after the expiration or anniversary date of this Policy, the total completed contract price of all contracts, plus the value of any and all materials, equipment, machinery and supplies of any nature, the property of others, not included in such completed contract price.

With respect to any projects which are incomplete at the date of such expiration or anniversary the Insured shall report to the Insurer that proportion of the competed contract price, plus the

value of any and all materials, equipment, machinery and supplies of any nature not included in the completed contract price, which has been completed or installed.

The actual premium shall then be calculated at the rate specified in the "Declarations page". If the premium so calculated exceeds the provisional premium, the Insured shall pay to the Insurer the amount of such excess. If such premium is less than the provisional premium the Insurer shall refund to the Insured the amount of the difference.

11. 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 Floater, 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.

12. OTHER INSURANCE

- (d) If the Insured has other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Floater, the Insurer will pay its share of the covered loss or damage. The Insurer's share is the proportion that the applicable Limit of Insurance under this Floater bears to the Limits of Insurance of all insurance covering on the same basis.
- (e) If there is other insurance covering the same loss or damage, other than that described in Paragraph a. above, the Insurer will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether the Insured can collect on it or not. But the Insurer will not pay more than the applicable Limit of Insurance under this Floater.
- (f) If loss or damage is also covered by a service agreement, any amounts payable for such loss or damage under this Floater will be excess over any amounts payable under such agreement. Service agreement means a service plan, property restoration plan, or similar service warranty agreement, even if it is characterized as insurance.

13. REINSTATEMENT

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

14. SOUND CONDITION

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

15. AGREEMENT WARRANTY

It is warranted that the Insured hereunder does not hold any agreement and will not enter into any agreement with any corporation, concern or individual to relieve said corporation, concern or individual from any liability which the law or custom may impose upon them.

16. POLICY PERIOD, TERRITORY

The insurance under this Floater covers only loss or damage occurring during the policy period shown on the "Declarations page" and within the territorial limits of Canada.

17. BASIS OF SETTLEMENT – REPLACEMENT COST

If "Replacement Cost" is indicated on the "Declarations Page", then the following extension changes the policy.

17.1. The Insurer agrees to amend the basis of settlement from actual cash value to "replacement cost" subject to the following provisions:

- a) settlement on a "replacement cost" basis shall only apply to covered property which has been manufactured within three (3) years of the date of covered loss or damage;
- b) "replacement" shall be effected by the Insured with due diligence and dispatch;
- c) 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";
- d) failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this extension has not been in effect and will be made on an actual cash value basis;
- e) this endorsement applies separately to each item(s) to which it is applicable.

17.2. In the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that damaged or destroyed 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 extension.

17.3 Any reference to actual cash value in a co-insurance clause in this Floater is deemed to be a reference to "Replacement Cost" of the property insured.

18. ECONOMIC TRADE SANCTIONS

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Canada, the European Union, United Kingdom or United States of America.

19. DEFINITIONS

Whenever used in this Form:

- a) "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.

b) "Communicable Disease"

As used herein, a Communicable Disease means any disease, known or unknown, which can be transmitted by means of any substance or agent from any organism to another organism where:

- xii. the substance or agent includes, but is not limited to, a virus, bacterium, archaeon, parasite, protozoa, prions or other organism or pathogen or any variation or mutation thereof, whether deemed living or not;
- xiii. the method of transmission, whether direct or indirect, includes but is not limited to, airborne or aerosolized or droplet transmission, bodily fluid transmission, physical contact, vector-borne transmission, transmission from or to any surface or object, solid, liquid or gas or transmission between organisms, and
- xiv. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property of any kind.

c) "Data" means representation of information or concepts in any form.

d) "data problem" means:

- xv. erasure, destruction, distortion, alteration, corruption, misappropriation, misinterpretation, unexpected encryption, damage or loss of "data";
- xvi. any error in creating, amending, entering, deleting or using "data";
- xvii. the introduction of any harmful or otherwise unauthorized instructions or code;
- xviii. inability to receive, transmit or use "data"; or
- xix. the impact of any virus, ransomware, malware, or the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or any internet address, website or similar facility.

e) "electronic data processing equipment" means:

- v. Data processing, word processing or computing equipment, including components, extensions, connections, ancillary equipment and educational or training materials;
- vi. Portable electronic equipment, including laptop computers, tablets, e-readers and cellular, mobile and smart phones.

f) "Declarations page" means the Declarations Page(s) applicable to this Floater;

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

h) "Installation Site" means the actual site which, at the time of loss or damage, the Insured is contracted to perform the business operations as specified in the "Declarations page";

- i) "Media" means all forms of material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks, flash drives, disk packs, diskettes and cassettes.
- j) "occurrence" means all loss or damage that is attributable directly or indirectly to one cause or a series of similar or related causes. All such loss or damage shall be treated as arising from one occurrence.
- k) "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.
- l) "Replacement cost" means the cost of replacing, or repairing (whichever is the least) the covered property with new property of like kind and quality without deduction for depreciation; and
- m) "Replacement" includes repair, or replacement with new property of like kind and quality.
- n) "Surface water" means water or natural precipitation temporarily diffused over the surface of the ground.
- 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) "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 person(s), 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.

EXCEPT AS OTHERWISE PROVIDED IN THIS FLOATER, ALL TERMS, CONDITIONS AND PROVISIONS OF THE POLICY TO WHICH THIS FLOATER IS ATTACHED SHALL HAVE FULL FORCE AND EFFECT.

MISCELLANEOUS PROPERTY FLOATER

The Insured means the insured named in the "Declarations Page".

The Insurer means the company providing the insurance.

Other words and phrases in quotations have special meaning as described in the definitions.

1. INDEMNITY AGREEMENT

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

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

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

2. PROPERTY INSURED

This Floater insures:

- a) miscellaneous property owned by the Insured; or
- b) or similar property of others for which the insured is legally liable;

that is usual to the business of the Insured and scheduled in the "Declarations page".

3. ACQUISITION CLAUSE

If during the policy period, the Insured newly acquires property of a kind similar to that scheduled in the "Declarations page" and insured hereunder, this Floater is extended to cover such property for up to 30 days, but not beyond the end of the policy period. The most the Insurer will pay under this extension of coverage is the Newly Acquired Miscellaneous Property shown in the "Declarations Page" or, if no such limit be shown, twenty-five thousand dollars (\$25,000) with respect to any one "occurrence", regardless of the number of newly acquired items and locations involved.

If the Insured does not report their acquisition of such property within 30 days from the date acquired and pay any additional premium due, coverage will cease automatically 30 days after the acquisition date or at the end of the policy period, whichever occurs first.

4. LIMITS OF INSURANCE

- c. Subject to paragraph b., the liability of the Insurer in respect to claims arising from loss or damage to an item of insured property shall not exceed the Limit of Insurance specified in the "Declarations page" for such item or in the schedule attached to the "Declarations Page" or filed with the Insurer.
- d. The maximum amount the insurer will pay in any one "occurrence" for the cumulative total of all adjusted net claims (including all costs, fees, charges and expenses) covered under one or more coverages, floaters, endorsements or any form included in this policy of Inland Marine Insurance shall not exceed whichever is the lesser of:

- iii. the sum of the amounts of insurance as shown on the "Declarations Page" for CONTRACTORS' EQUIPMENT FLOATER – BLANKET BASIS, CONTRACTORS' EQUIPMENT AND TOOLS FLOATER – SCHEDULED ITEMS, INSTALLATION FLOATER, TRANSIT FLOATER, MISCELLANEOUS PROPERTY FLOATER, RIGGER'S LIABILITY COVERAGE and TOOL FLOATER – BLANKET BASIS, ELECTRONIC EQUIPMENT AND LAPTOPS FLOATER; or
- iv. two million dollars (\$2,000,000).

5. DEDUCTIBLE

Subject to the Limit of Insurance, the Insurer will pay the amount of covered loss or damage, after application of any Co-insurance, in excess of the applicable dollar deductible amount as shown on the "Declarations page" for each "occurrence".

Should one "occurrence" give rise to the application of more than one deductible, only the largest individual deductible amount shall apply.

6. CO-INSURANCE

The Insurer will not pay the full amount of any loss or damage if the Limit of Insurance shown on the "Declarations page" for the item of insured property is less than 90% of the actual cash value of the item at the time of the loss or damage.

Instead, the Insurer will determine the most it will pay using the following steps:

- ix. Multiply the value of the item of insured property at the time of the loss by 90%;
- x. Divide the Limit of Insurance of the property by the figure determined in step (i);
- xi. Multiply the total amount of the covered loss or damage, before the application of any deductible, by the figure determined in step (ii); and
- xii. Subtract the deductible from the figure determined in step (iii).

The Insurer will pay the amount determined in step (iv) or the applicable Limit of Insurance, whichever is less. For the remainder, the Insured will have to rely on other insurance or absorb the loss themselves.

This provision applies separately to each item insured.

7. PERILS INSURED

This Floater insures against all risks of direct physical loss or damage to the property insured from any external cause except as herein excluded.

EXCLUSIONS

8. PROPERTY EXCLUDED

Insurance provided by this Floater will not apply to any of the following:

- a) contraband or property illegally acquired, kept, stored or transported, or property seized or confiscated for breach of any law or by order of any public authority;
- b) automobiles, motorcycles, trailers, semitrailers or other vehicles licensed for use on public roads, aircraft, watercraft, amphibious or air cushion vehicles, or spacecraft;
- c) money, notes, securities, accounts, bills, evidence of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents;
- d) plans, blueprints, designs, or specifications;
- e) personal belongings or effects;
- f) property while located underground, in caissons or underwater;
- g) property which has become a permanent part of any structure;
- h) property insured under the terms of any marine insurance;
- i) property while waterborne from the commencement of loading until the completion of discharge except that this form insures while on a ferry, railway car or transfer barge, all in connection with land transportation;
- j) Property while airborne unless otherwise endorsed hereon;
- k) Property leased, rented or loaned to others unless otherwise endorsed hereon;
- l) "Fine Arts";
- m) "media" or "data";
- n) Electrical devices, appliances or wiring where damage or loss is caused by natural or artificially generated electrical currents, including arcing unless fire or explosion ensues and then only for such ensuing loss or damage.
- o) Growing plants, trees, shrubs or flowers
- p) Animals, fish or birds;
- q) Bullion, platinum and other precious metals and alloys, securities, stamps, tickets and tokens, virtual currency, or evidence of debt or title;
- r) Furs, fur garments, jewels, jewelry, costume jewelry, watches, pearls, precious and semi-precious stones and pre-recorded video tapes;
- s) tires or tubes unless the loss or damage is caused by fire or theft or is coincident with other loss or damage insured by this Floater but in no event for more than the actual value of the tires or tubes at the time of loss or damages;
- t) "contractors' equipment";
- u) "portable hand or power tools";
- v) "electronic data processing equipment";
- w) Property which is specifically scheduled elsewhere in this Policy of Inland Marine Insurance;
- x) cryptocurrency, digital currency, electronic currency, virtual currency or any other type of virtual or digital representation of value or any device or ledger used to hold, manage or otherwise use crypto, digital, electronic or virtual currency including any type of crypto wallet;
- y) non-fungible tokens or any other information or data stored on a digital ledger, including blockchain, that certifies a digital asset to be unique or not interchangeable.

9. PERILS EXCLUDED

10. A. This policy does not insure against loss or damage caused directly or indirectly by or resulting from any of the following. Such loss or damage is excluded regardless of any other cause or event (whether covered or not) that contributes concurrently or in any sequence to the loss or damage.

z) Governmental Action

Seizure or destruction of property by order of governmental authority.

But the Insurer will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Floater.

aa) Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination results in fire, the Insurer will pay for the direct loss or damage caused by that fire if the fire would be covered under this Floater.

bb) War And Military Action

- (i) War, including undeclared or civil war;
- (ii) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (iii) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

cc) Terrorism

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

Where any part of this exclusion is deemed to be invalid or unenforceable, the remainder shall have full force and effect.

dd) Pollution

The 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 policy; or

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

This insurance also does not apply to the 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".

ee) Data

- (i) A “data problem”. However, this exclusion (i) does not apply to loss or damage to insured property caused directly by resultant fire, explosion of natural, coal or manufactured gas, smoke, leakage from “fire protective equipment”, or water damage caused by bursting of frozen pipes and tanks;
- (ii) This insurance also does not insure “data”.

ff) Fungi

Presence, growth, proliferation, spread or any activity of "fungi", or wet or dry rot. But if "fungi", or wet or dry rot results in an insured peril, the Insurer will pay for the loss or damage caused by that insured peril to insured property. This exclusion does not apply when "fungi", or wet or dry rot results from fire or lightning.

gg) Communicable Disease

- (i) “Communicable Disease” or the actual, alleged, fear of or threat of a “Communicable Disease” including the fear or threat of transfer, transmission, infection, contamination, quarantine, or closure by civil authority due to or in any way related to “Communicable Disease”.
- (ii) For the purposes of this exclusion, loss or damage includes, but is not limited to, any cost to clean-up, detoxify, remove, prevent, monitor or test:
 - (a) for a “Communicable Disease” or the substance or agent associated with the “Communicable Disease”, or
 - (b) any property insured hereunder that is affected by such “Communicable Disease” or the substance or agent associated with the “Communicable Disease”.

These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area

9.B. This Floater does not insure against loss or damage caused directly or indirectly by or resulting from:

- a) the weight of any load including the load block, if any, and all rigging exceeding any or all of:
 - (i) the maximum allowable load;
 - (ii) the lifting capacity;
 - (iii) the rated load;
 - (iv) eighty-five percent (85%) of the minimum tipping load;

any or all of which may be set out in the manufacturer’s specifications, capacity tables, or rating sheets for the particular unit involved;

- b) mechanical or electrical breakdown or derangement;
- c) dishonest, fraudulent or criminal act(s) committed by:
 - i. The Insured, any of the Insured's partners, employees (including temporary employees and leased workers), officers, directors, trustees, or authorized representatives;
 - ii. Anyone else with an interest in the property, or their employees or authorized representatives;

Whether acting alone or in collusion with each other or with any other person.

This exclusion applies whether or not an act occurs during the Insured's normal hours of operation.

This exclusion does not apply to:

- i. physical damage caused directly by employees of the Insured which results from a peril otherwise insured under this Floater; or
 - ii. carriers for hire.
- d) any blasting or dynamiting operation conducted by or under the control of the Insured;
 - e) explosion originating within the following if owned and/or operated by the Insured:
 - (i) steam boilers, pipes, fly-wheels, engines and machinery connected there with and operated thereby;
 - f) wear and tear, latent defect, gradual depreciation or deterioration, inherent vice, faulty material or workmanship or design;
 - g) delay, loss of use, loss of market or any other consequential loss;
 - h) dampness or dryness of atmosphere, extremes, or changes of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, contamination, change in colour or texture of finish, marring, scratching, crushing, rust, corrosion, unless such loss or damage to the property insurance is caused directly by fire, lightning, windstorm, explosion, strike, riot or civil commotion, collapse of bridges or culverts, collision, upset or overturn, or theft;
 - i) misappropriation, secretion, conversion, infidelity or any dishonest act of anyone to whom the insured property may be entrusted, bailees for hire excepted.
 - j) smoke from agricultural smudging or industrial operations;
 - k) rodents, raccoons, skunks, insects, bats or birds;
 - l) any act that is intended by the Insured or can be expected from the standpoint of a reasonable person to cause damage, even if the damage is of a different degree or type than actually intended or expected.
 - m) disturbance or erasure of electronic recordings by electric or magnetic injury except by lightning;
 - n) breaking through ice, or by subsidence or sinking into muskeg, swamp, sand, or other surface or soft soil.
- o) neglect of the Insured to use all reasonable means to save and preserve the property at and after any disaster insured against or when the Insured has notice of an impending disaster;

Nor does this Floater insure against:

- p) Unexplained or mysterious disappearance or shortage of covered property (except property in the custody of carriers for hire);
- q) Loss or damage sustained to property insured while actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting, servicing or processing of property insured unless fire or explosion ensues and then only for direct loss or damage caused by such ensuing fire or explosion.
- r) Breakage of glass or similar fragile materials, marring or scratching unless such loss or damage to the insured property is caused directly by fire or the combating thereof, lightning, flood, earthquake, windstorm, hail, explosion, strike, riot or civil commotion, aircraft, vehicles other than transporting conveyances, rupture of pipes or breakage of apparatus, sprinkler leakage, vandalism, malicious acts, theft, attempted theft or accident to transporting conveyance.

ADDITIONAL CONDITIONS

The following conditions apply in addition to the Property – General Provisions and the Common Policy Conditions:

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 Floater, 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 project over which the Insured has no control.

11. OTHER INSURANCE

If at the time of loss or damage there is available to the Insured any other insurance which would apply in the absence of this policy, the insurance under this Floater shall apply only as excess insurance over such other insurance.

12. REINSTATEMENT

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

13. LOCKED VEHICLE WARRANTY

It is warranted by the Insured that any vehicle in which the property insured is carried is equipped with a fully enclosed metal 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 and windows of which shall have been securely locked.

This clause shall not apply to property which is in the custody of a common carrier.

14. SOUND CONDITION

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

15. 16. POLICY PERIOD, TERRITORY

The insurance under this Floater covers only loss or damage occurring during the policy period shown on the "Declarations page" and within the territorial limits of Canada.

16. BASIS OF SETTLEMENT – REPLACEMENT COST

If "Replacement Cost" is indicated on the "Declarations Page", then the following extension changes the policy.

16.1 The Insurer agrees to amend the basis of settlement from actual cash value to "replacement cost" subject to the following provisions:

- (f) settlement on a "replacement cost" basis shall only apply to covered property which has been manufactured within three (3) years of the date of covered loss or damage;
- (g) "replacement" shall be effected by the Insured with due diligence and dispatch;
- (h) 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";
- (i) failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this extension has not been in effect and will be made on an actual cash value basis;
- (j) this endorsement applies separately to each item(s) to which it is applicable.

16.2 In the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that damaged or destroyed 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 extension.

16.3 Any reference to actual cash value in a co-insurance clause in this Floater is deemed to be a reference to "Replacement Cost" of the property insured.

17. ECONOMIC TRADE SANCTIONS

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Canada, the European Union, United Kingdom or United States of America.

18. DEFINITIONS

- a) "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.
- b) "Communicable Disease"

As used herein, a Communicable Disease means any disease, known or unknown, which can be transmitted by means of any substance or agent from any organism to another organism where:

- xx. the substance or agent includes, but is not limited to, a virus, bacterium, archaeon, parasite, protozoa, prions or other organism or pathogen or any variation or mutation thereof, whether deemed living or not;
 - xxi. the method of transmission, whether direct or indirect, includes but is not limited to, airborne or aerosolized or droplet transmission, bodily fluid transmission, physical contact, vector-borne transmission, transmission from or to any surface or object, solid, liquid or gas or transmission between organisms, and
 - xxii. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property of any kind.
- c) "Contractors' equipment" means mobile equipment consisting principally of backhoes, bulldozers, cherry pickers, compactors, forklifts, graders, loaders, road scrapers, skid steers, tractors, pneumatic tools, scaffolding, generators, compressors, and including accessories and spare parts thereof (attached and detached) other than "portable hand or power tools".
 - d) "Data" means representation of information or concepts in any form.
 - e) "data problem" means:
 - xxiii. erasure, destruction, distortion, alteration, corruption, misappropriation, misinterpretation, unexpected encryption, damage or loss of "data";
 - xxiv. any error in creating, amending, entering, deleting or using "data";
 - xxv. the introduction of any harmful or otherwise unauthorized instructions or code;
 - xxvi. inability to receive, transmit or use "data"; or
 - xxvii. the impact of any virus, ransomware, malware, or the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or any internet address, website or similar facility.
 - f) "electronic data processing equipment" means:
 - vii. Data processing, word processing or computing equipment, including components, extensions, connections, ancillary equipment and educational or training materials;
 - viii. Portable electronic equipment, including laptop computers, tablets, e-readers and cellular, mobile and smart phones.

- g) "Declarations Page" means the Declarations Page(s) applicable to this Form.
- h) "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.
- i) "Fine arts" means paintings, etchings, pictures, tapestries and other bona fide works of art such as valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass and bric-a-brac, of rarity, historical value or artistic merit.
- j)** "Media" means all forms of material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks, flash drives, disk packs, diskettes and cassettes.
- k) "occurrence" means all loss or damage that is attributable directly or indirectly to one cause or a series of similar or related causes. All such loss or damage shall be treated as arising from one occurrence.
- l) "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
- m) "Portable hand or power tools" means tools or equipment usual to the insured's business, intended for use at project sites that can be operated by hand, without requiring the use of an engine or motor for mobility.
- n) "Replacement cost" means the cost of replacing, or repairing (whichever is the least) the covered property with new property of like kind and quality without deduction for depreciation; and
- o) "Replacement" includes repair, or replacement with new property of like kind and quality.
- p) "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".
- q) "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 person(s), 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.

EXCEPT AS OTHERWISE PROVIDED IN THIS FLOATER, ALL TERMS, CONDITIONS AND PROVISIONS OF THE POLICY TO WHICH THIS FLOATER IS ATTACHED SHALL HAVE FULL FORCE AND EFFECT.

RIGGER'S LIABILITY COVERAGE

The Insured means the insured named in the "Declarations Page".

The Insurer means the company providing the insurance.

Other words and phrases in quotations have special meaning as described in the definitions.

1. INDEMNITY AGREEMENT

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

- a. The actual cash value of the property at the time of loss or damage;
- b. The cost of reasonably repairing or restoring that property to its condition immediately before loss or damage;
- c. The cost of replacing that property with other property of like kind and quality; or
- d. The amount for which the insured is liable;
- e. The amount of insurance specified in the "Declarations page" in respect of the property lost or damaged.

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

2. PROPERTY INSURED

This Floater insures tangible property of others that:

- a. The Insured has been hired for "rigging" pursuant to a written contract; and
- b. is in the Insured's care, custody and control for the purposes of:
 - i. "rigging";
 - ii. assembling or dismantling work in connection with a "rigging" "project";
 - iii. operations incidental to a "rigging", assembling or dismantling "project"; or
 - iv. temporary storage while awaiting a "rigging" "project" for a maximum 30 days.

Coverage attaches when insured property is in the Insured's care, custody and control for the purposes set out above and at the Insured's risk of loss in connection with "rigging" operations.

Coverage provided by this endorsement ends when:

- a) the Insured's contractual responsibility pursuant to the Insured's "rigging" operations ceases;
 - b) The insured property is accepted by the owner of the property;
 - c) The insured property has been put to its intended use;
 - d) The insured property is no longer in the Insured's care, custody or control for purposes of the Insured's "rigging" operations; or
 - e) The expiration or cancellation of the Policy;
- whichever first occurs.

3. LIMITS OF INSURANCE

- i. Subject to paragraph b., the Rigger's Coverage Limit shown on the "Declarations page" is the maximum amount the Insurer will pay in any one "occurrence" for the total of all loss or damage to all insured property which is covered by this Floater regardless of the number of projects, premises or locations involved in any one "occurrence".
- j. The maximum amount the insurer will pay in any one "occurrence" for the cumulative total of all adjusted net claims (including all costs, fees, charges and expenses) covered under one or more coverages, floaters, endorsements or any form included in this policy of Inland Marine Insurance shall not exceed whichever is the lesser of:
 - v. the sum of the amounts of insurance as shown on the "Declarations Page" for CONTRACTORS' EQUIPMENT FLOATER – BLANKET BASIS, CONTRACTORS' EQUIPMENT AND TOOLS FLOATER – SCHEDULED ITEMS, INSTALLATION FLOATER, TRANSIT FLOATER, MISCELLANEOUS PROPERTY FLOATER, RIGGER'S LIABILITY COVERAGE and TOOL FLOATER – BLANKET BASIS, ELECTRONIC EQUIPMENT AND LAPTOPS FLOATER; or
 - vi. two million dollars (\$2,000,000).

4. DEDUCTIBLE

Subject to the Limit of Insurance, the Insurer will pay the amount of covered loss or damage, after application of any Co-insurance, in excess of the applicable dollar deductible amount as shown on the "Declarations page" for each "occurrence".

Should one "occurrence" give rise to the application of more than one deductible, only the largest individual deductible amount shall apply.

5. PERILS INSURED

This Floater insures against all risks of direct physical loss or damage to the property insured from any external cause except as herein excluded.

EXCLUSIONS

6. PROPERTY EXCLUDED

Insurance provided by this Floater will not apply to any of the following:

- (a) Property of others in the Insured's possession for "rigging" operations conducted gratuitously or as an accommodation;
- (b) Machinery, tools, equipment or property of any type that is not intended to become a permanent part of the "project" after completion;
- (c) Buildings or structures; however, the Insurer will pay for insured property in the Insured's possession for "rigging" operations which are intended to become a component of buildings or structures if the Insured is legally liable for the component at the time of loss as part of the Insured's "rigging" operations.
- (d) Property while airborne or waterborne;
- (e) Antiques or objects of art, including but not limited to paintings and statuary, jewelry, precious or semi-precious stones, gold, silver, platinum or other precious metals or alloys;
- (f) Property the Insured holds in storage under warehouse receipts or other written contracts.
- (g) Property for which no obligations under contract exist for the Insured's services as a "rigging" contractor;
- (h) Property for which the Insured has been released of liability;
- (i) Property that the Insured handles solely as a carrier for hire;
- (j) "electronic data processing equipment" or "data" or "media";
- (k) Property which is specifically scheduled elsewhere in this Policy of Inland Marine Insurance.

7. PERILS EXCLUDED

7.A. This policy does not insure against loss or damage caused directly or indirectly by or resulting from any of the following. Such loss or damage is excluded regardless of any other cause or event (whether covered or not) that contributes concurrently or in any sequence to the loss or damage.

hh) Governmental Action

Seizure or destruction of property by order of governmental authority.

But the Insurer will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Floater.

ii) Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination results in fire, the Insurer will pay for the direct loss or damage caused by that fire if the fire would be covered under this Floater.

jj) War And Military Action

- (i) War, including undeclared or civil war;

- (ii) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (iii) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

kk) Terrorism

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

Where any part of this exclusion is deemed to be invalid or unenforceable, the remainder shall have full force and effect.

ll) Pollution

The 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 policy; or

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

This insurance also does not apply to the 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".

mm) Data

(i) A "data problem". However, this exclusion (i) does not apply to loss or damage to insured property caused directly by resultant fire, explosion of natural, coal or manufactured gas, smoke, leakage from "fire protective equipment", or water damage caused by bursting of frozen pipes and tanks;

(ii) This insurance also does not insure "data".

nn) Fungi

Presence, growth, proliferation, spread or any activity of "fungi", or wet or dry rot.

But if "fungi", or wet or dry rot results in an insured peril, the Insurer will pay for the loss or damage caused by that insured peril to insured property. This exclusion does not apply when "fungi", or wet or dry rot results from fire or lightning.

oo) Communicable Disease

(i) "Communicable Disease" or the actual, alleged, fear of or threat of a "Communicable Disease" including the fear or threat of transfer, transmission, infection, contamination, quarantine, or closure by civil authority due to or in any way related to "Communicable Disease".

(ii) For the purposes of this exclusion, loss or damage includes, but is not limited to, any cost to clean-up, detoxify, remove, prevent, monitor or test:

(a) for a "Communicable Disease" or the substance or agent associated with the "Communicable Disease", or

(b) any property insured hereunder that is affected by such "Communicable Disease" or the substance or agent associated with the "Communicable Disease".

pp) Ordinance or Law

(i) The enforcement of or compliance with any ordinance or law:

i. Regulating the construction, use or repair of any property; or

ii. Requiring the tearing down of any property, including the cost of removing its debris.

(ii) This exclusion applies whether the loss or damage results from:

i. An ordinance or law that is enforced even if the property has not been damaged; or

ii. The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss or damage to that property.

These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

7.B. This Floater does not insure against loss or damage caused directly or indirectly by or resulting from:

(a) rain, snow, sleet or ice, all whether wind driven or not, unless the exterior of any building or structure containing insured property first sustains physical damage by an insured peril through which the rain, snow, sleet, or ice enters.

(b) The weight of a load exceeding the lifting or supporting capacity of any equipment. Such lifting or supporting capacity shall be as stated in the manufacturer's operating specifications for the operating conditions existing at the time of loss or damage.

(c) Penalties, fines or fees resulting from non-compliance with any contract terms or conditions or non-completion of any "project" within the time required by the contract.

(d) Testing of any type including but not limited to electrical, hydrostatic, mechanical, performance or pneumatic testing.

(e) Mechanical or electrical breakdown of insured property - unless fire or explosion ensues and then the Insurer will only pay for resulting loss.

- (f) Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
- (g) Theft by any person (except carriers for hire) to whom the Insured entrusts the property for any purpose, whether acting alone or in collusion with any other party. This exclusion applies whether or not an act occurs during the Insured's normal hours of operation;
- (h) Breakdown or malfunction of insured property, or failure of insured property to operate, unless such breakdown, malfunction or failure is a direct result of the Insured's "rigging" operations project;
- (i) wet or dry rot, mould, rust or corrosion, dampness or dryness of atmosphere, frost or freezing, rodents, raccoons, skunks, insects, bats or birds, inherent vice, latent defect, wear and tear, or gradual deterioration, unless directly caused by a peril not otherwise excluded herein;
- (j) electric or magnetic injury, disturbance or erasure of electronic recordings, except by lightning;
- (k) falling through ice on lakes, rivers, or other bodies of water, or sinking in muskeg;
- (l) earthquake, except:
 - (i) for ensuing damage which results directly from fire, explosion, smoke or leakage from fire protective equipment;
- (m) flood, including "surface water", 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. However, this exclusion does not apply to loss or damage:
 - (i) caused by escape of water from an elevated water tank maintained on the premises for firefighting purposes; or
 - (ii) resulting from ensuing fire, explosion or smoke.
- (n) misappropriation, secretion, conversion, infidelity or any dishonest, fraudulent 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) whether acting alone or in collusion with others;
- (o) cessation of work or by interruption of construction, unless directly caused by a peril otherwise insured and not otherwise excluded under this Floater;
- (p) delay, loss of market or loss of use or occupancy, or any other consequential loss;
- (q) settling, shrinkage, expansion, subsidence or earth movement underneath or adjacent to foundations, footings or structures;
- (r) any act that is intended by the Insured or can be expected from the standpoint of a reasonable person to cause damage, even if the damage is of a different degree or type than actually intended or expected.

Nor does this endorsement apply to:

- (s) penalties or liquidated damages for non-completion of or delay in completion of contract or non-compliance with contract conditions or costs incurred solely in an effort to eliminate or reduce penalties or liquidated damages for which the Insured may be contractually liable;
- (t) loss or damage 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 Floater;

- (u) Any loss or shortage disclosed on taking inventory or making appraisal or unexplained loss or mysterious disappearance;
- (v) The cost of making good defective design or specifications, faulty materials or faulty workmanship. However, if physical loss or damage to insured property by an insured peril not otherwise excluded results in your legal liability for such property we will pay for the resulting loss.

ADDITIONAL CONDITIONS

The following conditions apply in addition to the Property – General Provision and the Common Policy Conditions:

8. DEFENCE

The Insurer may elect to defend the Insured against such suits arising from claims of owners of property. The insurer will do this at its own expense.

9. ADMISSION OF LIABILITY

It is a condition of this endorsement that Insured must not in any way acknowledge or admit any liability for any accident, or settle or negotiate the settlement of any claim or suit resulting therefrom.

This insurance shall not cover any liability assumed by the Insured under any agreement oral or written nor any expense, nor the amount of any settlements incurred or made by the Insured on account of any claim unless such expense or settlement is incurred or made by written consent of the Insurer.

The Insured shall not interfere in any negotiations for settlement or in any legal proceedings, but shall, upon request of the Insurer shall aid in securing information and evidence and the attendance of witnesses and in effecting settlements and prosecuting appeals.

10. VALUATION

The Valuation General Condition in the Property - General Provisions is replaced by the following but only with respect to the coverage granted under this Endorsement.

For the purposes of this endorsement the value of insured property will be the least of the following amounts:

- a) The Actual Cash Value (defined as replacement cost less depreciation and obsolescence) of that property;
- b) The cost of reasonably repairing or restoring that property to its condition immediately before loss or damage;
- c) The cost of replacing that property with other property of like kind and quality; or
- d) the amount for which the Insured is liable.

The value will include the value of services furnished or arranged by the Insured.

In the event of insured loss or damage, the value of property will be determined as of the time of loss or damage.

11. DEFINITIONS

q) "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.

r) "Communicable Disease"

As used herein, a Communicable Disease means any disease, known or unknown, which can be transmitted by means of any substance or agent from any organism to another organism where:

xxviii. the substance or agent includes, but is not limited to, a virus, bacterium, archaeon, parasite, protozoa, prions or other organism or pathogen or any variation or mutation thereof, whether deemed living or not;

xxix. the method of transmission, whether direct or indirect, includes but is not limited to, airborne or aerosolized or droplet transmission, bodily fluid transmission, physical contact, vector-borne transmission, transmission from or to any surface or object, solid, liquid or gas or transmission between organisms, and

xxx. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property of any kind.

s) "Data" means representation of information or concepts in any form.

t) "data problem" means:

xxxi. erasure, destruction, distortion, alteration, corruption, misappropriation, misinterpretation, unexpected encryption, damage or loss of "data";

xxxii. any error in creating, amending, entering, deleting or using "data";

xxxiii. the introduction of any harmful or otherwise unauthorized instructions or code;

xxxiv. inability to receive, transmit or use "data"; or

xxxv. the impact of any virus, ransomware, malware, or the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or any internet address, website or similar facility.

u) "electronic data processing equipment" means:

ix. Data processing, word processing or computing equipment, including components, extensions, connections, ancillary equipment and educational or training materials;

x. Portable electronic equipment, including laptop computers, tablets, e-readers and cellular, mobile and smart phones.

- v) "Declarations page" means the Declarations Page(s) applicable to this Floater;
- w) "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.
- x) "Media" means all forms of material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks, flash drives, disk packs, diskettes and cassettes.
- y) "occurrence" means all loss or damage that is attributable directly or indirectly to one cause or a series of similar or related causes. All such loss or damage shall be treated as arising from one occurrence.
- z) "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.
- aa) "Project" means "rigging" and related activities that you agree, in writing, to conduct for others.
- bb) "Replacement cost" means the cost of replacing, or repairing (whichever is the least) the covered property with new property of like kind and quality without deduction for depreciation; and
- cc) "Replacement" includes repair, or replacement with new property of like kind and quality.
- dd) "Rigging" means any movement of property of others including erecting, hoisting, lowering, loading and unloading. "Rigging" does not include property while in the due course of transit.
- ee) "Surface water" means water or natural precipitation temporarily diffused over the surface of the ground.
- ff) "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".
- gg) "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 person(s), 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.

EXCEPT AS OTHERWISE PROVIDED IN THIS ENDORSEMENT, ALL TERMS, CONDITIONS AND PROVISIONS OF THE POLICY OR FLOATER TO WHICH THIS ENDORSEMENT IS ATTACHED SHALL HAVE FULL FORCE AND EFFECT.

TOOL FLOATER – BLANKET BASIS

The Insured means the insured named in the “Declarations Page”.
The Insurer means the company providing the insurance.

Other words and phrases in quotations have special meaning as described in the definitions.

1. INDEMNITY AGREEMENT

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

- a) The actual cash value of the property at the time of loss or damage
- b) The interest of the Insured in the property;
- c) The amount of insurance specified in the “Declarations Page” in respect of the property lost or damaged.

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

2. PROPERTY INSURED

This Floater insures “Portable power or hand tools” as described in the “Declarations Page” being:

- a) the property of the Insured usual to the business of the Insured as set out in the “Declarations page”; or
- b) the property of others used in the Insured’s contracting business and for which the insured is legally liable;

with a maximum value per tool and amount of insurance per tool not to exceed two thousand five hundred dollars (\$2,500).

Insured property does not include any property with a value per item greater than two thousand five hundred dollars (\$2,500).

3. ACQUISITION CLAUSE

If during the policy period the Insured newly acquires “portable power or hand tools” of a kind similar to that insured hereunder being usual to the business of the Insured with a maximum value of less than \$2,500 per item, this Floater is extended to cover such property for up to 30 days, but not beyond the end of the policy period. The most the Insurer will pay under this extension of

coverage is the Newly Acquired Tool Limit -Blanket shown in the "Declarations Page" or, if no such limit be shown, ten thousand (\$10,000) with respect to any "occurrence", regardless of the number of newly acquired items involved.

If the Insured does not report their acquisition of such property within 30 days from the date acquired and pay any additional premium due, coverage will cease automatically 30 days after the acquisition date or at the end of the policy period, whichever occurs first.

4. LIMITS OF INSURANCE

- k. Subject to paragraph b., the **Tool Blanket Limit** shown on the "Declarations page" is the maximum amount the Insurer will pay in any one "occurrence" for the total of all loss or damage to all insured property which is covered by this Floater regardless of the number of separate items involved. This limit is the most the Insurer will pay regardless of the number of projects, premises or locations involved in any one "occurrence". Subject to this limit, the most the insurer will pay in any one "occurrence" for covered loss or damage to any single item insured under this Floater is two thousand five hundred (\$2,500).
- l. The maximum amount the insurer will pay in any one "occurrence" for the cumulative total of all adjusted net claims (including all costs, fees, charges and expenses) covered under one or more coverages, floaters, endorsements or any form included in this policy of Inland Marine Insurance shall not exceed whichever is the lesser of:
 - vii. the sum of the amounts of insurance as shown on the "Declarations Page" for CONTRACTORS' EQUIPMENT FLOATER – BLANKET BASIS, CONTRACTORS' EQUIPMENT AND TOOLS FLOATER – SCHEDULED ITEMS, INSTALLATION FLOATER, TRANSIT FLOATER, MISCELLANEOUS PROPERTY FLOATER, RIGGER'S LIABILITY COVERAGE and TOOL FLOATER – BLANKET BASIS, ELECTRONIC EQUIPMENT AND LAPTOPS FLOATER; or
 - viii. two million dollars (\$2,000,000).

5. DEDUCTIBLE

Subject to the Limit of Insurance, the Insurer will pay the amount of covered loss or damage, after application of Co-insurance, if applicable, in excess of the applicable dollar deductible as shown on the "Declarations page" for each "occurrence".

Should one "occurrence" give rise to the application of more than one deductible, only the largest individual deductible amount shall apply.

With respect to insured loss or damage caused directly or indirectly by breaking through ice, or by subsidence into muskeg, swamp, sand, or other soft ground a minimum \$5,000 deductible, or the deductible specified in the "Declarations page", whichever is the greater, shall apply.

6. PERILS INSURED

This Floater insures against all risks of direct physical loss or damage to the property insured from any external cause except as herein excluded.

EXCLUSIONS

7. PROPERTY EXCLUDED

This form does not insure:

- a) contraband or property illegally acquired, kept, stored or transported, or property seized or confiscated for breach of any law or by order of any public authority;
- b) automobiles, motorcycles, trailers, semitrailers or other vehicles licensed for use on public roads, aircraft, watercraft, amphibious or air cushion vehicles or spacecraft; ;
- c) money, notes, securities, accounts, bills, evidence of debt or valuable papers;
- d) plans, blueprints, designs, or specifications;
- e) personal belongings or effects;
- f) property while located underground, in caissons or underwater;
- g) property which has become a permanent part of any structure;
- h) Property insured under the terms of any marine insurance;
- i) Property while waterborne from the commencement of loading until the completion of discharge except that this form insures while on a ferry, railway car or transfer barge, all in connection with land transportation;
- j) Property while airborne unless otherwise endorsed hereon;
- k) Property leased, rented or loaned to others unless otherwise endorsed hereon;
- l) electrical devices, appliances, apparatuses or wiring where damage or loss is caused by natural or artificially generated electrical currents, including arcing, unless fire or explosion ensues and then only for such ensuing loss or damage;
- m) "contractors equipment" other than "portable hand or power tools";
- n) "Electronic data processing equipment" or "data";
- o) Tools or equipment belonging to the Insured's employees;
- p) "portable power or hand tools" with an actual cash value of equal to or greater than \$2,500.

8. PERILS EXCLUDED

9.A. This policy does not insure against loss or damage caused directly or indirectly by or resulting from any of the following. Such loss or damage is excluded regardless of any other cause or event (whether covered or not) that contributes concurrently or in any sequence to the loss or damage.

qq) Governmental Action

Seizure or destruction of property by order of governmental authority.

But the Insurer will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Floater.

rr) Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination results in fire, the Insurer will pay for the direct loss or damage caused by that fire if the fire would be covered under this Floater.

ss) War And Military Action

- (i) War, including undeclared or civil war;
- (ii) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (iii) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

tt) Terrorism

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

Where any part of this exclusion is deemed to be invalid or unenforceable, the remainder shall have full force and effect.

uu) Pollution

The 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 policy; or
- (ii) to loss or damage caused directly by a resultant peril not otherwise excluded in this policy.

This insurance also does not apply to the 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".

x) Data

- (i) A "data problem". However, this exclusion (i) does not apply to loss or damage to insured property caused directly by resultant fire, explosion of natural, coal or manufactured gas, smoke, leakage from "fire protective equipment", or water damage caused by bursting of frozen pipes and tanks;
- (ii) This insurance also does not insure "data".

ww) Fungi

Presence, growth, proliferation, spread or any activity of "fungi", or wet or dry rot.

But if "fungi", or wet or dry rot results in an insured peril, the Insurer will pay for the loss or damage caused by that insured peril to insured property. This exclusion does not apply when "fungi", or wet or dry rot results from fire or lightning.

xx) Communicable Disease

(i) "Communicable Disease" or the actual, alleged, fear of or threat of a "Communicable Disease" including the fear or threat of transfer, transmission, infection, contamination, quarantine, or closure by civil authority due to or in any way related to "Communicable Disease".

(ii) For the purposes of this exclusion, loss or damage includes, but is not limited to, any cost to clean-up, detoxify, remove, prevent, monitor or test:

(a) for a "Communicable Disease" or the substance or agent associated with the "Communicable Disease", or

(b) any property insured hereunder that is affected by such "Communicable Disease" or the substance or agent associated with the "Communicable Disease".

These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

9.B. This Floater does not insure against loss or damage caused directly or indirectly by or resulting from:

- a) the weight of any load including the load block, if any, and all rigging exceeding any or all of:
 - i. (i) the maximum allowable load;
 - ii. (ii) the lifting capacity;
 - iii. (iii) the rated load;
 - iv. (iv) eighty-five percent (85%) of the minimum tipping load;any or all of which may be set out in the manufacturer's specifications, capacity tables, or rating sheets for the particular unit involved;
- b) mechanical or electrical breakdown or derangement;
- c) dishonest, fraudulent or criminal act(s) committed by:

- iii. The Insured, any of the Insured's partners, employees (including temporary employees and leased workers), officers, directors, trustees, or authorized representatives;
- iv. Anyone else with an interest in the property, or their employees or authorized representatives;

Whether acting alone or in collusion with each other or with any other person.

This exclusion applies whether or not an act occurs during the Insured's normal hours of operation.

This exclusion does not apply to:

- iii. physical damage caused directly by employees of the Insured which results from a peril otherwise insured under this Floater; or
 - iv. carriers for hire.
- d) any blasting or dynamiting operation(s) conducted by or under the control of the Insured;
 - e) explosion originating within the following if owned and/or operated by the Insured:
 - i. steam boilers, pipes, fly-wheels, engines and machinery connected there with and operated thereby;
 - f) wear and tear, latent defect, gradual depreciation or deterioration, inherent vice, faulty material or workmanship or design, however, to the extent otherwise insured and not otherwise excluded under this Floater, resultant damage to insured property is insured;
 - g) delay, loss of use, loss of market or any other consequential loss;
 - h) dampness or dryness of atmosphere, extremes, or changes of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, change in colour or texture of finish, marring, scratching, crushing, rust, corrosion, unless such loss or damage to the property insurance is caused directly by fire, lightning, windstorm, explosion, strike, riot or civil commotion, collapse of bridges or culverts, collision, upset or overturn, or theft;
 - i) gnawing, nesting or infestation, or discharge or release of waste products or secretions, by rodents, raccoons, skunks, insects, bats or birds;
 - j) misappropriation, secretion, conversion, infidelity or any dishonest act of anyone to whom the insured property may be entrusted, bailees for hire excepted;
 - k) any act that is intended by the Insured or can be expected from the standpoint of a reasonable person to cause damage, even if the damage is of a different degree or type than actually intended or expected.

Nor does this Floater insure against:

- l) Mysterious disappearance or shortage of insured tools disclosed on taking inventory;

- m) Loss or damage sustained to property insured while actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting, servicing or processing of property insured unless fire or explosion ensues and then only for direct loss or damage caused by such ensuing fire or explosion.

ADDITIONAL CONDITIONS

The following conditions apply in addition to the Property – General Provisions and the Common Policy Conditions:

9. 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 Floater, 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 project over which the Insured has no control.

10. OTHER INSURANCE

If at the time of loss or damage there is available to the Insured any other insurance which would apply in the absence of this policy, the insurance under this Floater shall apply only as excess insurance over such other insurance.

11. REINSTATEMENT

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

12. LOCKED VEHICLE WARRANTY

It is warranted by the Insured that any vehicle in which the property insured is carried is equipped with a fully enclosed metal 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 and windows of which shall have been securely locked.

This clause shall not apply to property which is in the custody of a common carrier.

13. SOUND CONDITION

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

14. POLICY PERIOD, TERRITORY

The insurance under this Floater covers only loss or damage occurring during the policy period shown on the "Declarations page" and within the territorial limits of Canada.

15. BASIS OF SETTLEMENT – REPLACEMENT COST

If "Replacement Cost" is indicated on the "Declarations Page", then the following extension changes the policy.

15.1 The Insurer agrees to amend the basis of settlement from actual cash value to "replacement cost" subject to the following provisions:

- (k) settlement on a "replacement cost" basis shall only apply to covered property which has been manufactured within three (3) years of the date of covered loss or damage;
- (l) "replacement" shall be effected by the Insured with due diligence and dispatch;
- (m) 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";
- (n) failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this extension has not been in effect and will be made on an actual cash value basis;
- (o) this endorsement applies separately to each item(s) to which it is applicable.

15.2 In the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that damaged or destroyed 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 extension.

15.3 Any reference to actual cash value in a co-insurance clause in this Floater is deemed to be a reference to "Replacement Cost" of the property insured.

16. ECONOMIC TRADE SANCTIONS

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Canada, the European Union, United Kingdom or United States of America.

17. DEFINITIONS

- a) "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.
- b) "Communicable Disease"

As used herein, a Communicable Disease means any disease, known or unknown, which can be transmitted by means of any substance or agent from any organism to another organism where:

- xxxvi. the substance or agent includes, but is not limited to, a virus, bacterium, archaeon, parasite, protozoa, prions or other organism or pathogen or any variation or mutation thereof, whether deemed living or not;

- xxxvii. the method of transmission, whether direct or indirect, includes but is not limited to, airborne or aerosolized or droplet transmission, bodily fluid transmission, physical contact, vector-borne transmission, transmission from or to any surface or object, solid, liquid or gas or transmission between organisms, and
- xxxviii. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property of any kind.
- c) "Contractors' equipment" means mobile equipment consisting principally of backhoes, bulldozers, cherry pickers, compactors, forklifts, graders, loaders, road scrapers, skid steers, tractors, pneumatic tools, scaffolding, generators, compressors, and including accessories and spare parts thereof (attached and detached) other than "portable hand or power tools".
- d) "Data" means representation of information or concepts in any form.
- e) "data problem" means:
- xxxix. erasure, destruction, distortion, alteration, corruption, misappropriation, misinterpretation, unexpected encryption, damage or loss of "data";
- xl. any error in creating, amending, entering, deleting or using "data";
- xli. the introduction of any harmful or otherwise unauthorized instructions or code;
- xlii. inability to receive, transmit or use "data"; or
- xliii. the impact of any virus, ransomware, malware, or the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or any internet address, website or similar facility.
- f) "Declarations Page" means the Declarations Page(s) applicable to this Floater.
- g) "electronic data processing equipment" means:
- xi. Data processing, word processing or computing equipment, including components, extensions, connections, ancillary equipment and educational or training materials;
- xii. Portable electronic equipment, including laptop computers, tablets, e-readers and cellular, mobile and smart phones.
- h) "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.
- i) "Media" means all forms of material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks, flash drives, disk packs, diskettes and cassettes.

- j) "occurrence" means all loss or damage that is attributable directly or indirectly to one cause or a series of similar or related causes. All such loss or damage shall be treated as arising from one occurrence.
- k) "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
- l) "Portable hand or power tools" means tools or equipment usual to the insured's business, intended for use at project sites that can be operated by hand, without requiring the use of an engine or motor for mobility.
- m) "Replacement cost" means the cost of replacing, or repairing (whichever is the least) the covered property with new property of like kind and quality without deduction for depreciation; and
- n) "Replacement" includes repair, or replacement with new property of like kind and quality.
- 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) "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 person(s), 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.

EXCEPT AS OTHERWISE PROVIDED IN THIS FLOATER, ALL TERMS, CONDITIONS AND PROVISIONS OF THE POLICY TO WHICH THIS FLOATER IS ATTACHED SHALL HAVE FULL FORCE AND EFFECT.

TRANSIT FLOATER

The Insured means the insured named in the "Declarations Page".
The Insurer means the company providing the insurance.

Other words and phrases in quotations have special meaning as described in the definitions.

1. INDEMNITY AGREEMENT

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

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

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

2. PROPERTY INSURED

The Floater insures "contents of every description" usual or incidental to the business of the Insured as specified on the "Declarations page" while in the course of transit. Including while being loaded and unloaded to or from a vehicle.

The insured property is covered under this Floater while in transit including while being loaded or unloaded from a vehicle. Coverage during loading shall not attach until the insured property is in the custody of the Insured or a common carrier or contract carrier for the purpose of transport. Coverage during unloading shall cease when the insured property leaves the custody of the Insured or a common carrier or contract carrier.

3. LIMITS OF INSURANCE

- a. Subject to paragraph b., the Transit Floater Limit shown on the "Declarations page" is the maximum amount the Insurer will pay in any one "occurrence" for the total of all loss or damage to all insured property which is covered by this Floater regardless of the number of projects, premises or locations involved in any one "occurrence".
- b. The maximum amount the insurer will pay in any one "occurrence" for the cumulative total of all adjusted net claims (including all costs, fees, charges and expenses) covered under one or more coverages, floaters, endorsements or any form included in this policy of Inland Marine Insurance shall not exceed whichever is the lesser of:

- i. the sum of the amounts of insurance as shown on the "Declarations Page" for CONTRACTORS' EQUIPMENT FLOATER – BLANKET BASIS, CONTRACTORS' EQUIPMENT AND TOOLS FLOATER – SCHEDULED ITEMS, INSTALLATION FLOATER, TRANSIT FLOATER, MISCELLANEOUS PROPERTY FLOATER, RIGGER'S LIABILITY COVERAGE and TOOL FLOATER – BLANKET BASIS, ELECTRONIC EQUIPMENT AND LAPTOPS FLOATER; or
- ii. two million dollars (\$2,000,000).

4. DEDUCTIBLE

Subject to the Limit of Insurance, the Insurer will pay the amount of covered loss or damage, after application of Co-insurance, if applicable, in excess of the applicable dollar deductible as shown on the "Declarations page" for each "occurrence".

Should one "occurrence" give rise to the application of more than one deductible, only the largest individual deductible amount shall apply.

With respect to loss or damage caused directly or indirectly by breaking through ice, or by subsidence into muskeg, swamp, sand, or other soft ground a 5% of the limit of insurance (minimum \$5,000) deductible, or the deductible specified in the Declarations, whichever is the greater, shall apply.

5. CO-INSURANCE

The Insurer will not pay the full amount of any loss if the Limit of Insurance shown on the "Declarations page" is less than 90% of the actual cash value of all insured property under this Floater at the time of the loss. The co-insurance percentage applies to all such covered property at all described premises. Instead, the Insurer will determine the most it will pay using the following steps:

- i. Multiple the value of covered property at the time of the loss by the coinsurance percentage;
- ii. Divide the Limit of Insurance of the property by the figure determined in step (i);
- iii. Multiply the total amount of the covered loss, before the application of any deductible, by the figure determine in step (ii); and
- iv. Subtract the deductible from the figure determined in step (iii).

The Insurer will pay the amount determined in step (iv) or the applicable Limit of Insurance, whichever is less. For the remainder, the Insured will have to rely on other insurance or absorb the loss themselves.

6. PERILS INSURED

This Floater insures against all risks of direct physical loss or damage to the property insured from any external cause except as herein excluded.

7. PROPERTY EXCLUDED

The insurance provided by this Floater will not apply to any of the following:

- a) property once it has been loaded onto a vessel or aircraft whose destination, or point of origin, is located outside of the "coverage territory";
- b) Records of accounts receivable;
- c) property while in course of transportation to any exhibition site, while at such exhibition site, and while in the course of transportation from such exhibition site;
- d) valuable papers or records including written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages, manuscripts and electronically stored records;
- e) fine arts, including paintings, etchings, pictures, tapestries and other bona fide works of art such as valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass and bric-a-brac, of rarity, historical value or artistic merit;
- f) contraband or property illegally acquired, kept, stored or transported, or property seized or confiscated for breach of any law or by order of any public authority;
- g) automobiles, motorcycles, trailers, semitrailers, or other vehicles licensed for use on public roads, aircraft, watercraft, amphibious or air cushion vehicles, spacecraft,
- h) money, notes, securities, stamps, tickets, tokens bullion, accounts, platinum and other precious metals and alloys, bills, evidence of debt or title;
- i) plans, patterns, templates, blueprints, designs, or specifications;
- j) personal belongings or effects;
- k) Property insured under the terms of any marine insurance;
- l) property while waterborne from the commencement of loading until the completion of discharge except that this form insures property while on a ferry, railway car or transfer barge, all in connection with land transportation;
- m) property while airborne unless otherwise endorsed hereon.
- n) Property leased, rented or loaned to others unless otherwise endorsed hereon;
- o) Property stored at temporary locations for more than a total of thirty (30) days before reaching the intended destination;
- p) Property which has been in transit for more than a total of thirty (30) days;

- q) Electrical devices, appliances, apparatuses or wiring where damage or loss caused by natural or artificially generated electrical currents, including arcing, unless fire or explosion ensues and then only for such ensuing loss or damage;
- r) Growing plants, trees, shrubs or flowers;
- s) Animals, including fish or birds;
- t) Furs, fur garments, jewels, jewelry, costume jewelry, watches, pearls, precious and semi-precious stones and pre-recorded video tapes, but this exclusion does not apply to:
 - (i) The first one thousand dollars (\$1,000) of any loss insured herein;
- u) property on loan or on rental or sold by the Insured under conditional sale, instalment payment or other deferred payment plan, from the time of leaving the Insured's custody, but this exclusion does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at the risk of the Insured;
- v) Property shipped by mail or by parcel post;
- w) Property which is specifically scheduled elsewhere in this Policy of Inland Marine Insurance;
- x) "Electronic data processing equipment" or "data";
- y) cryptocurrency, digital currency, electronic currency, virtual currency or any other type of virtual or digital representation of value or any device or ledger used to hold, manage or otherwise use crypto, digital, electronic or virtual currency including any type of crypto wallet;
- z) non-fungible tokens or any other information or data stored on a digital ledger, including blockchain, that certifies a digital asset to be unique or not interchangeable.

8. PERILS EXCLUDED

8.A. This policy does not insure against loss or damage caused directly or indirectly by or resulting from any of the following. Such loss or damage is excluded regardless of any other cause or event (whether covered or not) that contributes concurrently or in any sequence to the loss or damage.

a) Governmental Action

Seizure or destruction of property by order of governmental authority.

But the Insurer will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Floater.

b) Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination results in fire, the Insurer will pay for the direct loss or damage caused by that fire if the fire would be covered under this Floater.

c) War And Military Action

- (i) War, including undeclared or civil war;
- (ii) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (iii) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

d) Terrorism

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

Where any part of this exclusion is deemed to be invalid or unenforceable, the remainder shall have full force and effect.

e) Pollution

The 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 policy; or

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

This insurance also does not apply to the 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".

f) Data

(i) A "data problem". However, this exclusion (i) does not apply to loss or damage to insured property caused directly by resultant fire, explosion of natural, coal or manufactured gas, smoke, leakage from "fire protective equipment", or water damage caused by bursting of frozen pipes and tanks;

(ii) This insurance also does not insure "data".

g) Fungi

Presence, growth, proliferation, spread or any activity of "fungi", or wet or dry rot. But if "fungi", or wet or dry rot results in an insured peril, the Insurer will pay for the loss or damage caused by that insured peril to insured property. This exclusion does not apply when "fungi", or wet or dry rot results from fire or lightning.

h) Communicable Disease

(i) "Communicable Disease" or the actual, alleged, fear of or threat of a "Communicable Disease" including the fear or threat of transfer, transmission, infection, contamination, quarantine, or closure by civil authority due to or in any way related to "Communicable Disease".

(ii) For the purposes of this exclusion, loss or damage includes, but is not limited to, any cost to clean-up, detoxify, remove, prevent, monitor or test:

(a) for a "Communicable Disease" or the substance or agent associated with the "Communicable Disease", or

(b) any property insured hereunder that is affected by such "Communicable Disease" or the substance or agent associated with the "Communicable Disease".

These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area

8.B. This Floater does not insure against loss or damage caused directly or indirectly by or resulting from:

- a) centrifugal force, mechanical or electrical breakdown or derangement unless fire ensues and then only for the loss or damage caused directly by such ensuing fire;
- b) dampness or dryness of atmosphere, changes of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, contamination, change in colour or texture or finish, rust or corrosion, marring, scratching or crushing.
- c) rodents, raccoons, skunks, insects, bats or birds,
- d) delay, loss of market, or loss of use or occupancy or any other consequential loss;
- e) dishonest, fraudulent or criminal act(s) committed by:
 - i. The Insured, any of the Insured's partners, employees (including temporary employees and leased workers), officers, directors, trustees, or authorized representatives;
 - ii. Anyone else with an interest in the property, or their employees or authorized representatives;

Whether acting alone or in collusion with each other or with any other person.

This exclusion applies whether or not an act occurs during the Insured's normal hours of operation.

This exclusion does not apply to:

- (i) physical damage caused directly by employees of the Insured which results from a peril otherwise insured under this Floater; or
- (ii) carriers for hire.

misappropriation, secretion, conversion, infidelity or any dishonest act on the part of the Insured or other party of interest, his or their employees or agents or any person or persons whom the property may be entrusted (carriers for hire excepted);

- f) moving or rotating machinery or parts thereof;
- g) 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 Floater, resultant damage to the property is insured;
- h) any act that is intended by the Insured or can be expected from the standpoint of a reasonable person to cause damage, even if the damage is of a different degree or type than actually intended or expected.

Nor does this Floater insure:

- i) misdelivery, pilferage, or by any loss or unexplained shortage disclosed on taking inventory;
- j) Loss or damage sustained to property insured while actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting, servicing or processing of property insured unless fire or explosion ensues and then only for direct loss or damage caused by such ensuing fire or explosion.

ADDITIONAL CONDITIONS

The following conditions apply in addition to the Property – General Provisions and the Common Policy Conditions:

9. OTHER INSURANCE

If at the time of loss or damage there is available to the Insured any other insurance which would apply in the absence of this policy, the insurance under this Floater shall apply only as excess insurance over such other insurance.

10. REINSTATEMENT

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

11. LOCKED VEHICLE WARRANTY

It is warranted by the Insured that any vehicle in which the property insured is carried is equipped with a fully enclosed metal 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 and windows of which shall have been securely locked.

This clause shall not apply to property which is in the custody of a common carrier.

12. SOUND CONDITION

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

13. AGREEMENT WARRANTY

It is warranted that the Insured hereunder does not hold any agreement and will not enter into any agreement with any corporation, concern or individual to relieve said corporation, concern or individual from any liability which the law or custom may impose upon them.

It is agreed that the Insured may, without prejudice to this insurance, accept such Bills of Lading, receipts or contracts of carriage as are ordinarily issued by carriers, containing a limitation as to the value of goods and merchandise.

14. POLICY PERIOD, TERRITORIAL LIMITS

The insurance under this Floater only covers loss or damage occurring during the policy period shown on the "Declarations page" and within the territorial limits of Canada.

15. BASIS OF SETTLEMENT – REPLACEMENT COST

If "Replacement Cost" is indicated on the "Declarations Page", then the following extension changes the policy.

- 15.1 The Insurer agrees to amend the basis of settlement from actual cash value to "replacement cost" subject to the following provisions:
- (a) settlement on a "replacement cost" basis shall only apply to covered property which has been manufactured within three (3) years of the date of covered loss or damage;
 - (b) "replacement" shall be effected by the Insured with due diligence and dispatch;
 - (c) 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";
 - (d) failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this extension has not been in effect and will be made on an actual cash value basis;
 - (e) this endorsement applies separately to each item(s) to which it is applicable.

15.2 In the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that damaged or destroyed 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 extension.

15.3 Any reference to actual cash value in a co-insurance clause in this Floater is deemed to be a reference to "Replacement Cost" of the property insured.

16. ECONOMIC TRADE SANCTIONS

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Canada, the European Union, United Kingdom or United States of America.

17. BROAD LOSS PAYEE AND/OR ADDITIONAL INSURED

- (a) When the Insured is required, in writing, to add a Loss Payee and/or Additional Insured for property insured by this Floater and a Certificate of Insurance has been issued to such Loss Payee and/or Additional Insured, the Insurer agrees to:
 - i. adjust losses with the Insured; and
 - ii. pay any claim for loss or damage to insured property jointly to the Insured, the Loss Payee and/or Additional Insured, as their interest may appear; and
- (b) Nothing in this document increases the applicable Limit of Insurance shown on the "Declarations page". The Insurer will not pay any Loss Payee and/or Additional Insured more than its financial interest in the insured property. The most the Insurer will pay for the insured property is the applicable Limit of Insurance shown on the "Declarations page".
- (c) Any coverage provided under this provision shall be excess over any other valid and collectible insurance or indemnification available to the Loss Payee and/or Additional Insured with respect to the insured property, whether such other insurance is primary, contributory, excess, contingent, or otherwise.
- (d) Prior to a loss, if required by contract, the Insured may waive subrogation, in writing, against the Loss Payee and/or Additional Insured.

18. DEFINITIONS

- a) "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.
- b) "Contents of Every Description" means "Equipment" and "Stock" as defined in this Floater;

c) "Communicable Disease"

As used herein, a Communicable Disease means any disease, known or unknown, which can be transmitted by means of any substance or agent from any organism to another organism where:

- i. the substance or agent includes, but is not limited to, a virus, bacterium, archaeon, parasite, protozoa, prions or other organism or pathogen or any variation or mutation thereof, whether deemed living or not;
- ii. the method of transmission, whether direct or indirect, includes but is not limited to, airborne or aerosolized or droplet transmission, bodily fluid transmission, physical contact, vector-borne transmission, transmission from or to any surface or object, solid, liquid or gas or transmission between organisms, and
- iii. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property of any kind.

d) "Data" means representation of information or concepts in any form.

e) "data problem" means:

- iv. erasure, destruction, distortion, alteration, corruption, misappropriation, misinterpretation, unexpected encryption, damage or loss of "data";
- v. any error in creating, amending, entering, deleting or using "data";
- vi. the introduction of any harmful or otherwise unauthorized instructions or code;
- vii. inability to receive, transmit or use "data"; or
- viii. the impact of any virus, ransomware, malware, or the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or any internet address, website or similar facility.

f) "electronic data processing equipment" means:

- i. Data processing, word processing or computing equipment, including components, extensions, connections, ancillary equipment and educational or training materials;
- ii. Portable electronic equipment, including laptop computers, tablets, e-readers and cellular, mobile and smart phones.

g) "Declarations Page" means the Declarations Page(s) applicable to this Floater.

h) "Equipment" means:

- i. generally all contents usual to the Insured's business including furniture, furnishings, fittings, fixtures, machinery, tools, customer goods under the care, custody and control of the insured, utensils and appliances other than "Stock" as defined herein;
- ii. similar property belonging to others which the Insured is under obligation to keep insured or for which the Insured is legally liable.

"Equipment" does not mean real property or any building or permanent structure.

- i) "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.
- j) "Media" means all forms of material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks, flash drives, disk packs, diskettes and cassettes.
- k) "occurrence" means all loss or damage that is attributable directly or indirectly to one cause or a series of similar or related causes. All such loss or damage shall be treated as arising from one occurrence.
- l) "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
- m) "Replacement cost" means the cost of replacing, or repairing (whichever is the least) the covered property with new property of like kind and quality without deduction for depreciation; and
- n) "Replacement" includes repair, or replacement with new property of like kind and quality.
- o) "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 the Insured is legally liable.
- p) "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".
- q) "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 person(s), 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

EXCEPT AS OTHERWISE PROVIDED IN THIS FLOATER, ALL TERMS, CONDITIONS AND PROVISIONS OF THE POLICY TO WHICH THIS FLOATER IS ATTACHED SHALL HAVE FULL FORCE AND EFFECT.

RENTAL REIMBURSEMENT ENDORSEMENT

APPLICABLE TO THE FOLLOWING FLOATERS:

CONTRACTORS' EQUIPMENT FLOATER – BLANKET BASIS
CONTRACTORS' EQUIPMENT AND TOOLS FLOATER – SCHEDULED ITEMS
This endorsement changes the policy.

1. The applicable FLOATER is extended to insure the expenses actually incurred by the Insured for the rental of equipment, either with or without an operator, to replace equipment insured by this Floater which has been withdrawn from normal use as a result of loss or damage from a peril insured by the Floater.
2. The rental reimbursement coverage provided by this extension only applies to equipment which is similar in type, capacity and purpose to that for which it is a replacement and only to equipment which is insured for an amount of more than twenty-five hundred dollars (\$2,500) per item.
3. The coverage provided by this extension will not apply if the Insured owns, controls or has available for use surplus or reserve equipment which can be used by the Insured for continuing or resuming the Insured's operations.

The most the Insurer will pay under this extension for one or more items of equipment is twenty-five hundred dollars (\$2,500) per day, or twenty-five thousand dollars (\$25,000) any one policy year, or as otherwise stated on the "Declarations Page".

4. The Insurer's liability for rental reimbursement is limited to expenses actually incurred commencing seventy-two (72) hours (Sundays and legal holidays not included) or as otherwise stated on the "Declarations Page", after the date of loss or damage to the insured equipment occurred, and will continue, regardless of the expiration of the policy period, to the date which would be required to repair the equipment so damaged.

All other terms and conditions of this policy remain unchanged.

SECTION V. LEGAL EXPENSE

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY.

IN THE EVENT OF A CONFLICT BETWEEN THIS ENDORSEMENT AND YOUR POLICY, THE PROVISIONS OF THIS ENDORSEMENT SHALL GOVERN

LEGAL EXPENSE ENDORSEMENT

ARAG Legal Solutions Inc. (**ARAG**) acts as the insurance manager and has the authority to issue this endorsement and administer claims on behalf of HDI Global Specialty SE (**HDI**).

THIS ENDORSEMENT CONTAINS CLAUSES WHICH MAY LIMIT THE AMOUNT PAYABLE.

This is a Named Perils endorsement and provides coverage only for the insured events listed within this endorsement.

Words and phrases in **bold** have special meaning as defined in **Section – IV Definitions**.

SECTION I

TELEPHONE LEGAL HELPLINE

We will provide **you** access to a Legal Helpline through which **you** can receive confidential general legal assistance and information over the phone relating to any legal problem affecting **your** business to help determine your legal rights and options under the laws of the applicable province and the federal laws of Canada. The lawyer cannot provide case specific research or review documents.

We will provide this service between the hours of 8am and midnight, local time, 7 days a week. In addition, **we** will facilitate access to a lawyer twenty-four hours a day, 7 days a week, in emergency situations. Calls to this service may be recorded.

To contact this service, call 1-888-668-6072.

We will not accept responsibility if the helpline service is unavailable for reasons **we** cannot control.

MAKING A CLAIM

Please contact **us** as soon as practicable following an insured event, and in no event later than 120 days after the **date of occurrence** of the insured event.

Please note that the Insurer will not pay for any legal costs you incur before we have accepted your claim, even if we later accept the claim.

You may report a claim to **us** by calling your Legal Helpline phone number while **you** are insured under this endorsement, by email at claims@arag.ca, or by mail to our Head Office address listed at www.arag.ca

We will then advise **you** on next steps.

SECTION II

INSURANCE AGREEMENT

In return for payment of the premium, and subject to the terms, definitions, conditions, exclusions and limitations set out in this endorsement and the Declarations Page, the **Insurer** will provide insurance for **legal costs** incurred for insured events described in this endorsement, provided that:

1. the **date of occurrence** of the insured event happens within the period the **Insurer** has agreed to cover an **insured person**; and
2. the insured event occurs within the **territorial limit** and any legal proceedings will be dealt with by a court, or other body which **we** agree to, within the **territorial limit**; and
3. the **legal costs** are incurred after the claim has been accepted by **us**, and are limited to:
 - a. the reasonable and necessary costs, inclusive of any applicable sales or retail taxes, incurred by the **appointed representative**, including any additional expenses and disbursements such as court fees, experts' fees, police reports and medical reports incurred by the **appointed representative**;
 - b. costs awarded by a court in Canada to opponents in civil cases if the **insured person** has been ordered to pay them, or pays them with our agreement; and
 - c. the cost of the **insured person's** net salary or wages, that are not otherwise payable or recoverable, for the time that they are off work to attend any court proceeding, tribunal, arbitration, mediation or other hearing at the request of the **appointed representative**, up to a maximum of \$500 per **insured person** per day, and \$10,000 in total in respect of all claims resulting from any one court or tribunal proceeding, arbitration, mediation or other hearing; and
4. for civil cases and appeals relating to any insured event, **reasonable prospects** exist for the duration of the claim.

Except where stated otherwise, the **Insurer** will not pay **legal costs** incurred with respect to the enforcement of judgments or final orders, or settlement agreements, or minutes of settlement, which may arise in the pursuit or defence of **your** legal rights from an accepted claim under this endorsement.

Except where stated otherwise, the **Insurer** will pay **legal costs** incurred in making or defending an appeal, as long as:

- the matter being appealed was previously accepted as a claim under this endorsement,
- the **insured person** tells **us** within the time limits allowed to file an appeal that they want to appeal (and within reasonable time to allow for the filing of all necessary documents for an appeal), and
- **we** agree there are **reasonable prospects** of success for the appeal.

This endorsement, together with the Declarations Page and any other endorsement, and incorporating the application and any information **you** have provided, forms the contract of insurance between **you** and the **Insurer**.

This is not an endorsement for reimbursement of legal costs you have already incurred.

SECTION III

INSURED EVENTS

(A) Legal Defence

At **your** request, the **Insurer** will pay **legal costs**

- 1) to defend an **insured person's** legal rights in relation to:
 - (i) their being investigated by the police in respect of an alleged **criminal offence**
 - (ii) their being prosecuted for an alleged **criminal offence**
 - (iii) a civil action being taken against them for compensation in connection with a failure or alleged failure to comply with requirements under protection of privacy legislation
 - (iv) an investigation or prosecution against them under applicable occupational health and safety legislation
- 2) to defend an **insured person's** (other than **your**) legal rights if civil action is taken against them in their capacity as a trustee of a pension fund set up for the benefit of **your** employees
- 3) to respond to a Notice for Production issued against an **insured person**, under the **Federal Anti-Spam Legislation**
- 4) to make representations on behalf of an **insured person** who has been issued a Notice of Violation, under the **Federal Anti-Spam Legislation**
- 5) to defend an **insured person** against a private action brought by an individual made under the **Federal Anti-Spam Legislation**

Exclusions

Any claim relating to:

- (a) an **insured person** being prosecuted in connection with the ownership, use or operation of a **motor vehicle**
- (b) any offence against any **insured person** for refusing to comply with a request by a designated person who is carrying out their duties and functions under the **Federal Anti-Spam Legislation**
- (c) any offence against any **insured person** who obstructs or hinders, or knowingly makes a false or misleading statement or provides false or misleading information to, a designated person who is carrying out their duties and functions under the **Federal Anti-Spam Legislation**

(B) Small Claims Court Contract Disputes and Debt Recovery

The **Insurer** will pay **legal costs** to pursue or defend **your** legal rights in a dispute relating to an agreement or an alleged agreement which has been entered into by **you** or on **your** behalf for:

- 1) Selling or buying **goods**;
- 2) Providing or obtaining services.

Provided that:

- (i) *The amount in dispute exceeds \$1,000;*
- (ii) *All legal proceedings are within the jurisdiction of, and are brought in, the applicable small claims court; and*
- (iii) *if the dispute relates to money owed to **you** to which a construction lien would apply, then a claim must be made under this endorsement within 30 days of the money becoming due and payable*

Exclusions

- (a) the settlement payable under an insurance policy (the **Insurer** will cover a dispute arising from **your** insurer refusing **your** claim, but not a dispute over the amount of the claim).
- (b) a dispute arising from any loan, mortgage, pension, investment, borrowing or any other financial product (other than described under (a) above).
- (c) a dispute over the terms of a lease of land or buildings or a licence or tenancy of land or buildings if **you** are the lessor, licensor or landlord of the land or buildings. However, the **Insurer** will cover a dispute with a professional advisor in connection with the drafting of a

lease, licence or tenancy agreement

- (d) a contract regarding you purchasing or selling **real property**
- (e) a contract for legal services
- (f) a contract involving a **motor vehicle** other than agreements relating to the sale of **motor vehicles** where **you** are engaged in the business of purchasing, selling, or leasing **motor vehicles**; or agreements related to the repair and/or maintenance of **motor vehicles** where **you** are engaged in the business of repairing and/or performing maintenance upon **motor vehicles**
- (g) a dispute with an employee or ex-employee which arises out of, or relates to, a **contract of employment** with **you**
- (h) the breach of a professional obligation or duty, including any claim:
 - i. based on professional liability,
 - ii. based on the commission of a fault of an ethical nature, or arising out of a disciplinary process

(C) Statutory Licence Protection

The **Insurer** will pay **legal costs** to represent **you** in appealing to the relevant statutory or regulatory authority, court, or tribunal following an event which results in a licensing or regulatory authority suspending, or altering the terms of, or refusing to renew, or cancelling **your** licence to conduct **your** business.

Exclusions

Any claim relating to:

- (a) An original application or application for renewal of a statutory licence.
- (b) A licence appeal relating to the ownership, use or operation of a motor vehicle.
- (c) A licence appeal relating to a professional licence issued to an individual.

(D) Property Protection

The **Insurer** will pay **legal costs** to pursue **your** legal rights in a civil action relating to physical property which **you** own following:

- 1) an event which causes physical damage to such property, provided that the amount in dispute exceeds \$1,000
- 2) a legal nuisance (meaning any unlawful interference with **your** use or enjoyment of **your** land, or some right over, or in connection with it)

3) a trespass.

Exclusions

Any claim relating to:

- (a) a contract entered into by **you**
- (b) disputes related to easements or other agreed rights over land
- (c) **goods** that are away from any premises occupied by **you** unless the goods are at such premises for the purpose of installations or use in work to be carried out by **you**
- (d) someone legally taking **your real property** from **you**, whether **you** are offered money or not, or restrictions or controls placed on **your real property** by any governmental, quasi-governmental or public or local authority
- (e) work done by, or on behalf of, any governmental, quasi-governmental or public or local authority unless the claim is for accidental physical damage
- (f) a **motor vehicle**, other than physical damage to **motor vehicles** where **you** are engaged in the business of purchasing, selling, leasing, repairing or performing maintenance upon **motor vehicles**
- (g) mining, subsidence, heave or landslide
- (h) defending **your** legal rights, other than in defending a counter-claim

(E) Bodily Injury

At **your** request, the **Insurer** will pay an **insured person's legal costs** to pursue their legal rights following a specific or sudden accident which causes their death or bodily injury.

Exclusions

Any claim relating to any of the following:

- (a) a dispute with any provincial workers' compensation board
- (b) psychological injury or mental illness unless the condition arises from a specific or sudden accident that has caused physical bodily injury

(c) death, illness or bodily injury arising from a sudden accident which involves an **insured person's** ownership, use or operation of a **motor vehicle**

(d) defending an **insured person's** legal rights, other than in defending a counter-claim

(F) Tax Protection

The **Insurer** will pay **legal costs** in respect of a **tax appeal** or a **tax audit** relating to:

- 1) liability for income tax, GST, PST or HST arising from **your** business
- 2) payroll deductions compliance by **your** business.

*Provided that **you** have taken reasonable care to ensure that all returns are complete and correct and submitted within the statutory time limits allowed.*

Exclusions

Any claim relating to:

- (a) any claim arising from a tax avoidance scheme, arrangement, or plan of any kind
- (b) any claim caused by **your** failure to register for GST and/or PST and/or HST.

Any claim arising from an investigation or inquiry by the **CRA** into alleged gross negligence, dishonesty or **criminal offences**.

SECTION IV

DEFINITIONS

The following definitions apply wherever these words or phrases appear in bold in this endorsement.

Appointed representative

The lawyer, accountant or other suitably qualified person appointed by **us** on behalf of the **insured person** to act for an **insured person**.

Contract of Employment^[SEP]

Written agreement between the employer and employee setting out both party's rights, duties and obligations.

A **contract of employment** does not include a collective agreement covering a group of employees who are represented by a union.

Criminal offence

An offence under the Criminal Code of Canada (R.S.C., 1985, c. C-46).

Date of occurrence

1. For civil cases: the date of the event which leads to a claim. If there is more than one event arising at different times from the same originating cause, the **date of occurrence** is the date of the first of these events.
2. For criminal cases: the date of the alleged criminal offence, or the earliest date in a series of related alleged criminal offences, for which an **insured person** is charged.
3. For licence or registration appeals: when **you** were first informed by the relevant licensing or regulatory authority of their proposal to review, suspend, alter the terms of, refuse to renew or cancel **your** licence.
4. For a **tax appeal**: when the Canada Revenue Agency (“CRA”) or a provincial tax authority first issues **you** a notice of assessment, reassessment or determination with which **you** disagree.
5. For a **tax audit**: when the CRA or a provincial tax authority first contacts **you** in relation to commencing an audit.

The insured event must occur within the period the **Insurer** has agreed to cover the **insured person**.

Federal Anti-Spam Legislation

An Act to promote the efficiency and adaptability of the Canadian economy by regulating certain activities that discourage reliance on electronic means of carrying out commercial activities, and to amend the Canadian Radio-television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act, S.C. 2010, c. 23

Goods

Any object which is not attached to **real property**, except by its own weight, and can be removed without damage or alterations to the **real property** requiring repair.

Any object which is plugged in and can be removed without any damage or alteration to the **real property**.

Insured person

You and **your** directors, officers, partners, managers and employees.

Anyone claiming under this endorsement must have **your** agreement to claim.

Insurer

HDI Global Specialty SE.

Legal costs

In respect of the insured events described in this endorsement:

1. all reasonable and necessary costs, inclusive of any applicable sales or retail taxes, incurred by the **appointed representative** including any additional expenses and disbursements such as court fees, experts' fees, police reports and medical reports incurred by the **appointed representative**;
2. the costs awarded by a court in Canada to opponents in civil cases if the **insured person** has been ordered to pay them, or pays them with **our** agreement; and
3. the **insured person's** net salary or wages, that are not otherwise payable or recoverable, for the time that they are off work to attend any court proceeding, tribunal, arbitration, mediation or other hearing at the request of the **appointed representative**, up to a maximum of \$500 per **insured person** per day, and \$10,000 in total in respect of all claims resulting from any one court or tribunal proceeding, arbitration, mediation or other hearing.

Motor vehicle

Includes an automobile, a motorcycle, a motor assisted bicycle, and any other vehicle propelled or driven otherwise than by muscular power.

Reasonable prospects

For civil cases **reasonable prospects** means that **we** agree that it is always more likely than not that an **insured person** will recover losses or damages (or obtain other legal remedy which **we** have agreed to) or make a successful defence.

For appeals relating to any insured event, **reasonable prospects** means that **we** agree that it is always more likely than not that the appeal will be successful.

Real property

Real property is land, and anything growing on, affixed to, or built upon land. This also includes man-made buildings as well as crops. Real property is characterized as property that doesn't move, or that is attached to the land.

Tax appeal

An appeal regarding an assessment, reassessment or determination made by the CRA or a provincial tax authority, including an administrative appeal to the CRA or a provincial tax authority and an appeal to the Tax Court of Canada or a superior court of a province.

Tax audit

An inspection and verification by the CRA or a provincial tax authority of **your** financial accounting records to determine whether or not **you** have paid the correct amount of tax.

Territorial limit

Canada.

We, us, our

ARAG Legal Solutions Inc. who has been authorized by the **Insurer** to act as the insurance manager for this endorsement.

You, your

The corporation or partnership shown in the Declarations Page as the policyholder.

SECTION V

LIMIT OF INSURANCE

The **Insurer** will pay up to the limit of insurance shown in the Declarations Page in respect of **legal costs** related to all claims resulting from one or more events arising at the same time or from the same originating cause.

Subject to the above, the **Insurer** will pay, in aggregate, **legal costs** of no more than the aggregate limit shown in the Declarations Page in respect of all claims that arise in that period of insurance that result from different originating causes.

SECTION VI

GENERAL EXCLUSIONS

This insurance does not apply to:

1. Events not connected with your business

Any event not arising in connection with the business shown in **your** Declarations Page.

2. Wilful acts

Any claim resulting from an act which is wilfully committed, and the results of which are consciously intended, by an **insured person**.

3. Late reported claims

A claim reported to **us** more than 120 days after the **date of occurrence**.

4. Legal costs not agreed with us

Legal costs incurred before **our** written agreement that the **Insurer** will pay them.

5. Legal action not agreed with us

Legal action an **insured person** takes which **we** or the **appointed representative** have not agreed to or where an **insured person** does anything that hinders **us** or the **appointed representative**.

6. Contingency fee agreements

Any **legal costs** arising as a consequence of a contingency fee agreement.

7. Disputes with any governmental or public body

Except as it relates to claims accepted under **Insured events 2. Legal defence, 3. Small Claims Court Contract disputes and debt recovery, 4. Statutory licence protection, and 7. Tax Protection**, any **legal costs** relating to a review or dispute regarding the lawfulness of any decision or action of any federal or provincial governmental or quasi – governmental body, or any other local or public authority, other than in relation to an accepted claim in respect of any event insured under this endorsement.

8. Class action proceedings

Any claim where an **insured person** is a party to a legal action brought under applicable class proceedings legislation, or where an **insured person** has opted out of being a party to a legal action brought under applicable class proceedings legislation.

9. Costs awarded outside of Canada

Any **legal costs** awarded in any jurisdiction outside of Canada.

10. Damages, fines and penalties

Damages, fines, penalties, compensation or restitution orders which the **insured person** is ordered to pay by a court or other authority and any costs awarded in criminal or statutory proceedings.

11. Disputes with ARAG, BCAA or the Insurer

Any dispute with **us, BCAA, the Insurer**, or anyone affiliated with the administration of this endorsement or the **Insurer** not otherwise dealt with under **Endorsement Conditions 10. Disputes over reasonable prospects for a claim.**

12. Fraudulent claims

Any claim which is fraudulent, exaggerated or dishonest.

13. Claims under this endorsement by a third party

Apart from **us**, only an **insured person** may enforce all or any part of this endorsement and the rights and interests arising from or connected with it.

14. Nuclear, war, terrorism and pollution or contamination risks

Any claim caused by, contributed to, or arising from any of the following:

- (a) war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
- (b) an event which is required to be insured under a nuclear energy liability policy issued by the Nuclear Insurance Association of Canada, or any other group or pool of insurers;
- (c) terrorism or a decision of a government agency or other entity to prevent, respond to or terminate terrorism;
- (d) pollution or contamination.

15. Bankruptcy of policyholder

Any matter or claim if, at any time:

- (a) **you** are declared bankrupt, placed into receivership, are in the process of being wound-up or if any part of **your** affairs or property is in liquidation;
- (b) **you** have made a proposal, petition, filing or arrangement for the benefit of any creditor or creditors;

- (c) a creditor seeks to have **you** placed into bankruptcy, declared insolvent, liquidated or be wound-up;
- (d) any of **your** property is placed under the care or control of a trustee, receiver or administrator.

16. Intellectual property disputes

Any claim related to disputes about patents, copyrights, trademarks, merchandise marks, registered designs, intellectual property, secrecy and confidentiality agreements.

17. Agency agreement disputes

Any claim relating to rights under a franchise or agency agreement entered into by **you**.

18. Shareholding or partnership disputes

Disputes about a shareholding or partnership interest in **you** unless such shareholding or partnership interest was acquired under a plan open to all of **your** employees or a substantial number of them.

19. Defamation

A claim relating to written or oral remarks which damage an **insured person's** reputation.

20. Disputes relating to the validity of legislation

Any constitutional or other challenge to the validity of Federal, Provincial, or Municipal Legislation.

SECTION VII

ENDORSEMENT CONDITIONS

1. Observance of endorsement terms

The **insured person** must:

- (a) comply with the terms and conditions of this endorsement;
- (b) notify **us** immediately of any change in circumstance which may materially affect **our** assessment of the risk;
- (c) take reasonable steps to avoid and prevent claims;
- (d) take reasonable steps to avoid incurring unnecessary costs;
- (e) send everything **we** reasonably ask for in writing;
- (f) report to **us** full and factual details of any claim as soon as practicable and give **us** any information **we** reasonably need.

2. Notice of Insured Event

The **insured person** shall notify **us** of any insured event which may give rise to coverage, as soon as they become aware of it. Any interested person may give such notice.

In the event that the requirement set out in the preceding paragraph is not fully complied with, all rights to coverage shall be forfeited by the person insured where such non-compliance has caused prejudice to **us**.

3. Conduct and control of claim

- (a) If it is necessary to take legal proceedings, including a **tax appeal**, an **appointed representative** will be appointed by **us** on behalf of the **insured person** in accordance with **our** standard terms of appointment and will be retained by the **insured person**.
- (b) Where **we** have agreements with more than one law firm with respect to a specialty, the **insured person** may select their **appointed representative** from that panel of law firms.
- (c) The **insured person** must cooperate with **us** and must keep **us** up-to-date regarding the progress of the claim.
- (d) The **insured person** must cooperate with the **appointed representative** and must follow the recommendations of the **appointed representative**, which have been agreed to by **us**.
- (e) The **insured person** must give the **appointed representative** any instructions that **we** require.

4. Consent to access information

The **insured person** will provide written consent, at the commencement of the retainer of the **appointed representative**, permitting the **appointed representative**, at **our** request, to give **us**, or **our** reinsurers, actuaries or auditors, or any regulatory authority or its agents, to the extent required by law, access to all correspondence, documents and records in the **appointed representative's** possession or control which are relevant to the matter. This consent will include permission to deliver up all such documents or copies of all such documents at **our** request.

5. Offers to settle a claim

- (a) The **insured person** must tell **us** if anyone offers to settle a claim and must not negotiate or agree to a settlement without **our** written consent.
- (b) If the **insured person** does not accept an offer **we**, based on the advice of the **appointed representative**, consider reasonable to settle a claim, **we** may refuse to pay further **legal costs**.
- (c) **We** reserve the right to pay the **insured person** the reasonable amount of damages that the **insured person** is claiming, or that is being claimed against them, or negotiate a reasonable settlement of any claim, instead of starting or continuing legal proceedings. In these circumstances the **insured person** must allow **us** to take over and conduct in their name the pursuit or settlement of any claim. The **insured person** will also allow **us** to pursue at **our** own expense and for **our** own benefit, any claim for compensation against any other party and must give **us** all information and assistance required.

6. **Withdrawal of coverage**

If an **insured person** settles or negotiates a claim without **our** consent, or withdraws a claim without **our** consent, or does not give to the **appointed representative** any instructions that **we** require, **we** can withdraw coverage and will be entitled to reclaim from the **insured person** any **legal costs we** have paid.

7. **Sanction limitation**

The **Insurer** shall not be deemed to provide coverage and the **Insurer** shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the **Insurer** to any sanction, prohibition or restriction under trade or economic sanctions, laws, or regulations of Canada, the United Nations, or the European Union.

8. **Assessment and recovery of costs**

- (a) The **insured person** must instruct the **appointed representative** to have **legal costs** taxed, assessed or audited if **we** ask for this.
- (b) The **insured person** must take every reasonable step to recover **legal costs** that **we** have to pay and must pay **us** any amounts that are recovered.
- (c) Where a settlement is made on a without costs basis, the **appointed representative** will determine what proportion of that settlement will be deemed **legal costs** and payable to or by **us**.

9. **Cancellation of a representative's appointment**

If the **appointed representative** refuses to continue acting for the **insured person**, or if the **insured person** dismisses the **appointed representative** without **our** prior consent, the coverage the **Insurer** provides will end immediately.

10. **Disputes over reasonable prospects for a claim**

If there is a dispute between an **insured person** and **us** over **reasonable prospects**, the **insured person** may obtain, at their expense, an opinion, from a lawyer mutually agreed to by the **insured person** and **us**, on the merits of a claim or proceedings. If the lawyer's opinion indicates that **reasonable prospects** exist, **we** will pay the reasonable cost of obtaining the opinion.

11. **Complaint handling**

If **you** are not satisfied with any aspect of **our** service and wish to make a complaint, you can telephone **us** at **1-888-582-5586** or email **us** at **customerrelations@arag.ca**.

Alternatively, the **Insurer** can be contacted by telephone at 1-416-867-9712 or email at **complaints-canadianBranch@hdi-specialty.com**

If **your** complaint remains unresolved or not resolved to your satisfaction, **you** may contact the General Insurance OmbudService (GIO). The GIO is an independent regulatory organization which exists to help resolve complaints between individuals and their insurance providers. The GIO's services are available free of charge to the customer and the GIO can be contacted by telephone (toll-free Number 1-877-225-0446), or through their website at **www.giocanada.org**. The GIO should be contacted only after **you** have first tried to resolve the complaint directly with us.

12. Other insurance

The **Insurer** will not pay any claim covered under any other policy, or any claim that would have been covered by any other policy if this endorsement did not exist.

13. Applicable law

This endorsement will be governed, interpreted and enforced in accordance with the laws of the province where this endorsement was issued and the federal laws of Canada.

14. Currency

All of the dollar limits described in this endorsement are in Canadian funds.

15. Action against us or the Insurer

Any action or proceeding against **us** or the **Insurer** for the recovery of any claim under this endorsement is absolutely barred unless commenced within two years after the **date of occurrence**, or prior to the expiry of the applicable limitation period in the province where this endorsement was issued, whichever is earlier. Any such action or proceeding shall be held in the province where this endorsement was issued and in accordance with its laws and the federal laws of Canada.

16. Communication with us

The **insured person** can communicate with **us** by telephone, mail or email. New claims may also be reported to **us** by mail or telephone, or via **our** website.

Privacy Policy

ARAG and HDI value you as a customer and we thank you for choosing us. As a policyholder, you trust us with your personal information. By purchasing insurance from us you have provided us with your consent to the collection, use and disclosure of your personal information, including information that has been previously collected.

Your personal information may be collected, used or disclosed in certain circumstances, which include:

- For the purposes of communicating with you;
- Assessing your application for insurance and underwriting your policies;
- Evaluating, investigating and settling claims;
- Detecting, preventing and suppressing fraud;
- Analyzing business data and results;
- Disclosing information to an approved investigative body;
- Disclosing information as it relates to a breach of an insurance policy or other agreement;
- When we believe that the information relates to the contravention of any applicable law;
- When legal, medical or security reasons may make it impossible or impractical to seek consent;
- For compliance with laws and regulations including summons to witness, search warrants or other judicial or governmental order(s);

Please be reminded that your personal information will always be used or disclosed in accordance with applicable Canadian privacy laws.

ARAG, HDI and its employees, agents, independent brokers and suppliers understand the importance of keeping your personal information protected and confidential. Information will be used only for the purposes intended. ARAG and HDI have also established physical and systems safeguards, along with proper processes, to protect customer information from unauthorized access or use.

For further information regarding HDI Global Specialty SE's privacy policy on how it may collect and deal with your data, please visit: www.hdi-specialty.com/privacy

For purposes of the Insurance Companies Act (Canada), this document was issued in the course of HDI Global Specialty SE insurance business in Canada

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY.

IN THE EVENT OF A CONFLICT BETWEEN THIS ENDORSEMENT AND YOUR POLICY, THE PROVISIONS OF THIS ENDORSEMENT SHALL GOVERN

LEGAL EXPENSE - INCLUDING EMPLOYMENT DISPUTES ENDORSEMENT

ARAG Legal Solutions Inc. (**ARAG**) acts as the insurance manager and has the authority to issue this endorsement and administer claims on behalf of HDI Global Specialty SE (**HDI**). THIS ENDORSEMENT CONTAINS CLAUSES WHICH MAY LIMIT THE AMOUNT PAYABLE.

This is a Named Perils endorsement and provides coverage only for the insured events listed within this endorsement.

Words and phrases in **bold** have special meaning as defined in **Section – IV Definitions**.

SECTION I

TELEPHONE LEGAL HELPLINE

We will provide **you** access to a Legal Helpline through which **you** can receive confidential general legal assistance and information over the phone relating to any legal problem affecting **your** business to help determine your legal rights and options under the laws of the applicable province and the federal laws of Canada. The lawyer cannot provide case specific research or review documents.

We will provide this service between the hours of 8am and midnight, local time, 7 days a week. In addition, **we** will facilitate access to a lawyer twenty-four hours a day, 7 days a week, in emergency situations. Calls to this service may be recorded.

To contact this service, call 1-888-668-6072.

We will not accept responsibility if the helpline service is unavailable for reasons **we** cannot control.

MAKING A CLAIM

Please contact **us** as soon as practicable following an insured event, and in no event later than 120 days after the **date of occurrence** of the insured event.

Please note that the Insurer will not pay for any legal costs you incur before we have accepted your claim, even if we later accept the claim.

You may report a claim to **us** by calling your Legal Helpline phone number while **you** are insured under this endorsement, by email at claims@arag.ca, or by mail to our Head Office address listed at www.arag.ca

We will then advise **you** on next steps.

SECTION II

INSURANCE AGREEMENT

In return for payment of the premium, and subject to the terms, definitions, conditions, exclusions and limitations set out in this endorsement and the Declarations Page, the **Insurer** will provide insurance for **legal costs** incurred for insured events described in this endorsement, provided that:

1. the **date of occurrence** of the insured event happens within the period the **Insurer** has agreed to cover an **insured person**; and
2. the insured event occurs within the **territorial limit** and any legal proceedings will be dealt with by a court, or other body which **we** agree to, within the **territorial limit**; and
3. the **legal costs** are incurred after the claim has been accepted by **us**, and are limited to:
 - a. the reasonable and necessary costs, inclusive of any applicable sales or retail taxes, incurred by the **appointed representative**, including any additional expenses and disbursements such as court fees, experts' fees, police reports and medical reports incurred by the **appointed representative**;
 - b. costs awarded by a court in Canada to opponents in civil cases if the **insured person** has been ordered to pay them, or pays them with our agreement; and

- c. the cost of the **insured person's** net salary or wages, that are not otherwise payable or recoverable, for the time that they are off work to attend any court proceeding, tribunal, arbitration, mediation or other hearing at the request of the **appointed representative**, up to a maximum of \$500 per **insured person** per day, and \$10,000 in total in respect of all claims resulting from any one court or tribunal proceeding, arbitration, mediation or other hearing; and
4. for civil cases and appeals relating to any insured event, **reasonable prospects** exist for the duration of the claim.

Except where stated otherwise, the **Insurer** will not pay **legal costs** incurred with respect to the enforcement of judgments or final orders, or settlement agreements, or minutes of settlement, which may arise in the pursuit or defence of **your** legal rights from an accepted claim under this endorsement.

Except where stated otherwise, the **Insurer** will pay **legal costs** incurred in making or defending an appeal, as long as:

- the matter being appealed was previously accepted as a claim under this endorsement,
- the **insured person** tells **us** within the time limits allowed to file an appeal that they want to appeal (and within reasonable time to allow for the filing of all necessary documents for an appeal), and
- **we** agree there are **reasonable prospects** of success for the appeal.

This endorsement, together with the Declarations Page and any other endorsement, and incorporating the application and any information **you** have provided, forms the contract of insurance between **you** and the **Insurer**.

This is not an endorsement for reimbursement of legal costs you have already incurred.

SECTION III

INSURED EVENTS

(A) Employment Disputes

The **Insurer** will pay **your legal costs** to defend **your** legal rights:

1. following the dismissal of an employee
2. in legal proceedings in respect of any dispute with an employee or ex-employee which:
 - (i) arises out of, or relates to, a **contract of employment** with **you**
 - (ii) arises from an alleged breach of their statutory rights under employment legislation

- (iii) arises from an alleged breach of their rights under applicable human rights legislation, as it relates to their employment

Exclusions

- (a) death, illness or bodily injury, and/or loss of or damage to property
- (b) the negotiation of a collective bargaining agreement, a general work disruption (including but not limited to a strike, work slowdown or a work to rule campaign), or dispute made pursuant to a collective bargaining agreement
- (c) a contract for services

(B) Legal Defence

At **your** request, the **Insurer** will pay **legal costs**

- 1) to defend an **insured person's** legal rights in relation to:
 - (i) their being investigated by the police in respect of an alleged **criminal offence**
 - (ii) their being prosecuted for an alleged **criminal offence**
 - (iii) a civil action being taken against them for compensation in connection with a failure or alleged failure to comply with requirements under protection of privacy legislation
 - (iv) an investigation or prosecution against them under applicable occupational health and safety legislation
- 2) to defend an **insured person's** (other than **your**) legal rights if civil action is taken against them in their capacity as a trustee of a pension fund set up for the benefit of **your** employees
- 3) to respond to a Notice for Production issued against an **insured person**, under the **Federal Anti-Spam Legislation**
- 4) to make representations on behalf of an **insured person** who has been issued a Notice of Violation, under the **Federal Anti-Spam Legislation**
- 5) to defend an **insured person** against a private action brought by an individual made under the **Federal Anti-Spam Legislation**

Exclusions

Any claim relating to:

- (a) an **insured person** being prosecuted in connection with the ownership, use or operation of a **motor vehicle**
- (b) any offence against any **insured person** for refusing to comply with a request by a designated person who is carrying out their duties and functions under the **Federal Anti-Spam Legislation**
- (c) any offence against any **insured person** who obstructs or hinders, or knowingly makes a false or misleading statement or provides false or misleading information to, a designated person who is carrying out their duties and functions under the **Federal Anti-Spam Legislation**

(C) Small Claims Court Contract Disputes and Debt Recovery

The **Insurer** will pay **legal costs** to pursue or defend **your** legal rights in a dispute relating to an agreement or an alleged agreement which has been entered into by **you** or on **your** behalf for:

- 1) Selling or buying **goods**;
- 2) Providing or obtaining services.

Provided that:

- (iv) *The amount in dispute exceeds \$1,000;*
- (v) *All legal proceedings are within the jurisdiction of, and are brought in, the applicable small claims court; and*
- (vi) *if the dispute relates to money owed to **you** to which a construction lien would apply, then a claim must be made under this endorsement within 30 days of the money becoming due and payable*

Exclusions

- (a) the settlement payable under an insurance policy (the **Insurer** will cover a dispute arising from **your** insurer refusing **your** claim, but not a dispute over the amount of the claim).
- (b) a dispute arising from any loan, mortgage, pension, investment, borrowing or any other financial product (other than described under (a) above).
- (c) a dispute over the terms of a lease of land or buildings or a licence or tenancy of land or buildings if **you** are the lessor, licensor or landlord of the land or buildings. However, the **Insurer** will cover a dispute with a professional advisor in connection with the drafting of a

lease, licence or tenancy agreement

- (d) a contract regarding you purchasing or selling **real property**
- (e) a contract for legal services
- (f) a contract involving a **motor vehicle** other than agreements relating to the sale of **motor vehicles** where **you** are engaged in the business of purchasing, selling, or leasing **motor vehicles**; or agreements related to the repair and/or maintenance of **motor vehicles** where **you** are engaged in the business of repairing and/or performing maintenance upon **motor vehicles**
- (g) a dispute with an employee or ex-employee which arises out of, or relates to, a **contract of employment** with **you**
- (h) the breach of a professional obligation or duty, including any claim:
 - i. based on professional liability,
 - ii. based on the commission of a fault of an ethical nature, or arising out of a disciplinary process

(D) Statutory Licence Protection

The **Insurer** will pay **legal costs** to represent **you** in appealing to the relevant statutory or regulatory authority, court, or tribunal following an event which results in a licensing or regulatory authority suspending, or altering the terms of, or refusing to renew, or cancelling **your** licence to conduct **your** business.

Exclusions

Any claim relating to:

- (a) An original application or application for renewal of a statutory licence.
- (b) A licence appeal relating to the ownership, use or operation of a motor vehicle.
- (c) A licence appeal relating to a professional licence issued to an individual.

(E) Property Protection

The **Insurer** will pay **legal costs** to pursue **your** legal rights in a civil action relating to physical property which **you** own following:

- 1) an event which causes physical damage to such property, provided that the amount in dispute exceeds \$1,000
- 2) a legal nuisance (meaning any unlawful interference with **your** use or enjoyment of **your** land, or some right over, or in connection with it)

3) a trespass.

Exclusions

Any claim relating to:

- (a) a contract entered into by **you**
- (b) disputes related to easements or other agreed rights over land
- (c) **goods** that are away from any premises occupied by **you** unless the goods are at such premises for the purpose of installations or use in work to be carried out by **you**
- (d) someone legally taking **your real property** from **you**, whether **you** are offered money or not, or restrictions or controls placed on **your real property** by any governmental, quasi-governmental or public or local authority
- (e) work done by, or on behalf of, any governmental, quasi-governmental or public or local authority unless the claim is for accidental physical damage
- (f) a **motor vehicle**, other than physical damage to **motor vehicles** where **you** are engaged in the business of purchasing, selling, leasing, repairing or performing maintenance upon **motor vehicles**
- (g) mining, subsidence, heave or landslide
- (h) defending **your** legal rights, other than in defending a counter-claim

(F) Bodily Injury

At **your** request, the **Insurer** will pay an **insured person's legal costs** to pursue their legal rights following a specific or sudden accident which causes their death or bodily injury.

Exclusions

Any claim relating to any of the following:

- (a) a dispute with any provincial workers' compensation board
- (b) psychological injury or mental illness unless the condition arises from a specific or sudden accident that has caused physical bodily injury
- (c) death, illness or bodily injury arising from a sudden accident which involves an **insured person's** ownership, use or operation of a **motor vehicle**
- (d) defending an **insured person's** legal rights, other than in defending a counter-claim

(G) Tax Protection

The **Insurer** will pay **legal costs** in respect of a **tax appeal** or a **tax audit** relating to:

- 1) liability for income tax, GST, PST or HST arising from **your** business
- 2) payroll deductions compliance by **your** business.

*Provided that **you** have taken reasonable care to ensure that all returns are complete and correct and submitted within the statutory time limits allowed.*

Exclusions

Any claim relating to:

- (c) any claim arising from a tax avoidance scheme, arrangement, or plan of any kind
- (d) any claim caused by **your** failure to register for GST and/or PST and/or HST.

Any claim arising from an investigation or inquiry by the **CRA** into alleged gross negligence, dishonesty or **criminal offences**.

SECTION IV

DEFINITIONS

The following definitions apply wherever these words or phrases appear in bold in this endorsement.

Appointed representative

The lawyer, accountant or other suitably qualified person appointed by **us** on behalf of the **insured person** to act for an **insured person**.

Contract of Employment [SEP]

Written agreement between the employer and employee setting out both party's rights, duties and obligations.

A **contract of employment** does not include a collective agreement covering a group of employees who are represented by a union.

Criminal offence

An offence under the Criminal Code of Canada (R.S.C., 1985, c. C-46).

Date of occurrence

1. For civil cases: the date of the event which leads to a claim. If there is more than one event arising at different times from the same originating cause, the **date of occurrence** is the date

of the first of these events.

2. For criminal cases: the date of the alleged criminal offence, or the earliest date in a series of related alleged criminal offences, for which an **insured person** is charged.
3. For licence or registration appeals: when **you** were first informed by the relevant licensing or regulatory authority of their proposal to review, suspend, alter the terms of, refuse to renew or cancel **your** licence.
4. For a **tax appeal**: when the Canada Revenue Agency (“CRA”) or a provincial tax authority first issues **you** a notice of assessment, reassessment or determination with which **you** disagree.
5. For a **tax audit**: when the CRA or a provincial tax authority first contacts **you** in relation to commencing an audit.

The insured event must occur within the period the **Insurer** has agreed to cover the **insured person**.

Federal Anti-Spam Legislation

An Act to promote the efficiency and adaptability of the Canadian economy by regulating certain activities that discourage reliance on electronic means of carrying out commercial activities, and to amend the Canadian Radio-television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act, S.C. 2010, c. 23

Goods

Any object which is not attached to **real property**, except by its own weight, and can be removed without damage or alterations to the **real property** requiring repair.

Any object which is plugged in and can be removed without any damage or alteration to the **real property**.

Insured person

You and **your** directors, officers, partners, managers and employees.

Anyone claiming under this endorsement must have **your** agreement to claim.

Insurer

HDI Global Specialty SE.

Legal costs

In respect of the insured events described in this endorsement:

1. all reasonable and necessary costs, inclusive of any applicable sales or retail taxes, incurred by the **appointed representative** including any additional expenses and disbursements such as court fees, experts’ fees, police reports and medical reports incurred by the **appointed representative**;

2. the costs awarded by a court in Canada to opponents in civil cases if the **insured person** has been ordered to pay them, or pays them with **our** agreement; and
3. the **insured person's** net salary or wages, that are not otherwise payable or recoverable, for the time that they are off work to attend any court proceeding, tribunal, arbitration, mediation or other hearing at the request of the **appointed representative**, up to a maximum of \$500 per **insured person** per day, and \$10,000 in total in respect of all claims resulting from any one court or tribunal proceeding, arbitration, mediation or other hearing.

Motor vehicle

Includes an automobile, a motorcycle, a motor assisted bicycle, and any other vehicle propelled or driven otherwise than by muscular power.

Reasonable prospects

For civil cases **reasonable prospects** means that **we** agree that it is always more likely than not that an **insured person** will recover losses or damages (or obtain other legal remedy which **we** have agreed to) or make a successful defence.

For appeals relating to any insured event, **reasonable prospects** means that **we** agree that it is always more likely than not that the appeal will be successful.

Real property

Real property is land, and anything growing on, affixed to, or built upon land. This also includes man-made buildings as well as crops. Real property is characterized as property that doesn't move, or that is attached to the land.

Tax appeal

An appeal regarding an assessment, reassessment or determination made by the CRA or a provincial tax authority, including an administrative appeal to the CRA or a provincial tax authority and an appeal to the Tax Court of Canada or a superior court of a province.

Tax audit

An inspection and verification by the CRA or a provincial tax authority of **your** financial accounting records to determine whether or not **you** have paid the correct amount of tax.

Territorial limit

Canada.

We, us, our

ARAG Legal Solutions Inc. who has been authorized by the **Insurer** to act as the insurance manager for this endorsement.

You, your

The corporation or partnership shown in the Declarations Page as the policyholder.

SECTION V

LIMIT OF INSURANCE

The **Insurer** will pay up to the limit of insurance shown in the Declarations Page in respect of **legal costs** related to all claims resulting from one or more events arising at the same time or from the same originating cause.

Subject to the above, the **Insurer** will pay, in aggregate, **legal costs** of no more than the aggregate limit shown in the Declarations Page in respect of all claims that arise in that period of insurance that result from different originating causes.

SECTION VI

GENERAL EXCLUSIONS

This insurance does not apply to:

1. Events not connected with your business

Any event not arising in connection with the business shown in **your** Declarations Page.

2. Wilful acts

Any claim resulting from an act which is wilfully committed, and the results of which are consciously intended, by an **insured person**.

3. Late reported claims

A claim reported to **us** more than 120 days after the **date of occurrence**.

4. Legal costs not agreed with us

Legal costs incurred before **our** written agreement that the **Insurer** will pay them.

5. Legal action not agreed with us

Legal action an **insured person** takes which **we** or the **appointed representative** have not agreed to or where an **insured person** does anything that hinders **us** or the **appointed representative**.

6. Contingency fee agreements

Any **legal costs** arising as a consequence of a contingency fee agreement.

7. Disputes with any governmental or public body

Except as it relates to claims accepted under **Insured events 2. Legal defence, 3. Small Claims Court Contract disputes and debt recovery, 4. Statutory licence protection, and 7. Tax Protection**, any **legal costs** relating to a review or dispute regarding the lawfulness of any decision or action of any federal or provincial governmental or quasi – governmental body, or any other local or public authority, other than in relation to an accepted claim in respect of any event insured under this endorsement.

8. Class action proceedings

Any claim where an **insured person** is a party to a legal action brought under applicable class proceedings legislation, or where an **insured person** has opted out of being a party to a legal action brought under applicable class proceedings legislation.

9. Costs awarded outside of Canada

Any **legal costs** awarded in any jurisdiction outside of Canada.

10. Damages, fines and penalties

Damages, fines, penalties, compensation or restitution orders which the **insured person** is ordered to pay by a court or other authority and any costs awarded in criminal or statutory proceedings.

11. Disputes with ARAG, BCAA or the Insurer

Any dispute with **us, BCAA, the Insurer**, or anyone affiliated with the administration of this endorsement not otherwise dealt with under **Endorsement Conditions 10. Disputes over reasonable prospects for a claim**.

12. Fraudulent claims

Any claim which is fraudulent, exaggerated or dishonest.

13. Claims under this endorsement by a third party

Apart from **us**, only an **insured person** may enforce all or any part of this endorsement and the rights and interests arising from or connected with it.

14. Nuclear, war, terrorism and pollution or contamination risks

Any claim caused by, contributed to, or arising from any of the following:

- (a) war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
- (b) an event which is required to be insured under a nuclear energy liability policy issued by the Nuclear Insurance Association of Canada, or any other group or pool of insurers;
- (c) terrorism or a decision of a government agency or other entity to prevent, respond to or terminate terrorism;
- (d) pollution or contamination.

15. Bankruptcy of policyholder

Any matter or claim if, at any time:

- (a) **you** are declared bankrupt, placed into receivership, are in the process of being wound-up or if any part of **your** affairs or property is in liquidation;
- (b) **you** have made a proposal, petition, filing or arrangement for the benefit of any creditor or creditors;
- (c) a creditor seeks to have **you** placed into bankruptcy, declared insolvent, liquidated or be wound-up;
- (d) any of **your** property is placed under the care or control of a trustee, receiver or administrator.

16. Intellectual property disputes

Any claim related to disputes about patents, copyrights, trademarks, merchandise marks, registered designs, intellectual property, secrecy and confidentiality agreements.

17. Agency agreement disputes

Any claim relating to rights under a franchise or agency agreement entered into by **you**.

18. Shareholding or partnership disputes

Disputes about a shareholding or partnership interest in **you** unless such shareholding or partnership interest was acquired under a plan open to all of **your** employees or a substantial number of them.

19. Defamation

A claim relating to written or oral remarks which damage an **insured person's** reputation.

20. Disputes relating to the validity of legislation

Any constitutional or other challenge to the validity of Federal, Provincial, or Municipal Legislation.

SECTION VII

ENDORSEMENT CONDITIONS

1. Observance of endorsement terms

The **insured person** must:

- (a) comply with the terms and conditions of this endorsement;
- (b) notify **us** immediately of any change in circumstance which may materially affect **our** assessment of the risk;
- (c) take reasonable steps to avoid and prevent claims;
- (d) take reasonable steps to avoid incurring unnecessary costs;
- (e) send everything **we** reasonably ask for in writing;
- (f) report to **us** full and factual details of any claim as soon as practicable and give **us** any information **we** reasonably need.

2. Notice of Insured Event

The **insured person** shall notify **us** of any insured event which may give rise to coverage, as soon as they become aware of it. Any interested person may give such notice.

In the event that the requirement set out in the preceding paragraph is not fully complied with, all rights to coverage shall be forfeited by the person insured where such non-compliance has caused prejudice to **us**.

3. Conduct and control of claim

- (a) If it is necessary to take legal proceedings, including a **tax appeal**, an **appointed representative** will be appointed by **us** on behalf of the **insured person** in accordance with **our** standard terms of appointment and will be retained by the **insured person**.
- (b) Where **we** have agreements with more than one law firm with respect to a specialty, the **insured person** may select their **appointed representative** from that panel of law firms.
- (c) The **insured person** must cooperate with **us** and must keep **us** up-to-date regarding the progress of the claim.
- (d) The **insured person** must cooperate with the **appointed representative** and must follow the recommendations of the **appointed representative**, which have been agreed to by **us**.
- (e) The **insured person** must give the **appointed representative** any instructions that **we** require.

4. Consent to access information

The **insured person** will provide written consent, at the commencement of the retainer of the **appointed representative**, permitting the **appointed representative**, at **our** request, to give **us**, or **our** reinsurers, actuaries or auditors, or any regulatory authority or its agents, to the extent required by law, access to all correspondence, documents and records in the **appointed representative's** possession or control which are relevant to the matter. This consent will include permission to deliver up all such documents or copies of all such documents at **our** request.

5. Offers to settle a claim

- (a) The **insured person** must tell **us** if anyone offers to settle a claim and must not negotiate or agree to a settlement without **our** written consent.
- (b) If the **insured person** does not accept an offer **we**, based on the advice of the **appointed representative**, consider reasonable to settle a claim, **we** may refuse to pay further **legal costs**.
- (c) **We** reserve the right to pay the **insured person** the reasonable amount of damages that the **insured person** is claiming, or that is being claimed against them, or negotiate a reasonable settlement of any claim, instead of starting or continuing legal proceedings. In these circumstances the **insured person** must allow **us** to take over and conduct in their name the pursuit or settlement of any claim. The **insured person** will also allow **us** to pursue at **our** own expense and for **our** own benefit, any claim for compensation against any other party and must give **us** all information and assistance required.

6. **Withdrawal of coverage**

If an **insured person** settles or negotiates a claim without **our** consent, or withdraws a claim without **our** consent, or does not give to the **appointed representative** any instructions that **we** require, **we** can withdraw coverage and will be entitled to reclaim from the **insured person** any **legal costs we** have paid.

7. **Sanction limitation**

The **Insurer** shall not be deemed to provide coverage and the **Insurer** shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the **Insurer** to any sanction, prohibition or restriction under trade or economic sanctions, laws, or regulations of Canada, the United Nations, or the European Union.

8. **Assessment and recovery of costs**

- (a) The **insured person** must instruct the **appointed representative** to have **legal costs** taxed, assessed or audited if **we** ask for this.
- (b) The **insured person** must take every reasonable step to recover **legal costs** that **we** have to pay and must pay **us** any amounts that are recovered.
- (c) Where a settlement is made on a without costs basis, the **appointed representative** will determine what proportion of that settlement will be deemed **legal costs** and payable to or by **us**.

9. **Cancellation of a representative's appointment**

If the **appointed representative** refuses to continue acting for the **insured person**, or if the **insured person** dismisses the **appointed representative** without **our** prior consent, the coverage the **Insurer** provides will end immediately.

10. **Disputes over reasonable prospects for a claim**

If there is a dispute between an **insured person** and **us** over **reasonable prospects**, the **insured person** may obtain, at their expense, an opinion, from a lawyer mutually agreed to by the **insured person** and **us**, on the merits of a claim or proceedings. If the lawyer's opinion indicates that **reasonable prospects** exist, **we** will pay the reasonable cost of obtaining the opinion.

11. **Complaint handling**

If **you** are not satisfied with any aspect of **our** service and wish to make a complaint, you can telephone **us** at **1-888-582-5586** or email **us** at **customerrelations@arag.ca**.

Alternatively, the **Insurer** can be contacted by telephone at 1-416-867-9712 or email at complaints-canadianBranch@hdi-specialty.com

If **your** complaint remains unresolved or not resolved to your satisfaction, **you** may contact the General Insurance OmbudService (GIO). The GIO is an independent regulatory organization which exists to help resolve complaints between individuals and their insurance providers. The GIO's services are available free of charge to the customer and the GIO can be contacted by telephone (toll-free Number 1-877-225-0446), or through their website at

www.giocanada.org. The GIO should be contacted only after **you** have first tried to resolve the complaint directly with **us**.

12. Other insurance

The **Insurer** will not pay any claim covered under any other policy, or any claim that would have been covered by any other policy if this endorsement did not exist.

13. Applicable law

This endorsement will be governed, interpreted and enforced in accordance with the laws of the province where this endorsement was issued and the federal laws of Canada.

14. Currency

All of the dollar limits described in this endorsement are in Canadian funds.

15. Action against us or the Insurer

Any action or proceeding against **us** or the **Insurer** for the recovery of any claim under this endorsement is absolutely barred unless commenced within two years after the **date of occurrence**, or prior to the expiry of the applicable limitation period in the province where this endorsement was issued, whichever is earlier. Any such action or proceeding shall be held in the province where this endorsement was issued and in accordance with its laws and the federal laws of Canada.

16. Communication with us

The **insured person** can communicate with **us** by telephone, mail or email. New claims may also be reported to **us** by mail or telephone, or via **our** website.

Privacy Policy

ARAG and HDI value you as a customer and we thank you for choosing us. As a policyholder, you trust us with your personal information. By purchasing insurance from us you have provided us with your consent to the collection, use and disclosure of your personal information, including information that has been previously collected.

Your personal information may be collected, used or disclosed in certain circumstances, which include:

- For the purposes of communicating with you;
- Assessing your application for insurance and underwriting your policies;
- Evaluating, investigating and settling claims;
- Detecting, preventing and suppressing fraud;
- Analyzing business data and results;
- Disclosing information to an approved investigative body;
- Disclosing information as it relates to a breach of an insurance policy or other agreement;
- When we believe that the information relates to the contravention of any applicable law;
- When legal, medical or security reasons may make it impossible or impractical to seek consent;

- For compliance with laws and regulations including summons to witness, search warrants or other judicial or governmental order(s);

Please be reminded that your personal information will always be used or disclosed in accordance with applicable Canadian privacy laws.

ARAG, HDI and its employees, agents, independent brokers and suppliers understand the importance of keeping your personal information protected and confidential. Information will be used only for the purposes intended. ARAG and HDI have also established physical and systems safeguards, along with proper processes, to protect customer information from unauthorized access or use.

For further information regarding HDI Global Specialty SE's privacy policy on how it may collect and deal with your data, please visit: www.hdi-specialty.com/privacy

For purposes of the Insurance Companies Act (Canada), this document was issued in the course of HDI Global Specialty SE insurance business in Canada

SECTION VI. CYBER RISK

Cyber Risk

DATA COMPROMISE

DEFINITIONS

1. "Affected Individual" means any person who is your current, former or prospective customer, client, patient, member, owner, student, director or employee and whose "personally identifying information" or "personally sensitive information" is lost, stolen, accidentally released or accidentally published by a "personal data compromise" covered under this "policy". This definition is subject to the following provisions:
 - a. "Affected individual" does not include any business or organization. Only an individual person may be an "affected individual".
 - b. An "affected individual" must have a direct relationship with your interests as insured under this "policy". The following are examples of individuals who would not meet this requirement:
 - i) If you aggregate or sell information about individuals as part of your business, the individuals about whom you keep such information do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of yours.
 - ii) If you store, process, transmit or transport records, the individuals whose "personally identifying information" or "personally sensitive information" you are storing, processing, transmitting or transporting for another entity do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of yours.
 - iii) You may have operations, interests or properties that are not insured under this "policy". Individuals who have a relationship with you through such other operations, interests or properties do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of the operation insured under this "policy".
 - c. An "affected individual" may reside anywhere in the world.
2. "Bodily Injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
3. "Computer System" means a computer or other electronic hardware that is owned or leased by you and operated under your control.
4. "Coverage Term" means the increment of time:
 - a. Commencing on the earlier of the first inception date of this "policy" or the first inception date of any coverage substantially similar to that described in this "policy" and held immediately prior to this "policy"; and
 - b. Ending upon the "termination of coverage".
5. "Coverage Territory" means anywhere in Canada or the United States of America and Puerto Rico.
6. "Identity Theft"
 - a. "Identity theft" means the fraudulent use of "personally identifying information". This includes fraudulently using such information to establish credit accounts, secure loans, enter into contracts or commit crimes.
 - b. "Identity theft" does not mean or include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.
7. "Loss" means those expenses enumerated in Data Compromise Response Expenses, paragraph b.
8. "Malware-Related Compromise" means a "personal data compromise" that is caused, enabled or abetted by a virus or other malicious code that, at the time of the "personal data compromise", is named and recognized by the CERT® Coordination Center, McAfee®, Secunia, Symantec or other comparable third party monitors of malicious code activity.

9. "Personal Data Compromise" means the loss, theft, accidental release or accidental publication of "personally identifying information" or "personally sensitive information" as respects one or more "affected individuals". If the loss, theft, accidental release or accidental publication involves "personally identifying information", such loss, theft, accidental release or accidental publication must result in or have the reasonable possibility of resulting in the fraudulent use of such information. This definition is subject to the following provisions:
 - a. At the time of the loss, theft, accidental release or accidental publication, the "personally identifying information" or "personally sensitive information" need not be at the insured premises but must be in the direct care, custody or control of:
 - i) You; or
 - ii) A professional entity with which you have a direct relationship and to which you (or an "affected individual" at your direction) have turned over (directly or via a professional transmission or transportation provider) such information for storage, processing, transmission or transportation of such information.
 - b. "Personal data compromise" includes disposal or abandonment of "personally identifying information" or "personally sensitive information" without appropriate safeguards such as shredding or destruction, subject to the following provisions:
 - i) Your failure to use appropriate safeguards was accidental and not reckless or deliberate ;and
 - ii) Such disposal or abandonment must take place during the "policy period".
 - c. "Personal data compromise" includes situations where there is a reasonable cause to suspect that such "personally identifying information" or "personally sensitive information" has been lost, stolen, accidentally released or accidentally published, even if there is no firm proof.
 - d. All incidents of "personal data compromise" that are discovered at the same time or arise from the same cause will be considered one "personal data
10. "Personally Identifying Information"
 - a. "Personally identifying information" means information, including health information, that could be used to commit fraud or other illegal activity involving the credit, access to health care or identity of an "affected individual". This includes, but is not limited to, Social Insurance numbers or account numbers.
 - b. "Personally identifying information" does not mean or include information that is otherwise available to the public, such as names and addresses.
11. "Personally Sensitive Information"
 - a. "Personally sensitive information" means private information specific to an individual the release of which requires notification of "affected individuals" under any applicable law.
 - b. "Personally sensitive information" does not mean or include "personally identifying information".
12. "Policy" means the Insuring Agreement, Declarations, any Forms and Endorsements specified in the Declarations together with any other Endorsements to the "policy" subsequently issued.
13. "Policy Period" means the period commencing on the effective date shown in the Declarations. The "policy period" ends on the expiration date or the cancellation date of this "policy", whichever comes first.
14. "Property Damage" means
 - a. Physical injury to or destruction of tangible property including all resulting loss of use; or
 - b. Loss of use of tangible property that is not physically injured.
15. "Termination of Coverage" means:
 - a. You or we cancel this coverage;
 - b. You or we refuse to renew this coverage; or
16. "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.

COVERAGE

1. Data Compromise Response Expenses

a. Data Compromise Response Expenses applies only if all of the following conditions are met:

- i) There has been a "personal data compromise"; and
- ii) Such "personal data compromise" took place in the "coverage territory"; and
- iii) Such "personal data compromise" is first discovered by you during the "policy period"; and
- iv) Such "personal data compromise" is reported to us as soon as practicable, but in no event more than 60 days after the date it is first discovered by you.

b. If the conditions listed in a. above have been met, then we will provide coverage for the following expenses when they arise directly from such

"personal data compromise" and are necessary and reasonable. Items (4) and (5) below apply only if there has been a notification of the "personal data compromise" to "affected individuals" as covered under item (3) below.

i) Forensic IT Review

We will pay for a professional information technologies review if needed to determine, within the constraints of what is possible and reasonable, the nature and extent of the "personal data compromise" and the number and identities of the "affected individuals".

This does not include costs to analyze, research or determine any of the following:

- 1) Vulnerabilities in systems, procedures or physical security;
- 2) Compliance with Payment Card Industry or other industry security standards; or
- 3) The nature or extent of loss or damage to data that is not "personally identifying information" or "personally sensitive information".

If there is reasonable cause to suspect that a covered "personal data compromise" may have occurred, we will pay for costs covered under Forensic IT Review, even if it is eventually determined that there was no covered "personal data compromise". However, once it is determined that there was no covered "personal data compromise", we will not pay for any further costs.

ii) Legal Review

We will pay for a professional legal counsel review of the "personal data compromise" and how you should best respond to it.

If there is reasonable cause to suspect that a covered "personal data compromise" may have occurred, we will pay for costs covered under Legal Review, even if it is eventually determined that there was no covered "personal data compromise". However, once it is determined that there was no covered "personal data compromise", we will not pay for any further costs.

iii) Notification to Affected Individuals

We will pay your necessary and reasonable costs to provide notification of the "personal data compromise" to "affected individuals"

EXCLUSIONS

1. General Exclusions

The following exclusions apply to this coverage

We will not pay for costs or "loss" arising from the following:

a. Nuclear

Nuclear reaction or radiation or radioactive contamination, however caused.

b. War

War and hostile action including any of the following and any consequence of any of the following:

- i) Cyber warfare, whether or not occurring in combination with physical combat;
- ii) Undeclared war;
- iii) Civil war;
- iv) Hostile action by military force or cyber measures, including action in hindering or defending against an actual or expected attack, by any Combatant, or;
- v) Insurrection, rebellion, revolution, usurped power, political violence or action taken by governmental authority in hindering or defending against any of these, including cyber action in connection with any of the foregoing.

For purposes of this exclusion, cyber warfare, cyber measures and cyber action include, but are not limited to, the use of disruptive digital activities against a "computer system" or network with the intention to cause harm in order to further political or similar objectives, or to intimidate any person(s) in furtherance of such objectives, committed by a Combatant.

The attribution of an action to a Combatant will be determined by relying on reasonable evidence such as:

- i. Statements by an impacted government, sovereign or other authority;

- ii. Statements by widely recognized international bodies (such as the United Nations) or alliances (such as the North Atlantic Treaty Organization); or
- iii. Consensus opinion within relevant expert communities such as the cyber security industry.

Decisions about the presence or absence of war, hostile action, and other terms used in this exclusion will take into consideration the full range of available tactics, weapons and technologies at the time of the event giving rise to the "loss".

"Combatant" means for purposes of this exclusion a government, sovereign or other authority, or agents acting on their behalf.

2. Additional Exclusions

The following additional exclusions apply to this coverage

- a. "Terrorism" or any activity or decision of a government agency or other entity to prevent, respond or terminate "terrorism", however caused. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".
- b. Failure or interruption of or damage to the internet or an internet service provider.
- c. Any attack on, incident involving, or loss to any computer or system of computers that is not a "computer system".
- d. Costs to research or correct any deficiency.
- e. Any fines or penalties other than those explicitly covered under Data Compromise Response Expenses.
- f. Any criminal investigations or proceedings.
- g. Your intentional or willful complicity in a covered "loss" event.
- h. Your reckless disregard for the security of your "computer system" or data, including confidential or sensitive information of others in your care, custody or control.
- i. Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of the law by you.
- j. Any "personal data compromise", occurring before the "coverage term".
- k. The propagation or forwarding of malware, including viruses, worms, Trojans, spyware and keyloggers in connection with hardware or software created, produced or modified by you for sale, lease or license to third parties.
- l. Any threat, extortion or blackmail including but not limited to, ransom payments and private security assistance
- m. Any oral or written publication of material, if done by you or at your direction with knowledge of its falsity.
- n. Property damage" or "bodily injury".
- o. The theft of a professional or business identity.
- p. Any third party liability or defence costs.

LIMITS OF INSURANCE

1. Annual Aggregate Limit

The aggregate limit shown in the Declarations is the most we will pay for all "loss" in any one "policy period". The aggregate limit shown in the Declarations applies regardless of the number of insured events first discovered during the "policy period".

2. Coverage Sublimits

The most we will pay under Data Compromise Response Expenses for Forensic IT Review, Legal Review, Public Relations, Regulatory Fines and Penalties and PCI Fines and Penalties coverages for "loss" arising from any one "personal data compromise" is the applicable sublimit for each of those coverages shown in the Declarations.

The most we will pay under Data Compromise Response Expenses coverage for "loss" arising from any "malware-related compromise" is the 1st Party Named Malware sublimit indicated for this "policy". For the purpose of the 1st Party Named Malware sublimit, all "malware-related compromises" that are caused, enabled or abetted by the same virus or other malicious code are considered to be a single "personal data compromise".

These sublimits are part of, and not in addition to, the Data Compromise Response Expenses Aggregate Limit shown in the Declarations. Public Relations coverage is also subject to a limit per "affected individual" as described in Data Compromise Response Expenses, paragraph b.(5).

3. Application of Limits

- a. A "personal data compromise" may be first discovered by you in one "policy period" but it may cause insured "loss" in one or more subsequent "policy periods". If so, all insured "loss" arising from such "personal data compromise" will be subject to the limit of insurance applicable to the "policy period" when the, "personal data compromise" was first discovered by you.
- b. Coverage for Services to Affected Individuals under Data Compromise Response Expenses is limited to costs to provide such services for a period of up to 12 months from the date of the notification to the "affected individuals". Notwithstanding, coverage for Identity Restoration Case Management services initiated within such 12 month period may continue for a period of up to 12 months from the date such Identity Restoration Case Management services are initiated.

CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

1. **Deductible**
We will not pay for "loss" until the amount of the insured "loss" exceeds the deductible amount shown in the Declarations. We will then pay the amount of "loss" in excess of the applicable deductible amount, subject to the applicable limits shown in the Declarations. You will be responsible for the applicable deductible amount.
2. **Bankruptcy**
The bankruptcy or insolvency of you or your estate, will not relieve you or us of any obligation under this "policy".
3. **Cancellation**
The "policy" may be cancelled at any time by the Company or by the Insured. The Insured may cancel by notifying the Company in writing of the date thereafter the cancellation will be effective.

The Company may cancel either by mailing or delivering to the Insured, at the mailing address shown in the "policy", written notice stating the date of cancellation of the "policy". The Company will notify the Insured at least:

- a. fifteen (15) days before coverage ends if cancellation is for non-payment of premium; or
- b. thirty (30) days, unless a number of days is specified in the Declarations as Cancellation, before coverage ends if cancellation is for any other reason.

If cancellation by the Company is by mail, notice will be given by registered mail and the notice period will begin on the day after it arrives at the post office from which it is delivered to the Insured. If the Insured cancels, the Company will refund to the Insured seventy-five (75) percent of the pro-rata unearned premium. If the Company cancels, the Company will refund to the Insured the pro-rata unearned premium. Such refund will be made as soon as possible after the cancellation becomes effective.

4. **Changes**
The "policy" contains all the agreements between the Company and the Insured concerning the insurance afforded. Notice to any agent or broker shall not effect a change in any part of this "policy" nor estop the Company from asserting any rights under the "policy". The terms of the "policy" may be changed only by an Endorsement to the "policy" issued by the Company.
5. **Due Diligence**
You agree to use due diligence to prevent and mitigate "loss" insured under this "policy". This includes, but is not limited to, complying with, and requiring your vendors to comply with, reasonable and industry-accepted protocols for:
 - a. Providing and maintaining appropriate physical security for your premises, "computer systems" and hard copy files;
 - b. Providing and maintaining appropriate computer and Internet security;
 - c. Maintaining and updating at appropriate intervals backups of computer data;
 - d. Protecting transactions, such as processing credit card, debit card and cheque payments; and
 - e. Appropriate disposal of files containing "personally identifying information" or "personally sensitive information", including shredding hard copy files and destroying physical media used to store electronic data.
6. **Duties in the Event of a Loss**
 - a. In the event of a "personal data compromise" insured under this "policy", you must see that the following are done:
 - i) Notify the police if a law may have been broken.
 - ii) Notify us as soon as practicable, but in no event more than 60 days after the "personal data compromise". Include a description of any property involved.
 - iii) As soon as possible, give us a description of how, when and where the "personal data compromise" occurred.
 - iv) As often as may be reasonably required, permit us to:
 - v) Inspect the property proving the "personal data compromise",
 - vi) Examine your books, records, electronic media and records and hardware;
 - vii) Take samples of damaged and undamaged property for inspection, testing and analysis; and
 - viii) Make copies from your books, records, electronic media and records and hardware.
 - ix) Send us signed, sworn proof of "loss" containing the information we request to investigate the "personal data compromise". You must do this within 60 days after our request. We will supply you with the necessary forms.
 - x) Cooperate with us in the investigation or settlement of the "personal data compromise".
 - xi) If you intend to continue your business, you must resume all or part of your operations as quickly as possible.
 - xii) Make no statement that will assume any obligation or admit any liability, for any "loss" for which we may be liable, without our prior written consent.
 - xiii) Promptly send us any legal papers or notices received concerning the "loss".

- b. We may examine you under oath at such times as may be reasonably required, about any matter relating to this insurance or the "loss", including your books and records. In the event of an examination, your answers must be signed.
 - c. You may not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our prior written consent.
7. Legal Action Against Us
No one may bring a legal action against us under this insurance unless:
- a. There has been full compliance with all of the terms of this insurance; and
 - b. The action is brought within two years after the date the "loss" is first discovered by you
8. Legal Advice
We are not your legal advisor. Our determination of what is or is not insured under this "policy" does not represent advice or counsel from us about what you should or should not do.
9. Other Insurance
If there is other insurance that applies to the same "loss" this "policy" shall apply only as excess insurance after all other applicable insurance has been exhausted.
10. Pre-Notification Consultation
You agree to consult with us prior to the issuance of notification to "affected individuals". We assume no responsibility under Data Compromise Response Expenses for any services promised to "affected individuals" without our prior agreement. If possible, this pre-notification consultation will also include the designated service provider(s) as agreed to under Condition 11, Service Providers. You must provide the following at our pre-notification consultation with you:
- a. The exact list of "affected individuals" to be notified, including contact information.
 - b. Information about the "personal data compromise" that may appropriately be communicated with "affected individuals".
 - c. The scope of services that you desire for the "affected individuals". For example, coverage may be structured to provide fewer services in order to make those services available to more "affected individuals" without exceeding the available Data Compromise Response Expenses limit of insurance.
10. Recovery From Others
When we make payment, the rights you may have to recover all or part of your "loss" from someone else are transferred to us to the extent of our payment. You must give us any legal documents and other assistance we may require to pursue such rights. You must not do anything to waive or prejudice these rights of recovery.
11. Service Providers
- a. We will only pay under this "policy" for services that are provided by service providers approved by us. You must obtain our prior approval for any service provider whose expenses you want covered under this "policy". We will not unreasonably withhold such approval.
 - b. Prior to the Pre-Notification Consultation described in Condition 10, Pre-Notification Consultation Condition, you must come to agreement with us regarding the service provider(s) to be used for the Notification to Affected Individuals and Services to Affected Individuals. We will suggest a service provider. If you prefer to use an alternate service provider, our coverage is subject to the following limitations:
 - i. Such alternate service provider must be approved by us;
 - ii. Such alternate service provider must provide services that are reasonably equivalent or superior in both kind and quality to the services that would have been provided by the service provider we had suggested; and
 - iii. Our payment for services provided by any alternate service provider will not exceed the amount that we would have paid using the service provider we had suggested.
12. Services
The following conditions apply with respect to any services provided to you or any "affected individual" by us, our designees or any service firm paid for in whole or in part under this "policy":
- a. The effectiveness of such services depends on the cooperation and assistance of you and "affected individuals".
 - b. All services may not be available or applicable to all individuals. For example, "affected individuals" who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in the United States of America and Puerto Rico will be different from service in Canada in accordance with local conditions.
 - c. We do not warrant or guarantee that the services will end or eliminate all problems associated with the covered events.
13. Transfer of Interest
Your interest in the "policy" can only be transferred or assigned with our agreement in writing, except in the case of death. In such case, your legal representative will be covered automatically in place of you but only if we are notified in writing within sixty (60) days of such occurrence.

STATUTORY CONDITIONS

(Applicable to Alberta, British Columbia and Manitoba only)

1. MISREPRESENTATION
If a person applying for insurance falsely describes the property to the prejudice of the insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.
2. PROPERTY OF OTHERS
The insurer is not liable for loss or damage to property owned by a person other than the insured unless
 - a. otherwise specifically stated in the contract, or
 - b. the interest of the insured in that property is stated in the contract.
3. CHANGE OF INTEREST
The insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy and Insolvency Act (Canada) or a change of title by succession, by operation of law or by death.
4. MATERIAL CHANGE OF RISK
 1. The insured must promptly give notice in writing to the insurer or its agent of a change that is
 - (a.) material to this risk, and
 - (b) within the control and knowledge of the insured.
 2. If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.
 3. If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may
 - (a) terminate the contract in accordance with Statutory Condition 5, or
 - (b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.
 4. If the insured fails to pay an additional premium when required to do so under subparagraph (3) (b) of this condition, the contract is terminated at that time and Statutory Condition 5 (2) (a) applies in respect of the unearned portion of the premium.
5. TERMINATION OF INSURANCE
 1. The contract may be terminated
 - (a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or
 - (b) by the insured at any time on request.
 2. If the contract is terminated by the insurer,
 - (a.) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and
 - (b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.
 3. If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.
 4. The 15 day period referred to in subparagraph (1) (a) of this condition starts to run on the day the registered letter or notification of it is delivered to the insured's postal address.

6. REQUIREMENTS AFTER LOSS

- (1) On the happening of any loss of or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,
 - (a) immediately give notice in writing to the insurer,
 - (b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration,
 - i. giving a complete inventory of that property and showing in detail quantities and costs of that property and particulars of the amount of loss claimed,
 - ii. stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
 - iii. stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the insured,
 - iv. stating the amount of other insurances and the names of other insurers,
 - v. stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
 - vi. stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
 - vii. stating the place where the insured property was at the time of loss,
 - (c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
 - (d) if required by the insurer and if practicable,
 - (i) produce books of account and inventory lists,
 - (ii) furnish invoices and other vouchers verified by statutory declaration, and
 - (iii) furnish a copy of the written portion of any other relevant contract.
- (2) The evidence given, produced or furnished under subparagraph (1) (c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

FRAUD

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

7. WHO MAY GIVE NOTICE AND PROOF

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

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

8. SALVAGE

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

9. ENTRY, CONTROL, ABANDONMENT

After loss or damage to insured property, the insurer has

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

10. IN CASE OF DISAGREEMENT

- (1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the Insurance Act, whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.

- (2) There is no right to a dispute resolution process under this condition until
 - (a) a specific demand is made for it in writing, and
 - (b) the proof of loss has been delivered to the insurer.
11. WHEN LOSS PAYABLE
Unless the contract provides for a shorter period, the loss is payable within 60 days after the proof of loss is completed in accordance with Statutory Condition 6 and delivered to the insurer.
12. REPLACEMENT
 - (1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.
 - (2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.
13. NOTICE
 - (1) Written notice to the insurer may be delivered at, or sent by registered mail to the chief agency or head office of the insurer in the province.
 - (2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.

SECTION VII. LIABILITY

COMMERCIAL GENERAL LIABILITY - OCCURRENCE BASIS

Throughout this policy 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.

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

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

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

SECTION I – COVERAGES

COVERAGE A. BODILY INJURY and PROPERTY DAMAGE LIABILITY

This Insuring Agreement only applies when an Each Occurrence Limit is shown in the Declarations.

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 ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A, B** or **D** or medical 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";
 - (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", provided that the "bodily injury" occurs subsequent to the execution of the contract or agreement; 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. Employment-Related Practices

"Bodily injury" to:

(1) A person arising out of any:

- (a) Refusal to employ that person;
- (b) Termination of that person's employment; or
- (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination, directed at that person; or

(2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraph (1)(a), (b) or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) Whether the insured may have an obligation to share "compensatory damages" with or repay someone else who must pay "compensatory damages" because of the injury.

f. Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others by or on behalf of any insured of any watercraft.

Use includes operation and "loading or unloading".

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

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 8 meters long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) "Bodily injury" to your "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 the "bodily injury" results from an "occurrence" involving watercraft.

g. Aircraft

"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 or air cushion vehicle; 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 air cushion vehicle.

h. Automobile

"Bodily injury" or "property damage" arising directly or indirectly, in whole or in part, out of the ownership, maintenance, use or entrustment to others of any "automobile" owned or operated by or rented or loaned to any insured. 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 applies to:

- i) any motorized snow vehicle or its trailers; and
- ii) any vehicle while being used in any speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity.

This exclusion applies 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" that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply:

- (1) To "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) To "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) To "Bodily injury" or "property damage" arising out of the ownership, use or operation of machinery, apparatus or equipment mounted on or attached to any "automobile" 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".

i. 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".

j. Damage To Your Product

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

In respect to your operations related to the business of selling, repairing, servicing, parking or storing automobiles, this exclusion is amended to read as follows:

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

k. 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".

However, 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.

l. 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.

m. 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.

n. Electronic Data and Access Or Disclosure Of Confidential Or Personal Information

"Compensatory damages" arising out of:

- (4) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data"; or
- (5) any access to or disclosure of any person's or organization's confidential or personal information, including but not limited to patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information;

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

o. Personal and Advertising Injury

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

p. Abuse

- a. Claims or "actions" arising directly or indirectly from "abuse" committed or alleged to have been committed by any person, 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).
- d. Claims or "actions" alleging vicarious liability for any alleged "abuse" committed or alleged to have been committed by any person.

q. Damage from Blasting, Pile Driving, Removal or Weakening of Supports

"Property damage" arising out of:

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

This exclusion does not apply:

(1) to "property damage" arising out of work performed on your behalf by any contractor or subcontractor; or

(2) to "property damage" included within the "products-completed operations hazard".

- r. **Asbestos – see Common Exclusions.**
- s. **Fungi or Spores – see Common Exclusions.**
- t. **Nuclear – see Common Exclusions.**
- u. **Pollution – see Common Exclusions.**
- v. **Terrorism – see Common Exclusions.**
- w. **War Risks – see Common Exclusions.**
- x. **Communicable Disease – see Common Exclusions**
- y. **Unsolicited Communication – see Common Exclusions.**
- z. **Professional Services – see Common Exclusions.**
- aa. **Data Liability – see Common Exclusions.**
- bb. **Cyber Loss Absolute Exclusion – see Common Exclusions.**

- cc. **Fire Fighting Expenses**

Any claim or "action" for fire fighting expenses, including the cost and expenses for controlling and extinguishing forest fires which you are legally obligated to pay by reason of liability, including liability imposed upon you under the provisions of any applicable provincial or territorial law, ordinance or regulation.

COVERAGE B. PERSONAL and ADVERTISING INJURY LIABILITY

This Insuring Agreement only applies when a Personal and Advertising Injury Limit is shown in the Declarations.

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 D or medical expenses under Coverage C.

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

- b. This insurance applies to "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 in any manner, including publication by electronic means, 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 in any manner, including publication by electronic means, 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 websites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 21. 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 or supporters.

m. Employment Practices

"Personal and advertising injury" to:

- (1) A person arising out of any:
 - (i) Refusal to employ that person;
 - (ii) Termination of that person's employment; or
 - (iii) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or

- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" sustained by the person referred to in Paragraph (1) above at whom any of the employment-related practices described in Paragraphs (i), (ii), or (iii) above is directed.

This exclusion applies whether the insured may be liable as an employer or in any other capacity, and to any obligation to share "compensatory damages" with or repay someone else who must pay "compensatory damages" because of the "personal and advertising injury"

n. Electronic Data and Access Or Disclosure Of Confidential Or Personal Information

"Personal and advertising injury" arising out of:

- (1) The loss of, loss of use of, damage to, corruption of, inability to access or inability to manipulate "electronic data"; or
- (2) any access to or disclosure of any person's or organization's confidential or personal information, including but not limited to patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in paragraph (1) or (2) above.

- o. Asbestos – see Common Exclusions.**
- p. Fungi or Spores – see Common Exclusions.**
- q. Nuclear – see Common Exclusions.**
- r. Pollution – see Common Exclusions.**
- s. Terrorism – see Common Exclusions.**
- t. War Risks – see Common Exclusions.**
- u. Communicable Disease – see Common Exclusions**
- v. Unsolicited Communication – see Common Exclusions.**
- w. Professional Services – see Common Exclusions.**
- x. Data Liability – see Common Exclusions.**
- y. Cyber Loss Absolute Exclusion – see Common Exclusions.**

- z. Electronic Distribution of Information**

“Personal and advertising injury” arising out of the distribution, or display of “data”, by means of an Internet Website, the Internet, an intranet, extranet, or similar device or system designed or intended for electronic communication of “data”.

COVERAGE C. MEDICAL PAYMENTS

This Insuring Agreement only applies when a Medical Expense Limit is shown in the Declarations.

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:
 - (i) The accident takes place in the "coverage territory" and during the policy period;
 - (ii) The expenses are incurred and reported to us within one year of the date of the accident; and
 - (iii) 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.

COVERAGED. TENANTS' LEGAL LIABILITY

This Insuring Agreement only applies when a Tenants' Legal Liability Limit is shown in the Declarations.

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 ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical 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 "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":

- (1) That the insured would have in the absence of the contract or agreement; or

c. Asbestos – see Common Exclusions.

d. Fungi or Spores – see Common Exclusions.

e. Nuclear – see Common Exclusions.

f. Pollution – see Common Exclusions.

g. Terrorism – see Common Exclusions.

h. War Risks – see Common Exclusions.

i. Communicable Disease – see Common Exclusions

j. Unsolicited Communication – see Common Exclusions.

k. Professional Services – see Common Exclusions.

l. Data Liability – see Common Exclusions.

m. Cyber Loss Absolute Exclusion – see Common Exclusions.

n. Electronic Distribution of Data

"Property damage" arising out of the distribution, or display of "data", by means of an Internet Website, the Internet, an intranet, extranet, or similar device or system designed or intended for electronic communication of "data".

COMMON EXCLUSIONS – COVERAGES A, B, C and D

The following exclusions apply to Coverages A, B, C and D. These exclusions apply in addition to the exclusions contained in each Coverage Section.

This insurance does not apply to:

1. Asbestos

"Bodily injury", "property damage" or "personal and advertising injury", or any actual or threatened loss, damage, cost or expense, 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) related to or arising from or directly or indirectly caused by, in consequence of or in any way involving, the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibres or materials containing asbestos in whatever form or quantity.

This exclusion applies:

- a. regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage", "personal and advertising injury" or loss, cost or expense;
- b. to any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the "bodily injury", "property damage", or "personal and advertising injury" or loss, cost or expense; and
- c. whether the insured had an obligation to pay "compensatory damages", share "compensatory damages" with or repay someone else who must pay damages because of such "bodily injury", "property damage", "personal and advertising injury" or loss, cost or expense.

2. Fungi or Spores

- a. "Bodily injury", "property damage" "personal and advertising injury" or medical expenses under Coverage C. 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 "spore(s)" 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 "spore(s)";

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

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

For the purpose of the following exception only:

- (i) "Property damage" means physical injury to animals.
- (ii) "Products-completed operations hazard" means all "bodily injury" and "property damage" that arises out of "your product" provided the "bodily injury" or "property damage" occurs after you have relinquished physical possession of "your product".

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

- (6) applied topically to; or
- (7) ingested by;
humans or animals..

3. Nuclear Energy Liability

- a. Liability imposed by or arising from any nuclear liability act, law, statute, or regulation, or any law amendatory thereof;
- b. "Bodily injury", "property damage" or "personal and advertising injury" with respect to which an insured under this policy is also insured under a contract of nuclear energy liability insurance (whether the insured is unnamed in such contract and whether or not it is legally enforceable by the insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability;
- 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, managed, rented to others or occupied by any insured, 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 produced by or originating 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;
 - (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 or its parts, if such fuels, lubricants or other operating fluids escape from a permanent and integral mobile equipment part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor; As used in this exception, mobile equipment does not include an "automobile", motorized snow vehicle, or "racing or stunting vehicle";
 - (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, decontaminate, stabilize, remediate 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, decontaminate, stabilize, remediate 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".

5. Terrorism

"Bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly, in whole or in part, out of "terrorism" or out of any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism".

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

6. War Risks

"Bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly, in whole or in part, out of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power.

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

7. Communicable Disease

- (1) Notwithstanding any provision to the contrary within this policy, this policy does not cover all actual or alleged loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defense cost, cost, expense or any other amount, directly or indirectly caused by, resulting from, arising out of, contributed to by or otherwise connected a "Communicable Disease" or the actual, alleged, fear of or threat of a "Communicable Disease" including the fear or threat of transfer, transmission, infection, contamination, quarantine, or closure by civil authority due to or in any way related to "Communicable Disease".
- (2) (For the purposes of this exclusion, loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defense cost, cost, expense or any other amount, includes, but is not limited to, any cost to clean-up, detoxify, remove, prevent, monitor or test:
 - (a) for a "Communicable Disease" or the substance or agent associated with the "Communicable Disease", or
 - (b) any property insured hereunder that is affected by such "Communicable Disease" or the substance or agent associated with the "Communicable Disease".
- (3) This exclusion applies regardless of any other cause or event (whether covered or not) that contributes concurrently or in any sequence to the loss or damage.

(4) As used herein, a "Communicable Disease" means any disease, known or unknown, which can be transmitted by means of any substance or agent from any organism to another organism where:

- (1) the substance or agent includes, but is not limited to, a virus, bacterium, archaeon, parasite, protozoa, prions or other organism or pathogen or any variation or mutation thereof, whether deemed living or not;
- (2) the method of transmission, whether direct or indirect, includes but is not limited to, airborne or aerosolized or droplet transmission, bodily fluid transmission, physical contact, vector-borne transmission, transmission from or to any surface or object, solid, liquid or gas or transmission between organisms, and
- (3) the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property of any kind.

This exclusion applies even if a claim against any insured alleges negligence or other wrongdoing in the:

- a. Supervising, hiring, employing, training, or monitoring of others that may be infected with and spread a "communicable disease";
- b. Testing for a "communicable disease";
- c. Failure to prevent the spread of the disease; or
- d. Failure to report the disease to authorities.

8. Unsolicited Communication

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

9. Professional Services

"Bodily injury" (other than "incidental medical malpractice injury"), or "property damage" or "personal and advertising injury" 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.

10. Data Liability

Claims or "actions" arising directly or indirectly out of:

- a. erasure, disruption, corruption, misappropriation, misinterpretation of "data";
- b. erroneously creating, amending, entering, deleting or using "data";

including any loss of use arising therefrom.

11. Cyber Loss Absolute Exclusion

(1) Notwithstanding any provision to the contrary within this policy or any endorsement thereto, this insurance does not apply to any claim, "action", loss, damage, liability, expenses, fines or penalties or any other amount directly or indirectly caused by, arising out of, based upon, or relating to "Cyber Loss".

(2) If we allege that by reason of this exclusion, any loss, injury damage, cost or expenses is not covered by this insurance, the burden of proving the contrary shall be upon the insured.

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 you 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 you against an "action" and your indemnitee 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 you have 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 you;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by you 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 your interests and the interests of the indemnitee;
- e. You and the indemnitee 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 you 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 your 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:

(4) "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 Paragraph (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.

(5) "Property damage" to property:

- (a) Owned, occupied or used by; or
- (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", "student interns", "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 policy.
- e. Any person, organization or other party designated as:
 - (i) an additional insured in the Declarations for this policy, but only in respect of liability arising out of the operations of the Named Insured as designated in the Declarations for this policy; or
 - (ii) an additional insured in the Certificate of Insurance that has been filed with, and issued by us but:
 - (a) only for the period during which the Certificate of Insurance is in effect;
 - (b) only if such persons, organizations or parties are required to be insured under this policy pursuant to a contract with the Named Insured as designated in the Declarations for this policy; and
 - (c) only in respect of liability arising out of the operations of the Named Insured as stated in the Declarations for this policy.

It is agreed that notwithstanding SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS Items 14. and 15., the Insurer waives any right of subrogation that it may have under this policy against any person, organization or other party who qualifies as an insured under items 2(e)(i) and 2(e)(ii), above, provided that this waiver shall apply only to any claims, losses, costs or expenses arising solely from the performance of duties and obligations assumed under any contract or agreement by the Named Insured designated in the Declarations for this policy.

It is further agreed that when evidenced within a Certificate of Insurance under 2(e) (ii), above, the Insurer will endeavor to give up to 30 days' notice to the name and address shown on the

Certificate of Insurance in the event of material change to or cancellation of this policy but failure to do so shall impose no obligation nor liability upon the Insurer.

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 sole ownership or majority ownership 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 120th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. Coverage A and D does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization;
 - c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization; and
 - d. Coverage C does not apply to medical expenses for "bodily injury" caused by an accident that took place 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 or added by endorsement hereon.

No person or organization is an insured with respect to business activities of the Named Insured which are not listed on the Declaration pages.

SECTION III – LIMITS OF INSURANCE AND DEDUCTIBLES

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 all:
 - 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 for the sum of all "compensatory damages" under Coverage A because of all "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to 2. and 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of all:
 - a. "Compensatory damages" under Coverage A because of all "bodily injury" and "property damage"; and
 - b. Medical expenses under Coverage C because of all "bodily injury";

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

8. **Deductible**

- a. Our obligation under Coverage A and Coverage D 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 Coverage A and any one premises for Coverage D will be reduced by the amount of such deductible.

The Aggregate Limit under Coverage A shall not be reduced by the application of such deductible amounts.

- b. The deductible amount applies as follows:
 - (1) Under Coverage A: To all "compensatory damages" because of "property damage" or "bodily injury" as the result of any one "occurrence", regardless of the number

of persons or organizations who sustain "compensatory damages" because of that "occurrence".

- (2) Under Coverage D, Tenants' Legal Liability, to all "compensatory damages" because of "property damage" as the result of any one "occurrence", regardless of the number of persons or organizations who sustain "compensatory damages" because of that "occurrence".
- c. In the event a claim payment is made by us, you will reimburse us with respect to all claims, legal fees and adjusting expenses combined in any one accident or "occurrence", up to the Deductible amount stated in the Declarations for this Form as Reimbursement, and we shall only be liable for the loss, damage or expense in excess of that amount.

The terms of this policy, including those with respect to notice of accident or occurrence and our right to investigate, negotiate and settle any claim or suit, apply irrespective of the application of the reimbursement.

- d. The terms of this insurance, including those in respect to:
- 1) Our right and duty to defend any "action" seeking those "compensatory damages"; and
 - 2) Your duties in the event of an "occurrence", claim or "action":
- apply irrespective of the application of the deductible amount.
- e. 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

The following conditions apply to this insurance in addition to the conditions in the Common Policy Conditions form that is part of your policy.

1. Bankruptcy

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

2. Canadian Currency Clause

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

3. Changes

This policy 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 policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

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 persons or organizations sustaining such injury or damage, and the names and addresses of any 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 policy 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 policy:

- 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 policy 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 policy 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 policy, our obligations are limited as follows:

- a. **Primary Insurance**

This insurance is primary except when paragraph b. and c. below apply. If this insurance is primary, our obligations are not affected unless any of the "other insurance" is also primary. Then, we will either share with all that "other insurance" by the method described in d. below, or, if applicable, method e. below will apply.

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 such as, but not limited to, Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (b) That is Property insurance, such as, but not limited to, Fire insurance, for premises rented to you or temporarily occupied by you with permission of the owner; or
 - (c) If the loss arises out of the maintenance, use, or entrustment to others of any aircraft, watercraft, "automobiles" or motorized snow vehicle to the extent not subject to Exclusions e. or f. of Section I – Coverage A – Bodily Injury and Property Damage Liability.
 - (d) That is available to an insured when the insured is added as an additional insured under any other policy.
- (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.

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. Contingent Wrap-Up Liability (including difference in Conditions and Difference in Deductible).

This insurance does not apply to “bodily injury”, “property damage” or “personal and advertising injury” arising out of any project or construction for which “Wrap-Up Liability Insurance” was placed except as hereinafter provided:

- (1) Where the Each Occurrence Limit of Liability for Coverage A - Bodily Injury and Property Damage Liability or Coverage B- Personal and Advertising Injury Liability applicable to this insurance is more than the amount of the Limit of Liability in such “Wrap-Up Liability Insurance” this insurance shall pay the difference between said Limits, subject to the terms and conditions applicable to this Commercial General Liability coverage form, and in no event shall be considered primary or contributing insurance.
- (2) Where the amount of any deductible applicable to this insurance is less than the amount of any deductible in such “Wrap-Up Liability Insurance” this insurance shall pay the difference between said deductibles up to a maximum of \$50,000, subject to the terms and conditions applicable to this Commercial General Liability coverage form.
- (3) If the “Wrap-Up Liability Insurance” does not cover an “action” but coverage is provided by this policy, then this insurance shall respond subject to the terms and conditions applicable to this Commercial General Liability coverage form.
- (4) This policy shall provide coverage for the “Products-completed operations hazard”, upon expiration of the Completed Operations coverage provided under the “Wrap-Up Liability Insurance” subject to the terms and conditions applicable to this Commercial General Liability coverage form.
- (5) If the “Wrap-Up Liability Insurance” insurer or insured elects not to appeal a judgment in excess of the available limits of the “Wrap-Up Liability Insurance”, we may do so at our own expense.

The term “Wrap-Up Liability Insurance” as used in this policy means any specific liability insurance coverage or policy, which insures the owner, you and the majority of contractors, sub-contractors and others, engaged on a specific project or construction and includes any project specific Commercial General Liability policy.

Except as otherwise provided in the above paragraph **c.**, all terms, provisions and conditions of the policy shall have full force and effect.

d. Method Of Sharing

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

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

9. Premium Audit

This clause is applicable only when premium audit adjustment terms are shown in the Declarations.

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

10. Premiums

The first Named Insured shown 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

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; and
- c. We have issued this policy in reliance upon your representations

12. Separation Of Insureds, Cross Liability

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

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

13. 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 c. below, we may terminate this policy by mailing or delivering to the first Named Insured written notice of termination at least:
 - 1) 5 days before the effective date of termination if personally delivered;
 - 2) 15 days before the effective date of termination if we terminate for non-payment of premium, or
 - 3) 30 days before the effective date of termination if we terminate for any other reason.

Except in Quebec, if notice is mailed, termination takes effect 15 or 30 days after receipt of the letter by the post office to which it is addressed, depending upon the reason for termination. Proof of mailing will be sufficient proof of notice.

In Quebec, paragraph b. 1) of this condition does not apply and 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.

- c. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- d. The policy period will end on the date termination takes effect.
- e. If this policy is terminated, we will send the first Named Insured any premium refund due. If we terminate, the refund will be pro rata. If the first Named Insured terminates, the refund may be less than pro rata. The termination will be effective even if we have not made or offered a refund.

14. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this policy, 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 Policy

Your rights and duties under this policy 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.

16. Two or More Coverage Forms or Policies Issued by Us

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us apply to the same "occurrence", the maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

17. SUBCONTRACTOR PROTOCOL

It is warranted that all contractors and sub-contractors performing work for you shall have and maintain a minimum limit of \$1,000,000 Commercial General Liability Insurance.

Prior to any work involving a sub-contractor, you shall obtain and retain proof of a certificate of insurance showing the above requirement.

A failure to comply with this condition shall render all insurance under this policy null and void.

18. WARRANTED RIGHTS OF RECOURSE

It is hereby warranted that we maintain the full rights of recourse against manufacturers and/or suppliers of products.

SECTION V – DEFINITIONS

1. "Abuse" means, but is not limited to, any act or threat involving molestation, harassment, corporal punishment, assault or battery or any other form of physical, sexual, mental psychological or emotional abuse.
2. "Action" means a civil proceeding in which "compensatory damages" because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Action" includes:
 - a. An arbitration proceeding 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 websites, only that part of a website 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, disability, sickness, mental anguish, mental injury, mental shock, or disease sustained by a person including death resulting from any of these at any time.
6. "Broadcasting" means transmitting any audio or visual material for any purpose:
 - a. By radio or television; or

- b. In, by or with any other electronic means of communication, such as the Internet, if that material is part of:
 - (1) Radio or television programming being transmitted;
 - (2) Other entertainment, educational, instructional, music or news programming being transmitted; or
 - (3) Advertising transmitted with any such programming.

- 7. "Compensatory damages" means damages due or awarded in payment for actual injury or economic loss. "Compensatory damages" does not include:
 - a. punitive or exemplary damages;
 - b. the multiple portion of any multiplied damage award;
 - c. injunctive relief;
 - d. damages awarded in lieu of injunctive relief;
 - e. the cost of complying with an injunction or injunctive relief;
 - f. restitutionary awards or sums ordered to be paid that are restitutionary in nature;
 - g. awards based on money had and received;
 - h. the return of money paid by a mistake of fact;
 - i. contractual penalties or license fees;
 - j. repayment of money or payment of a defined pre-arranged penalty;
 - k. a requirement to pay arising as a result of statute that is not dependent upon fault or neglect;
 - l. civil penalties or fines and any other non-compensatory relief.

- 8. "Computer Network" means a group of "Computer Systems" and other electronic devices or network facilities connected via a form of communications technology, including the internet, intranet and virtual private networks (VPN), allowing the networked computing devices to exchange "Data".

- 9. "Computer System" means any computer, hardware, software, application, process, code, programme, information technology and communications system or electronic device owned or operated by an insured or any other person or organization. This includes any similar system or any configuration of the aforementioned and any associated input, output or data storage device or system, networking equipment or back up facility.

- 10. "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.

11. "Cyber Loss" means any loss, damage, liability, expense, fines, statutory remedy, or penalties or any other amount directly or indirectly caused by contributed to, or arising out of or in any connection with:
 - a. the use or operation of any "Computer System" or "Computer Network";
 - b. the reduction in or loss of ability to use or operate any "Computer System", "Computer Network" or "Data";
 - c. access to, processing, transmission, storage or use of any "Computer System" or "Data";
 - d. inability to access, process, transmit, store or use any "Data";
 - e. any threat of or any hoax relating to a. b. c. or d. above;
 - f. any error or omission or accident in respect of any "Computer System", "Computer Network" or "Data".

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

13. "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.

14. "Employee" includes a "leased worker" and a "temporary worker".

15. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

16. "Fissionable substance" means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.

17. "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.

18. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

19. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

 - b. You have failed to fulfil the terms of a contract or agreement;if such property can be restored to use by:
 - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - b. Your fulfilling the terms of the contract or agreement.

20. "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.

21. "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 and provided the "bodily injury" or "property damage" arises from "your work". Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

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.

22. "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".

23. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft, or "automobile";
- b. While it is in or on an aircraft, watercraft, or "automobile"; or
- c. While it is being moved from an aircraft, watercraft, or "automobile" 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"

24. "Nuclear energy hazard" means the radioactive, toxic, explosive, or other hazardous properties of "radioactive material".

25. "Nuclear facility" means:

- a. Any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
- b. Any equipment or device designed or used for:
 - (i) Separating the isotopes of plutonium, thorium and uranium or any one or more of them,
 - (ii) Processing or utilizing spent fuel, or
 - (iii) Handling, processing or packaging waste.

- c. Any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- d. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste "radioactive material";

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

26. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

"Occurrence" also means:

- a. An act, event or series of related acts or events; or
- b. Any one loss, disaster or casualty or a series of losses, disasters or casualties arising out of one event. If the same event continues for a period of time, the event shall be deemed to be one occurrence.

27. "Other insurance"

- a. Means insurance, or the funding of losses, that is provided by, through or on behalf of:
 - (1) Another insurance company;
 - (2) Our or any of our affiliated insurance companies;
 - (3) Any risk retention group;
 - (4) Any self-insurance method or program; or
 - (5) Any similar risk transfer or risk management method.
- b. Does not include umbrella insurance, or excess insurance, that was bought specifically to apply in excess of the Limits of Insurance shown in the Declarations for General Liability.

28. "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. Humiliation or discrimination;
- c. Malicious prosecution;
- d. 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;
- e. 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;

- f. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- g. The use of another's advertising idea in your "advertisement"; or
- h. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

29. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, odour, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

30. "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:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.

31. "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, however the furnishing of food or beverages as the sole function of the insured is not "professional services";
- b. Any professional service or treatment conducive to health;
- c. Professional services of a pharmacist;
- d. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
- e. The handling or treatment of deceased human bodies including autopsies, organ donations or other procedures;
- f. Any cosmetic, body piercing, tonsorial, massage, physiotherapy, chiropody, hearing aid, optical or optometrical services or treatments;
- g. Engineering, designing, architectural, draftsperson or surveying services.

- h. The preparation, approval or failure to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications;
- i. Supervisory, inspection, architectural, design or engineering activities or services;
- j. 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;
- k. Any computer hardware or software servicing, programming or re-programming, data entry or data processing, consulting, advisory or related services; or
- l. Claim investigation, adjustment, appraisal, survey or audit services.

32. "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.

33. "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.

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

35. "Student intern" means a registered student whose courses of study include mandatory on-the-job training and whom the insured has the right to direct and control while performing duties for that insured.

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

37. "Terrorism" means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

38. "Unsolicited communication" means communication in any form sent to any person or organization without their prior consent.
39. "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.
40. "Your product":
- a. Means:
 - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (2) You;
 - (3) Others trading under your name; or
 - (4) A person or organization whose business or assets you have acquired; and
 - (5) 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.
41. "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.

SECTION VI – DESCRIPTION OF TERMS USED FOR PREMIUM BASES

1. "Area" means the total number of square meters of floor space at the insured premises, excluding that portion of the basement used exclusively for storage or that portion of the premises used for heating or air conditioning plant purposes.

Rates apply per 100 square meters of area.

2. "Cost of work" means the total cost of all operations performed for you during the policy period by independent contractors, including the cost of materials furnished, used or delivered for use in the execution of the work. This does not include maintenance or ordinary alterations and repairs on premises owned or rented by you.

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

3. "Flat" means the rate charged for exposure is not related to other criteria.

4. "Number" means the quantity of individual units defined by the associated description of operations.

Rates apply per number.

5. "Payroll" means the total earnings for each owner, partner, executive officer and employee.

Rates apply per \$1,000. of payroll.

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

Rates apply per \$1,000. of revenue.

7. "Unit" means a self-contained space within a part of a building used for residential occupancy or commercial purposes.

Rates apply per unit.

Condominium Unit Owners Contingent Liability Endorsement

CONDOMINIUM UNIT OWNERS CONTINGENT LIABILITY ENDORSEMENT

APPLICABLE TO THE COMMERCIAL GENERAL LIABILITY FORM

This Form covers the Insured's share of an assessment against all "Unit" owners made by the "Condominium Corporation", to the extent that it is not so insured by the "Condominium Corporation" or to the extent that the Insurance placed by the "Condominium Corporation" is not effective or is inadequate.

Special levies, maintenance fee, fines, and deductibles are not included.

DEFINITIONS

“Unit” means an individually owned space within a building or complex that is comprised of other similar spaces that share a common space(s) which are owned by the “Condominium Corporation”.

“Condominium Corporation” means entity created when the condominium plan is registered with a land titles office that shares a location stated in the “Declarations Page” and governs the “Unit”(s) owned by the “Insured”.

All other terms and conditions of the policy remain unchanged.

EMPLOYEE BENEFIT LIABILITY ENDORSEMENT

APPLICABLE TO ALL LIABILITY COVERAGES ON THE POLICY

This Form provides coverage on a **CLAIMS MADE BASIS**.

This endorsement changes the policy. Please read it carefully.

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

Except as otherwise provided in this endorsement, the following extension of coverage is subject to all terms, including all conditions, exclusions, stipulations, definitions, and provisions, applicable to the Commercial General Liability form including the right and duty to defend and the provisions of the Supplementary Payments – Coverages A, B and D contained in Section I Coverages.

For the purpose of this endorsement, the word “insured” means only the Named Insured shown in the Declarations and any partner, executive officer, director, stockholder or “employee” of the Named Insured.

Other words and phrases that appear in quotation marks have special meaning as defined below or in the form to which this endorsement is attached. The definitions contained under this form prevail over the definitions contained under the Commercial General Liability Form.

It is agreed that Insurance provided under the Commercial General Liability form is extended to include the following provisions:

COVERAGE

1. INSURING AGREEMENT

- a. We will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as “compensatory damages” on account of any “claim” made against the

insured by an "employee", former "employee" or the beneficiaries or legal representatives thereof and caused by the negligent act, error or omission of the insured, or any other person for whose acts the insured is legally liable, in the "administration" of your "employee benefits programs".

- b. This endorsement applies only if:
 - (i) The act, error or omission is negligently committed in the "administration" of your "employee benefit program" and takes place in the "coverage territory";
 - (ii) The act, error or omission did not take place after the end of this policy period;
 - (iii) The "claim" is first made against the insured during the policy period; and
 - (iv) The insured, on the effective date of this insurance, had no knowledge of, should not have known of, or could not have reasonably foreseen any circumstances which might result in a "claim".
- c. A "claim" seeking such "compensatory damages" will be deemed to have been made at the earlier of the following times:
 - (i) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or
 - (ii) When we make settlement in accordance with Paragraph 1.a. above.
- d. All "claims" for "compensatory damages" made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including "compensatory damages" claimed by such "employee's" dependents and beneficiaries, will be deemed to have been made at the time the first of those "claims" is made against any insured.

2. EXCLUSIONS

This insurance does not apply to any "claim" based upon, arising out of, or resulting from:

- a. any intentional, dishonest, fraudulent, criminal or malicious act, error or omission committed by or on behalf of any insured, including the willful or reckless violation of any statute;
- b. failure of performance of contract by any insurer, or any other party, including the insured, obligated to afford the benefits;
- c. the insufficiency of funds to meet any obligations under any plan included in the "employee benefits program";
- d. an insured's failure to comply with any law concerning workers' compensation, unemployment compensation or insurance, employment insurance, social security or disability benefits law or any similar law;
- e. failure of securities or investments to perform;
- f. advice given by an insured to participate or not to participate in Stock Subscription Plans or any investment plan;

- g. The investment, divestment or non-investment of funds.

This insurance also does not apply to:

- h. Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance;
- i. Taxes, fines or penalties;
- j. Any "claim" which, upon the effective date of this endorsement, had already been presented to the insured or which could result from facts or circumstances already known to the insured and liable to give rise to a claim;
- k. Any "claim" for "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";
- l. Payments which are required pursuant to any "employee benefits program";
- m. Termination of any "employee benefits programs".
- n. "bodily injury", "property damage", and "personal and advertising injury".
- o. Asbestos – see Common Exclusions.**
- p. Fungi or Spores – see Common Exclusions.**
- q. Nuclear – see Common Exclusions.**
- r. Pollution – see Common Exclusions.**
- s. Terrorism – see Common Exclusions.**
- t. War Risks – see Common Exclusions.**
- u. Communicable Disease – see Common Exclusions**
- v. Unsolicited Communication – see Common Exclusions.**
- w. Professional Services – see Common Exclusions.**
- x. Data Liability – see Common Exclusions.**
- y. Cyber Loss Absolute Exclusion – see Common Exclusions.**

3. EXTENDED REPORTING PERIOD

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

A claim first made during the extended reporting period will be deemed to have been made on the last day of the policy period provided that the claim occurred before the end of the policy period and that we are notified no later than sixty (60) days after the end of the policy period.

4. SPECIAL CONDITIONS

LIMITS OF LIABILITY

- a. The Limits of Insurance shown on the Declarations and the rules below fix the most we will pay under this endorsement regardless of the number of insureds, "claims" made or brought, or persons or organizations making or bringing "claims".
- b. All "claims" arising from a single negligent act, error or omission or a series of related negligent acts, errors or omissions or resulting from the same circumstances or event shall be deemed to be a single "claim".
- c. The Each Claim Limit is the most we will pay for all "compensatory damages" for each "claim" including payments made for defence and Supplementary Payments, in excess of the deductible stated in the Declarations.
- d. Subject to the Each Claim Limit, the Aggregate Limit is the most we will pay for the sum of:
 - a. Damages for all 'claims'; and
 - b. Payments made for defence and Supplementary Payments.

DEDUCTIBLE

Our obligation under this endorsement to pay "compensatory damages" on your behalf applies only to the amount of "compensatory damages" in excess of the deductible amount stated in the Declarations as applicable to such coverages, and the limits of insurance applicable to Each Claim will be reduced by the amount of such deductible.

The Aggregate Limit under this endorsement shall be reduced by the application of such deductible amount.

5. ADDITIONAL DEFINITIONS

For the purpose of this endorsement:

- (1) "**Administration**" means:
 - a. informing "employees" of the content of;

- b. giving advice, other than legal advice, to participants of their rights and options with respect to;
- c. application of the rules determining eligibility for participation in the;
- d. handling of records in connection with; or
- e. effecting enrollment, termination or cancellation of “employees” under; “employee benefit programs”, provided such acts are authorized by you.

“Administration” does not include handling payroll deductions.

- (2) **“Claim”** means any demand or “action” made by an “employee”, or an “employee’s” dependents and beneficiaries, for “compensatory damages” as the result of an act, error or omission.
- (3) **“Employee Benefit Programs”** means one or more of the following types of insurance or plans maintained by you solely for the benefit of “employees”:
 - a. group life insurance, group accident or health insurance, pension plans, stock subscription plans by employees, worker’s compensation, unemployment insurance, social security and disability benefits.

All other terms and conditions of the policy remain unchanged.

FOREST FIRE FIGHTING EXPENSE ENDORSEMENT

APPLICABLE TO ALL LIABILITY COVERAGES OF THIS POLICY

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE COMMERCIAL GENERAL LIABILITY POLICY to which this endorsement is attached. Please read it carefully.

INSURING AGREEMENT

- 1. SECTION 1 – COVERAGES – COVERAGE A. BODILY INJURY and PROPERTY DAMAGE LIABILITY is extended to include costs and expenses for controlling and extinguishing forest fires which you are legally obligated to pay by reason of liability imposed upon you under the provisions of any applicable provincial or territorial law, ordinance or regulation.
- 2. The insurance provided under this endorsement does not apply to:

- a. any of your fire fighting expenses or that of your employees or agents, whether such payment is made directly by you or made by any other person, corporation or Government of any Province or the Government of Canada;
 - b. any fire fighting expenses of contractors or sub-contractors engaged by you at the time loss first occurs;
 - c. any expenses for which you are liable by reason of failure to comply with any Forest Fire Fighting Act of the Province.
 - d. any fines or penalties, for which you are liable by reason of failure to comply with any statute, permit, rule, or regulation;
 - e. liability assumed by you under any contract or agreement, except your liability that would have existed in the absence of such contract or agreement;
 - f. any action brought against any of the insureds by any other insured or insureds under this endorsement in respect to the recovery of fire fighting expenses;
 - g. any fire fighting expenses of others on your behalf where more specific coverage has been purchased and is available to you.
3. The Limits of Insurance shown in the Declarations as applicable to the Commercial General Liability Coverage Form do not apply with respect to coverage provided by this endorsement. Only the Limits of Insurance shown in the Declarations as applicable to this form – Forest Fire Fighting Expenses Endorsement apply to coverage provided by this endorsement.
 4. With respect only to coverage provided by this endorsement, SECTION III - LIMITS OF INSURANCE is deleted and replaced by the following:

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 Forest Fire Fighting Expenses Endorsement - Aggregate Limit is the most we will pay for all such costs and expenses insured hereunder.
3. Subject to 2. above the Forest Fire Fighting Expenses Endorsement - Each Occurrence Limit is the most we will pay for such costs and expenses arising out of any one "occurrence".
 The Forest Fire Fighting Expenses Endorsement - Aggregate Limit shall 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 the purposes of determining the Limit of Insurance.

For the purpose of determining the limits of insurance for coverage provided by this endorsement, any act, error or omission together with all related acts, errors or omissions which legally obligate you to pay costs and expenses for controlling and extinguishing forest fires under the provisions of any applicable provincial or territorial law, ordinance or regulation in connection with one forest fire will be considered one "occurrence".

4. Deductible

- a. Our obligation under the coverage provided by this endorsement to pay costs and expenses on your behalf applies only to the amount of costs and expenses in excess of the deductible amount shown in the Declarations and the Forest Fire Fighting Expenses Endorsement - Each Occurrence Limit will be reduced by the amount of such deductible. The Forest Fire Fighting Expenses Endorsement - Aggregate Limit shall not be reduced by the application of the deductible amount.
 - b. The deductible amount applies to all costs and expenses as the result of any one claim.
 - c. The terms of this insurance, including those relating to:
 - (i) Our right and duty to defend any "action" seeking those costs and expenses; and
 - (ii) Your duties in the event of an "occurrence", claim or "action"; apply irrespective of the application of the deductible amount.
 - d. 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.
5. With respect only to coverage provided by this endorsement, SECTION V – DEFINITIONS is amended as follows:
- a. The definition of "coverage territory" is deleted and replaced by the following:

"Coverage territory" means Canada.
6. With respect only to coverage provided by this endorsement:
- a. Any costs and expenses for controlling and extinguishing forest fires which you are legally obligated to pay under the provisions of any applicable provincial or territorial law, ordinance or regulation shall be deemed to be "compensatory damages" and "property damage".
 - b. Any act, error or omission which legally obligates you to pay costs and expenses for controlling and extinguishing forest fires under the provisions of

any applicable provincial or territorial law, ordinance or regulation shall be deemed to be caused by an "occurrence".

EXCEPT AS OTHERWISE PROVIDED IN THIS FORM, ALL TERMS, LIMITS, DEFINITIONS, CONDITIONS, EXCLUSIONS AND PROVISIONS OF THE POLICY TO WHICH THIS FORM IS ATTACHED SHALL HAVE FULL FORCE AND EFFECT.

LIMITED POLLUTION LIABILITY - 120 HOURS

APPLICABLE TO ALL LIABILITY COVERAGES ON THE POLICY

This endorsement changes the policy. Please read it carefully.

Attached to and forming part of the Commercial General Liability Form this endorsement shall only apply if coverage is indicated on the policy declarations.

Exclusion 4. Pollution, in Common Exclusions - Coverages A, B, C and D is deleted and replaced by the following, subject to the following additional provisions:

This insurance does not apply to:

4. Pollution

- (1) "Bodily Injury" or "Property Damage" "personal and advertising injury" arising out of the actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":
 - (a) which occurred prior to the policy period shown in the Declarations
 - (b) 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 produced by or originating 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; or
 - (ii) "Bodily Injury" or "property damage" for which the Named Insured may be held liable, if the Named Insured is a contractor and the owner or lessee of such premises, site or location has been added to the Named Insured's policy as an additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured;
 - (c) 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;
 - (d) 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 an insured may be legally responsible; or
 - (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 "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" or its parts, if such fuels, lubricants or other operating fluids escape from a permanent and integral mobile equipment part designed to hold, store or receive them.

This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

As used in this exception, mobile equipment does not include an "automobile", motorized snow vehicle, or "racing or stunting vehicle";

- (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 at building in connection with operations being performed by the Named Insured or on the Named Insured's behalf by a contractor or subcontractor;

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

- (f) Sub-paragraphs (b) and (e)(i) of paragraph 1. of this exclusion do not apply to "Bodily Injury" or "Property Damage" caused by:

1. heat, smoke or fumes from, or fire extinguishing substances used to fight a "hostile fire"; or
2. an unexpected or unintentional spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" provided such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":
 - a. results in the injurious presence of "pollutants" in or upon land, the atmosphere, drainage or sewage system, watercourse or body of water; and
 - b. must originate from double walled tanks, dyked tanks, or fenced in and/or secondary containment tanks; and
 - c. Is detected within 120 hours after the commencement of such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants"; and
 - d. is reported to us within 120 hours of being detected; and
 - e. occurs in a quantity or with a quality that is in excess of that which is routine or usual to the business of the insured.

- (2) Any loss, cost or expense arising out of any request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, decontaminate, stabilize, remediate or neutralize or in any way respond to, or assess the effect of

“pollutants” unless such loss, cost or expense is consequent upon “bodily injury” or “property damage” covered by this form.

- (3) Any fines or penalties assessed against or imposed upon any insured arising out of the actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants”.

ADDITIONAL EXCLUSION: UNDERGROUND STORAGE TANKS

This insurance does not apply to, nor shall we have any duty to defend, any claims or “actions” made against any insured directly or indirectly arising out of, or on account of, resulting from, or relating to any underground storage tanks owned, or rented to or for which the insured may be legally responsible.

LIMIT OF INSURANCE

The Limit of Insurance applicable to this Endorsement is as specified in the Declarations and is part of and not in addition to the “Each Occurrence” Limit.

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

RIP AND TEAR EXTENSION

APPLICABLE TO ALL LIABILITY COVERAGES ON THE POLICY

This endorsement changes the policy. Please read it carefully.

Attached to and forming part of the Commercial General Liability Form this endorsement shall only apply if coverage is indicated on the policy declarations.

It is agreed that Insurance provided under the Commercial General Liability form is extended to include the following provisions:

Rip and Tear Liability

We will pay on your behalf, all sums which you become legally obligated to pay for any "expense" because of the intentional destruction and removal of "defective" concrete.

Limits of Insurance

This extension of coverage is limited to ten thousand dollars (\$10,000) per any one "occurrence" and twenty-five thousand dollars (\$25,000) maximum payable by us in each "annual period".

The limit of insurance for this extension shall be part of and not in addition to the Commercial General Liability Limits of insurance shown on the Declarations and shall not be cumulative with any limits of insurance stated elsewhere in this insurance.

Deductible

In the event of a claim under this extension, the deductible amount as shown on the Declarations, or, if no such deductible be shown, two thousand five hundred dollars (\$2,500), shall apply for each "occurrence".

ADDITIONAL DEFINITIONS

Wherever used in this Extension (including endorsements or other forms attached to and forming part hereof):

- (1) "**Annual period**" means each consecutive period of one year commencing from the inception date of this policy, or if the last consecutive period is less than twelve (12) months, such period of less than twelve (12) months.
- (2) "**Defective**" means concrete which upon testing by an accredited independent testing agency does not meet the contractual specifications relating to strength requirements for specific construction and in which such materials were included.
- (3) "**Expense**" means costs paid by you because of.
 - a. Removing 'defective' concrete, cement or construction products; or

- b. Replacing forms, reinforcements, piping and wiring and other materials necessary in the removal of "defective" concrete.

Except as otherwise provided in this endorsement, this extension of coverage is subject to all terms, including all conditions, exclusions, stipulations, definitions, and provisions, applicable to the Commercial General Liability form.

BEAUTICIANS, BARBERS AND AESTHETICIANS EXCLUSION

APPLICABLE TO ALL LIABILITY COVERAGES ON THE POLICY

This endorsement changes the policy. Please read it carefully.

The following exclusion is added to Common Exclusions - Coverage A, B, C and D under Section I – Coverages in the Commercial General Liability Form.

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury":

1. Caused by any apparatus using x-ray or electrical rays for the removal of hair;
2. Resulting from face lifting, surgery (other than ear piercing) whether or not performed by a licensed physician or surgeon, the removal or attempted removal of warts, moles or other growths, or hair therefrom, hair transplants, or any other subcutaneous procedure including acupuncture or injections;
3. Caused by the practice of chiropody, electrolysis, slenderizing, reducing, exercising, body massage or bath treatments, cryotherapy, chemical peel treatment or ear candling;
4. Caused by or alleged to have been caused by or aggravated or alleged to have been aggravated by the ownership, maintenance, use or operation of any sun tanning devices or toning bed devices or from the undergoing of sun tanning or toning treatment or treatments or related services including advice provided by any insured;
5. Caused by body tattooing, body branding, body piercing (other than ear piercing), hair extensions wigs or toupees;
6. Caused by the use of any pills or substances to be ingested or diets;
7. Caused by the use of any laser or light treatments for any purpose;
8. Caused by or alleged to have been caused by the contraction, aggravation or exacerbation of any disease of the human body including, but not limited to, carcinoma, emphysema, asbestosis or mesothelioma.

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”.

All other terms and conditions of the policy remain unchanged.

BLASTING AND EXPLOSIVES EXCLUSION

APPLICABLE TO ALL LIABILITY COVERAGES ON THE POLICY

This endorsement changes the policy. Please read it carefully.

The following exclusion is added to Common Exclusions - Coverage A, B, C and D under Section I – Coverages in the Commercial General Liability Form.

This insurance does not apply to “bodily injury”, “property damage”, or “personal and advertising injury” caused directly or indirectly or arising from blasting and/or the storage, handling, transport or use of explosives.

All other terms and conditions of this policy remain unchanged.

BODILY INJURY OR PROPERTY DAMAGE FROM WATER DAMAGE DEDUCTIBLE

APPLICABLE TO ALL LIABILITY COVERAGES ON THE POLICY

This endorsement changes the policy. Please read it carefully.

As shown in the Declarations the specific deductible for water damage applies to all “compensatory damages” because of “bodily injury” or “property damage” arising from “water damage” per “occurrence”.

Additional Definitions

“Water Damage” includes damage arising from water which backs up, leaks or escapes through sewers, sumps, septic tanks, drains, piping, or other vessels.

All other terms and conditions of the policy remain unchanged.

BURNING AND WELDING WARRANTY

APPLICABLE TO ALL LIABILITY COVERAGES ON THE POLICY

This endorsement changes the policy. Please read it carefully.

The insured is required to perform all reasonable actions to ensure all the following warranties are complied with. It is a condition precedent to liability under this policy that the following precautions are adhered to on each occasion where the Insured or persons acting on behalf of the Insured are using any oxy-acetylene or electric welding or cutting/grinding equipment or blow lamp or blow torch.

1. The immediate area in which the operation is to be carried out must be segregated to the greatest practicable extent using screens made of metal and/or fire-retardant material.
2. The whole of this segregated area must be adequately cleaned and freed from combustible material before operations commence.
3. Combustible floors/substances in or surrounding this segregated area must be liberally covered with sand or protected by overlapping sheets of incombustible material.
4. Where work is being carried out in any enclosed area an additional employee of the Insured or an employee of the occupier shall always be present to guard against an outbreak of fire.
5. No work should be carried out unless specifically authorized by the occupier who should also be asked to approve the safety arrangements.
6. The following must be kept available for immediate use near the scene of operations:
 - a) suitable fire extinguishers and/or
 - b) hoses connected in readiness for immediate use and tested prior to the commencement of the work.
7. A thorough examination must be made in the vicinity of the work approximately one hour after the termination of each operation. If it is not practicable for such examination to be carried out by the Insured's own employee, then appropriate arrangements must be made with the occupier.
8. Before any burning or welding work is performed on any metal surfaces built into or projecting through walls or partitions, an examination should be made to confirm that the other end of the metal is not in a hazardous proximity to combustible material which may be ignited by the conduction of heat.
9. Where the Insured or persons acting on behalf of the Insured burns debris it is a condition precedent to liability under this policy that the following precautions shall be taken on each occasion:
 - a. Fires to be in a cleared area and at a distance of at least ten yards from any property.
 - b. Fire not to be left unattended at any time.
 - c. A suitable fire extinguisher to be kept available for immediate use.
 - d. Fires to be extinguished at least one hour prior to leaving site at the end of each working day.

A failure to comply with this condition shall render all insurance under this policy null and void.

EXCEPT AS OTHERWISE PROVIDED IN THIS FORM, ALL TERMS, LIMITS, DEFINITIONS, CONDITIONS, EXCLUSIONS AND PROVISIONS OF THE POLICY TO WHICH THIS FORM IS ATTACHED SHALL HAVE FULL FORCE AND EFFECT.

OIL AND GAS LIMITATION ENDORSEMENT

APPLICABLE TO ALL LIABILITY COVERAGES ON THE POLICY

This endorsement changes the policy. Please read it carefully.

Section I – Coverages – Coverage A. Bodily Injury and Property Damage liability is amended as follows:

The following exclusions are added to paragraph 2. Exclusions:

This insurance does not apply to:

a. **Property Damage – Care Custody Control**

loss of or “property damage” to any drilling rigs, drilling or production platforms, work-over rigs, servicing rigs, drilling tools, pipes, collars, supplies, and specialty contractors machinery and equipment leased by, or rented to, or in the care, custody and control of any insured;

b. **Saline Contamination**

loss of property or “property damage” caused directly or indirectly by, resulting from, in consequence of or in any way involving any contamination by saline substances including “property damage” to any of the following wherever located:

- (i) oil, gas, water or other mineral substances, ;
- (ii) any other property, if the property damage results from the property damage described in (i) above;

c. **Underground Property**

- (1) loss of or “property damage” to property included within the “underground resources and equipment hazard”;
- (2) the cost of reducing any property included within the “underground resources and equipment hazard” to physical possession above the surface of the earth or of any body of water, or to the expense incurred or rendered necessary to prevent or minimize “property damage” to other property resulting from acts or omissions causing “property damage” included within the “underground resources and equipment hazard”.

d. **Uncontrolled Flow Expenses**

any cost or expenses incurred by or at request of the Named Insured or any co-owner of the working interest in connection with controlling or bringing under control any oil, gas or water well which becomes out of control. A well shall be deemed "out of control" only so long as there is continuous flow of drilling fluid, oil, gas or water above the surface of the ground or ocean floor which is uncontrollable;

e. **Offshore Operations**

"bodily injury" or "property damage" directly or indirectly caused by, resulting from, in consequence of or in any way involving "offshore operations";

f. **Subsidence**

"property damage" resulting directly or indirectly from subsidence.

Additional Definitions:

The following terms as used in this endorsement shall mean:

"Offshore Operations" means any work or operations upon the surface of (including upon any ice on the surface of), beneath the surface of or in the ground below any body of water that lies seaward of the coastline.

"Underground resources and equipment hazard" includes "property damage" to any of the following:

- (i) oil, gas, water or other mineral substances which have not been reduced to physical possession above the surface of the earth or above any body of water;
- (ii) any well, hole, formation, strata or area in or through which exploration for or production of any substance is carried on;
- (iii) any casing, pipe, bit, tool, pump or other drilling or well-servicing machinery or equipment (including fishing expenses) located beneath the surface of the earth in any such well or hole or beneath the surface of any body of water;

All other terms and conditions of the policy remain unchanged.

SNOW REMOVAL OR SALTING OPERATIONS LIMITATION

APPLICABLE TO ALL LIABILITY COVERAGES ON THE POLICY

This endorsement changes the policy. Please read it carefully.

1. Deductible

As shown in the Declarations the specific deductible for snow removal or salting operations applies to all "compensatory damages" because of "bodily injury", "property damage" or "personal and advertising injury" arising from "snow removal" or "salting" per "occurrence".

2. Additional Exclusion

The following exclusion is added to Common Exclusions - Coverage A, B, C and D.

This insurance does not apply to:

"Bodily injury", "property damage" or "personal and advertising injury" arising from "snow removal" or "salting" operations on public roads, streets, or highways..

3. Special Condition

It is a condition of any coverage for "bodily injury", or "property damage" or "personal and advertising injury" arising from "snow removal" or "salting" that the insured must maintain snow removal & salting logbooks to document the date, and time of their services.

4. Additional Definitions

"Snow Removal" includes the removal or clearing of snow or ice from roadways, sidewalks, or other pedestrian pathways.

"Salting" includes the application of salt, sand, or other de-icing agent for the purposes of reducing the freezing temperature of snow or ice.

All other terms and conditions of the policy remain unchanged.

SPECIFIC OPERATIONS EXCLUSION

APPLICABLE TO ALL LIABILITY COVERAGES ON THE POLICY

This endorsement changes the policy. Please read it carefully.

The following operations are not covered under the policy:

(MANUALLY LIST EXCLUDED OPERATIONS)

The following exclusion is added to Common Exclusions - Coverage A, B, C and D

This insurance does not apply to:

“bodily injury”, “property damage” or “personal and advertising injury” arising out of the operations described above in this endorsement, regardless of whether such operations are conducted by you or on your behalf or whether the operations are conducted for yourself or for others.

This exclusion applies regardless of where such operations are conducted.

All other terms and conditions of the policy remain unchanged.

TANNING & TONING BED EXCLUSION

APPLICABLE TO ALL LIABILITY COVERAGES ON THE POLICY

This endorsement changes the policy. Please read it carefully.

The following exclusion is added to Common Exclusions - Coverage A, B, C and D

This insurance does not apply to “bodily injury” caused by or alleged to have been caused by or aggravated or alleged to have been aggravated by the ownership, maintenance, use or operation of any sun tanning devices or toning bed devices or from the undergoing of sun tanning or toning treatment or treatments or related services including advice provided by any insured.

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

All other terms and conditions of this policy remain unchanged.

TOBACCO, VAPE, AND E-CIGARETTE PRODUCT HEALTH EXCLUSION

APPLICABLE TO ALL LIABILITY COVERAGES ON THE POLICY

This endorsement changes the policy. Please read it carefully.

The following exclusion is added to Common Exclusions - Coverage A, B, C and D under Section I – Coverages in the Commercial General Liability Form:

This insurance does not apply to:

1. liability directly or indirectly caused by or alleged to be caused by or contributed to in whole or in part by or arising from the health effects of tobacco or tobacco smoke or exposure to tobacco or tobacco smoke or any product containing tobacco;
2. liability arising from any other claim or “action” concerning the alleged proven or suspected inherent health risk of other products supplied by the insured, including but not limited to E-cigarettes, E-liquids, Nicotine E-liquids, or any known active ingredients contained therein;

The exclusions above apply even if the allegations include negligent supervision, hiring, training, or any act or omission.

All other terms and conditions of this policy remain unchanged.

TOTAL POLLUTION EXCLUSION WITH A HOSTILE FIRE EXCEPTION

APPLICABLE TO ALL LIABILITY COVERAGES ON THE POLICY

This endorsement changes the policy. Please read it carefully.

Exclusion 4. Pollution in Common Exclusions - Coverages A, B, C and D is deleted and replaced by the following, subject to the following additional provisions:

This insurance does not apply to:

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” however caused and whenever happening.

This exclusion does not apply to:

- a. “Bodily injury” if sustained within a building and caused by smoke, fumes, vapour or soot produced by or originating 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 if that

building is, or was at any time, owned, managed, rented to others or occupied by an insured or rented to an insured; or

- b. "Bodily injury", "property damage" or "personal and advertising injury" caused by heat, smoke or fumes from a "hostile fire" if that "hostile fire" occurred or originated at or from any premises, site or location:
 - i) Which is, or was at any time, owned, managed, rented to others or occupied by an insured, or rented to an insured; or
 - ii) On which an insured or any contractors or subcontractors working directly or indirectly on behalf of an insured are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations.
- (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, decontaminate, stabilize, remediate 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".

All other terms and conditions of the policy remain unchanged.

TOTAL SNOW REMOVAL AND ICE CONTROL EXCLUSION

APPLICABLE TO ALL LIABILITY COVERAGES ON THE POLICY

This endorsement changes the policy. Please read it carefully.

The following exclusion is added to Common Exclusions - Coverage A, B, C and D.

This insurance does not apply to:

1. "bodily injury", "property damage" or "personal and advertising injury" arising out of or in connection with any operations that involve the removal or control of snow and/or ice by any means and/or methods, including but not limited to the handling, chemical spraying, salting, removal, transportation, treatment or disposal of snow, ice, or any other substance or compound that incorporates snow or ice; or
2. The "products-completed operations hazard" arising from those operations.

All other terms and conditions of this policy remain unchanged.

UNDERGROUND CABLES AND PIPES CONDITION

APPLICABLE TO ALL LIABILITY COVERAGES ON THE POLICY

This endorsement changes the policy. Please read it carefully.

Special Conditions: Underground Cables, Pipes and other Facilities

This insurance does not apply to "property damage" to existing underground cables and/or pipes or other underground facilities unless prior to the commencement of work, the insured has inquired with the relevant authorities about the exact position of such cables, pipes or other underground facilities and, wherever practical, has obtained a written response, and has taken all reasonable precautions to prevent loss or damage.

EXCEPT AS OTHERWISE PROVIDED IN THIS FORM, ALL TERMS, LIMITS, DEFINITIONS, CONDITIONS, EXCLUSIONS AND PROVISIONS OF THE POLICY TO WHICH THIS FORM IS ATTACHED SHALL HAVE FULL FORCE AND EFFECT.

UNITED STATES CONDITIONS

APPLICABLE TO ALL LIABILITY COVERAGES ON THE POLICY

It is hereby understood and agreed that in respect of:

- i) any claim made or "action" brought within the United States of America and/or territories which come under the jurisdiction of the United States of America including the enforcement by courts of any other country of any judgement originally obtained in any court of the United States of America and/or territories which come under the jurisdiction of the United State of America; and
- ii) any judgment, award, payment or settlement made within countries which operate under the laws of the United States of America (or any order made anywhere in the world to enforce such judgment, award, payment or settlement);

the following additional Conditions and Exclusions shall apply:

Conditions

1. The limits of liability are inclusive of all costs, including defence costs, fees, charges, expenses and supplementary payments.
2. the maximum amount payable in respect of all claims made under this policy shall not exceed in the aggregate the sum insured specified in the Declarations.
3. Any costs and expenses incurred during the investigation, defence and settlements shall be included with the annual aggregate limit and deductible as specified in the Declarations.

Additional Exclusions

This insurance does not apply to:

1. awards or damages of a punitive, exemplary or aggravated nature whether in the form of fines, penalties, multiplication of compensatory awards or damages, or in any other form whatsoever;
2.
 - i) any "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", anywhere in the world however caused and whenever happening;

- ii) any loss, cost or expense arising out of any:
 - a. Governmental direction or request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, decontaminate, stabilize, remediate or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - 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".
 - ;
 - iii) to any loss, cost or expense, including but not limited to costs of investigation or attorneys' fees incurred by a governmental unit or any other person or organization to test for, monitor, clean up, remove, contain, treat, detoxify, decontaminate, stabilize, remediate or neutralize, or in any way respond to "pollutants".
2. Claims based upon the *Employment Retirement Income Security Act* of 1974 and any amendment thereto, or any rules or regulations promulgated thereunder or any similar federal, state or local statutory or common law of the United States of America;
 3. Any claim arising from, directly or indirectly caused by, or contributed to by, any actual or alleged violation of the *Racketeer Influenced and Corrupt Organizations Act*, 18 USC Sections 1961 et seq., and any amendments thereto, or any rules or regulations promulgated thereunder;
 4. Any claim arising from any actual or alleged violation of any of the provisions of the *Securities Act* of 1933, the *Securities Exchange Act* 1934 or any similar Federal or State Law or any Common Law relating thereto; or
 5. Claims arising from the performance or non-performance by the insured or any director or Officer of the Insured of any duties in the capacity of duly elected Director or Officer of any company or entity.

All other terms and conditions of the policy remain unchanged.

UNITED STATES DOMICILED OPERATIONS EXCLUSION

APPLICABLE TO ALL LIABILITY COVERAGES ON THE POLICY

This endorsement changes the policy. Please read it carefully.

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto, this insurance does not apply to any claim or "action" arising directly or indirectly out of, caused by, resulting from, or in connection with any domiciled operations and/or administrative offices owned or used by or on behalf of the insured in the United States of America.

All other terms and conditions of this policy remain unchanged.

USA EXPOSURE AND JURISDICTION EXCLUSION

APPLICABLE TO ALL LIABILITY COVERAGES ON THE POLICY

This endorsement changes the policy. Please read it carefully.

This policy excludes liability for or arising out of any activity, operation, visits to, exports of goods or other exposure within the United States of America.

It is further understood and agreed that the insurance provided by this policy does not apply to:

- iii) any claim made or "action" brought within the United States of America and/or territories which come under the jurisdiction of the United States of America including the enforcement by courts of any other country of any judgement originally obtained in any court of the United States of America and/or territories which come under the jurisdiction of the United State of America;
- iv) any judgment, award, payment or settlement made within countries which operate under the laws of the United States of America (or any order made anywhere in the world to enforce such judgment, award, payment or settlement).

All other terms and conditions of this policy remain unchanged.

UNITED STATES MANUAL WORK EXCLUSION

APPLICABLE TO ALL LIABILITY COVERAGES ON THE POLICY

This endorsement changes the policy. Please read it carefully.

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" related to, arising from or directly or indirectly caused by any manual work performed by or on behalf of any insured in the United States of America.

All other terms and conditions of this policy remain unchanged.

SECTION VIII. NON-OWNED AUTOMOBILE LIABILITY

NON-OWNED AUTOMOBILE POLICY S.P.F. NO. 6

INSURING AGREEMENT

Now, therefore, in consideration of the payment of the premium specified and of the statements contained in the Declarations and subject to the limits, terms, conditions, provisions, definitions and exclusions herein stated, and those stated in the Declarations

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 workers' 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 the Declarations, 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.

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 judgement 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 the Declarations; 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 the Declarations, any automobile not owned in whole or in part by or licensed in the name of
 - (i) the Insured, or
 - (ii) such additional Insured person, or
 - (iii) any person or persons residing in the same dwelling premises as the Insured or such additional Insured person, or
- (b) any automobile hired or leased in the name of the Insured except an automobile owned in whole or in part or licensed in the name of such additional Insured person.

2. TERRITORY

This 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 on the Declarations but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

4. AUTOMOBILES OPERATED UNDER CONTRACT DEFINED

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

5. TWO OR MORE AUTOMOBILES

When two or more automobiles are insured hereunder the terms of this 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.

STATUTORY CONDITIONS

The Statutory Conditions for Non-Owned Automobile Insurance as set out in the Insurance Act of the province in which this policy covers shall form part of the policy and upon request the Insurer will make available a complete copy of the same.

S.E.F. NO. 94

**LEGAL LIABILITY FOR DAMAGE TO HIRED AUTOMOBILES ENDORSEMENT
(FOR ATTACHMENT ONLY TO A NON-OWNED POLICY S.P.F. NO. 6)**

THIS POLICY CONTAINS A PARTIAL PAYMENT OF LOSS CLAUSE

In consideration of the premium stated in the Declarations, it is understood and agreed that the policy to which this endorsement is attached is extended, subject always to the condition that the Insurer shall be liable under the subsection or subsections of the Insuring Agreement hereof for which a premium is stated and no other.

SECTION B - LEGAL LIABILITY FOR DAMAGE TO HIRED AUTOMOBILES

The Insurer agrees to indemnify the Insured against the liability imposed by law upon the Insured or assumed by him under any contract or agreement for loss or damage arising from the care,

custody or control of "Hired Automobiles" as defined in such policy and resulting from loss or damage thereto, caused solely by:

Subsection 1 - ALL PERILS - from all perils;

Subsection 2 - COLLISION OR UPSET - caused by collision with another object or by upset;

Subsection 3 - COMPREHENSIVE - from any peril other than by collision with another object or by upset;

The words "another object" as used in this subsection shall be deemed to include (a) a vehicle to which the automobile is attached and (b) the surface of the ground and any other object therein or thereon.

Loss or damage caused by missiles, falling or flying objects, fire, theft, explosion, earthquake, windstorm, hail, rising water, malicious mischief, riot or civil commotion shall be deemed loss or damage for which insurance is provided under this subsection 3.

Subsection 4 - SPECIFIED PERILS - caused by fire, lightning, theft or attempt thereat, windstorm, earthquake, hail, explosion, riot or civil commotion, falling or forced landing of aircraft or of parts thereof, rising water, or the stranding, sinking, burning, derailment or collision of any conveyance in or upon which the automobile is being transported on land or water.

DEDUCTIBLE CLAUSE

Each occurrence causing loss or damage covered under any subsection hereof except loss or damage caused by fire or lightning or theft of the entire automobile covered by such subsection shall give rise to a separate claim in respect of which the Insurer's liability shall be limited to the amount of loss or damage in excess of the amount deductible, if any, for the applicable subsection as listed in the Declarations.

TWO OR MORE AUTOMOBILES

A motor vehicle and one or more trailers or semi-trailers attached thereto shall be held to be separate automobiles with respect to the limit of liability, including the deductible provision, if any, under this Insuring Agreement.

EXCLUSIONS

The Insurer shall not be liable

- (1) for loss or damage to any automobile while personally driven by the Insured if the Insured is an individual; or
- (2) under any subsection hereof for loss or damage
 - (a) to tires or consisting of or caused by mechanical fracture or breakdown of any part of an automobile or by rusting, corrosion, wear and tear, freezing or plosion within the combustion chamber, unless the loss or damage is coincident with the other loss or damage covered by such subsection or is caused by fire, theft or malicious mischief covered by such subsection; or

- (b) to any automobile while being used without the consent of the owner thereof; or
 - (c) caused directly or indirectly by contamination by radioactive material; or
 - (d) to radios designed both for transmitting and receiving or their equipment; or
 - (e) to contents of trailers or to rugs or robes; or
 - (f) to tapes and equipment for use with a tape recorder when detached therefrom; or
 - (g) caused directly or indirectly by bombardment, invasion, civil war, insurrection, rebellion, revolution, military or usurped power, or by the operation of armed forces while engaging in hostilities whether war be declared or not; or
 - (h) for any amount in excess of the limit stated for the applicable subsection in the Declarations and expenditures provided for in the Additional Agreements of the policy to which this endorsement is attached; or
- (3) under subsections 3 (Comprehensive), 4 (Specified Perils) for a collision loss or damage occurring after theft by any person or persons residing in the same dwelling premises as the Insured, or by any employee of the Insured engaged in the operation, maintenance or repair of the automobile whether the theft occurs during the hours of such service or employment or not unless the policy provides insurance under subsections 1 or 2.

ADDITIONAL AGREEMENTS

The Insurer further agrees to pay general average, salvage and fire department charges and custom duties of Canada or of the United States of America for which the Insured is legally liable.

COVERAGE LIMITS

When any of the following Subsections are listed in the Declarations, coverage shall apply only for those Limit(s) or Amount(s) and for those Type(s) of Automobiles as listed in the Declarations for such Subsections.

Subsection 1 - All Perils

Subsection 2 - Collision and Upset

Subsection 3 - Comprehensive

Subsection 4 - Specified Perils

The advance premiums for this endorsement are subject to adjustment in the same manner as those stated in the Declarations.

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

S.E.F. NO. 96

CONTRACTUAL LIABILITY ENDORSEMENT

APPLICABLE TO THE NON-OWNED AUTOMOBILE POLICY - S.P.F. NO. 6: (FOR ATTACHMENT ONLY TO A NON-OWNED POLICY S.P.F. NO.6)

It is agreed that exclusion (c) of Section A Insuring Agreement of the Policy to which this endorsement is attached is amended to read as follows:

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

All written contracts including any other written agreement assuming the liability of others except:

- (1) Any contract or agreement assuming the legal liability of the automobile owner.
- (2) Any contract or agreement wherein the Insured has assumed liability for the sole negligence of an indemnitee.

All other terms and conditions of the policy remain unchanged.

S.E.F. NO. 99

EXCLUDING LONG TERM LEASED VEHICLE ENDORSEMENT

(FOR ATTACHMENT ONLY TO A NON-OWNED POLICY S.P.F. NO. 6)

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 on the Declarations but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

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

SECTION IX PROFESSIONAL LIABILITY

IMPORTANT INFORMATION

Please read the entire policy for further information about the following sections:

A. Your Duty of Disclosure

Before **You** enter into a contract of insurance, **You** have a duty to tell **Us** anything that **You** know or could reasonably be expected to know which is relevant to or may affect **Our** decision to insure **You** and on what terms.

You have the same duty to disclose set out above before **You** renew, extend, vary or reinstate an insurance contract. **You** are also obliged to provide prompt notice in writing to **Us** when there is a change that is material to the risk to be insured during the **Policy Period**.

B. Non-Disclosure

If **You** fail to comply with **Your** duty of disclosure above or do not tell **Us** anything **You** are required to, **We** may cancel **Your** contract or reduce the amount **We** will pay if **You** make a claim, or both.

We may also have the option of refusing to pay the claim and treat the contract as if it never existed.

C. Claims Made Policy

This policy applies on a claims made and reported basis.

This means that the policy responds only to:

- 1) **Claims** first made against **You** during the **Policy Period** and notified to **Us** in writing during the **Policy Period**, provided that **You** were not aware at any time prior to the policy inception of circumstances which would have put a reasonable person in **Your** position on notice that a **Claim** may be made against him/her; and
- 2) **Claims** made against **You** after the expiration of this policy provided such **Claims** arise out of facts that **You** have notified to **Us** in writing during the **Policy Period** as required under this policy.

D. Retroactive Date and Prior Acts Period

This policy contains a **Retroactive Date**. This means that coverage is excluded for any claim arising from a **Wrongful Act** occurring or committed prior to the **Retroactive Date**.

There are also different **Limits of Liability** for any covered **Claims** for **Wrongful Acts** which occurred after the **Retroactive Date** but before the inception of this policy.

E. Statutory Conditions

Appendix 1 contains the statutory conditions that are applicable to this policy.

PROFESSIONAL LIABILITY POLICY

This is a “claims-made and reported” policy. This policy requires that a claim be made against the insured during the policy period and reported to **Us**, in writing, during the policy period.

Words and phrases that appear in bold have special meanings. Refer to Section V – Definitions.

In reliance upon the statements contained in the application for insurance and any other supplemental materials and information submitted, and subject to all the terms and conditions of this policy, **We** agree with the **Named Insured** as follows:

SECTION I. COVERAGES

1. Insuring Agreements

A. Coverage A – Professional Liability

We shall pay those sums in excess of the **Deductible** which the **Insured** shall become legally obligated to pay as **Damages** as a result of a **Claim** first made against the **Insured** during the **Policy Period** and reported to **Us** during the **Policy Period**, or Extended Reporting period (if applicable) arising out of a **Wrongful Act**, provided that:

- i. The **Wrongful Act** must have been committed or alleged to have been committed on or after the **Retroactive Date** stated in the **Declarations**; and
- ii. None of the **Insured’s** directors, officers, principals, partners or insurance managers knew or could have reasonably expected that such **Wrongful Act** might give rise to a **Claim**, either prior to the inception date of this policy, or the inception date of any earlier policy where this policy is issued by **Us** as a continuous renewal or replacement of such earlier policy issued by **Us**;
- iii. The **Claim** for **Damages** arises solely out of a **Wrongful Act** performed in the course of the **Named Insured’s Professional Services** as set out in the **Declarations**;
- iv. The loss or damage arising out of the **Wrongful Act** as well as the **Wrongful Act** occurred within the territorial limits of Canada and/or the United States of America (including its territories and possessions) provided the **Insured’s** responsibility to pay **Damages** is determined in an action on the merits in Canada or in a settlement we agree to; and
- v. The **Insured** provides written notice in accordance with the Notice of Claims conditions of this policy.

B. Extensions of Coverage

1) Extended Reporting Provision

In the event of non-renewal or cancellation of this policy for any reason by **You**, or if **We** should refuse to renew this policy for reasons other than non-payment of premium, fraud, material misrepresentation, unreported material changes, concealment of facts, or material breach of any provision of this policy, then **We** shall provide the Extended Reporting Period as described below and on the following terms:

- a) **You** shall be entitled to a period of twelve (12) months from the effective date of the cancellation or non-renewal to report **Claims** which are first made against **You** and reported to **Us** (in writing in accordance with the policy terms) during the twelve (12) month extension period but only as respects **Wrongful Acts** that occurred after the **Retroactive Date** and prior to the effective date of the cancellation or non-renewal. Such **Claims** shall be deemed to have been made and reported during the **Policy Period**;
- b) No Extended Reporting Period shall apply if the **Insured** has purchased another similar policy to cover its liability.
- c) In the event an **Insured** has purchased replacement coverage for this policy, the said twelve (12) month Extended Reporting Period will terminate upon the earlier of the effective date of such replacement coverage or the twelve (12) months.

All other provisions of this policy, including those relating to the **Limit of Liability** are unchanged by the extended reporting provisions. This extension shall not in any way increase the **Limits of Liability** of this policy. The **Limit of Liability** for the Extended Reporting Period shall be part of and not in addition to the **Limit of Liability** set out in the **Declarations** for Professional Liability.

2) **Loss of Documents**

We shall indemnify the **Insured** in respect of any sums the **Insured** becomes legally obligated to pay for the reasonable and necessary costs of repair, replacement and/or reconstitution of any **Document** which has been unintentionally destroyed, damaged beyond reasonable use, lost or mislaid during the **Policy Period** and which after diligent search cannot be found.

Provided always that:

- a) Such loss or damage is suffered, first discovered, and notified to **Us** during the **Policy Period** and in any event within 10 days of discovery;
- b) The amount of any costs as above shall be supported by bills, and/or accounts;
- c) No indemnity shall be afforded in relation to any **Document** kept in magnetic or electronic form; and
- d) The maximum amount payable by **Us** under this clause is limited to \$50,000 per **Claim** and \$50,000 in aggregate for each **Policy Period**.

For the purposes of this extension only, **Documents** shall mean deeds, wills, agreements, maps, plans, records, written or printed books, letters, certificates or written or printed documents and/or forms used in connection with **Your Professional Services** for others; **Documents** shall not include any bearer bonds or coupons, stamps, coins, currency, bank notes and bullion, travellers' cheques, cheques, postal orders, money orders, securities or any other negotiable paper.

The **Deductible** for this Loss of Documents extension is \$1,000, unless otherwise set out in the **Declarations**.

3) **Compensation for Court Attendance**

In the event **We** or **Our** legal advisers require an **Insured** to attend court, arbitration, adjudication, deposition or other similar legal process in the defence of a **Claim** covered by this policy, **We** shall reimburse an **Insured** (up to the applicable sub-limits and maximum amounts) for the **Insured's** actual loss of wages and reasonable expenses incurred as a result.

The maximum amount payable under this extension shall not exceed \$500 per person per day capped at \$5,000 per person in total and subject to the aggregate limit of \$10,000 per **Policy Period** for this extension.

Reimbursement will be made upon the **Insured's** written request and shall include documentation adequate to support the expense amount requested.

4) **Additional Insured by Contract**

If otherwise covered under this policy, **We** shall indemnify any person, corporation, firm or organization (hereinafter called **Additional Insured by Contract**) for which **You** have contracted to provide insurance, but only with respect to vicarious liability that arises out of **Your** covered **Professional Services** performed under such contract and only to the extent required by such contract.

The insurance provided for such **Additional Insured by Contract** has no application to the **Additional Insured by Contract's** own negligence which is expressly excluded.

5) **Peer Review Reimbursement**

Upon written request made by **You** during the **Policy Period**, at **Our** sole discretion, we will reimburse **You** for fifty percent (50%) of the costs incurred by **You** in connection with a peer review program conducted by a qualified national professional society.

This extension only applies where the peer review program conducted arose directly from a **Wrongful Act** which is the subject of a covered **Claim**.

The maximum amount We will pay under this extension is \$5,000 per **Policy Period** regardless of the number of such peer review programs that may occur during the **Policy Period**.

Any limit specified in the above extensions of coverage are sub limits and shall be part of, not in addition to, the applicable **Limit of Liability** set forth in the **Declarations**.

2. Defence and Defence Expenses

With respect to such coverage as is afforded by Section I.1. Insuring Agreements of this policy:

- a. **We** shall have the right and duty to defend, including the right to select legal counsel, any **Claim** covered by this policy and shall pay any **Defence Expenses** for such **Claim**.
- b. **Defence Expenses** shall be part of, not in addition to, the **Limit of Liability** set forth in the **Declarations**. **Defence Expenses** reduce the applicable **Limit of Liability** set forth in the **Declarations** and as described in Section VIII Limits of Liability of the policy.
- c. **Our** duty to defend or continue to defend any **Claim** or to pay any **Defence Expenses** or **Damages** or any other amount to which the policy applies shall cease upon exhaustion of the applicable **Limit of Liability** set out in the **Declarations** by the payment of **Damages** and/or **Defence Expenses** or any amount under the Extensions of Coverage.
- d. The **Insured** agrees not to settle any **Claim**, incur any **Defence Expenses** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without **Our** express written consent. **We** shall not be liable for any **Damages, Defence Expenses**, assumed obligation or admission to which **We** have not consented. **We** shall have the right to make such investigation and conduct negotiations and, subject to subsection 4. Consent to Settlement, enter into such settlement of any **Claim** as **We** deem expedient.

3. Policy Territory

This policy only applies to **Claims** made in Canada arising from a **Wrongful Act** rendered in Canada or the United States of America which results in injury or loss sustained in Canada or the United States of America.

Provided always that such parties seeking coverage under the policy shall observe, fulfil and be subject to the terms, conditions, exclusions, extensions and endorsements of this policy.

4. Limits of Liability

Defence Expenses will reduce the **Limits of Liability** under this policy. The **Limits of Liability** are also reduced by any coverage under the extensions of coverage set out above.

- a. **Limits**

The **Limits of Liability** stated in the **Declarations** and as described below, are the most **We** will pay regardless of the number of **Insureds, Claims**, individuals or entities making **Claims** or number of parties against whom a **Claim** is made.

b. **Each Claim(s)**

The Each Claim **Limit of Liability** set out in the **Declarations** is **Our** maximum liability for the sum of all **Damages, Defence Expenses**, extensions and all other amounts covered by the policy for each covered **Claim**. This limit applies as excess over any **Deductible** amount.

c. **Prior Acts Each Claim**

Paragraph 4. b. above does not apply to a **Claim** arising out of a **Wrongful Act** committed during the **Prior Acts Period**, if any.

Coverage for each **Claim** arising out of a **Wrongful Act** committed during the **Prior Acts Period** shall be the lesser of:

- The Each Claim **Limit of Liability** set out in the **Declarations**; or
- The lowest applicable each claim limit of insurance in any policy providing similar coverage which was in force during the **Prior Acts Period**.

The Prior Acts each claim limit set out above is **Our** maximum liability for the sum of all **Damages, Defence Expenses**, extensions and all other amounts covered by the policy for each covered **Claim**.

d. **Aggregate Limit**

The total amount payable by **Us** under this policy for the sum of all **Damages and Claims** inclusive of all **Defence Expenses**, extensions and any other amounts covered under the policy in any one **Policy Period** shall not exceed the **Aggregate Limit of Liability** set out in the **Declarations**.

The **Aggregate Limit** for the **Policy Period** may not be aggregated or transferred, in whole or in part, so as to provide additional **Limits of Liability** in respect of **Claims** covered under any other **Policy Period**.

e. **Sub Limits**

Any applicable limit of liability available under any Extension of Cover or any endorsement or as set out in the **Declarations** shall be deemed to be part of and not in addition to the **Limit of Liability**, unless otherwise expressly stated.

f. **Multiple/Related Claims**

One or more covered **Claims** arising out of the same or related **Wrongful Acts** shall be deemed to be a single **Claim** made on the date the earliest of the same or related

Claims was made and all **Damages** or **Defence Expenses** for such a single **Claim** shall be subject to one Each Claim Limit of Liability and only one **Deductible** amount shall thereto apply.

Notwithstanding the above, where any of the same or related **Wrongful Acts** occurred during the **Prior Acts Period**, then the entire deemed single **Claim** shall be subject to one Prior Acts Each Claim **Limit of Liability** as described in paragraph 4. C. above.

This policy applies only if the earliest related **Claim** is made against the **Insured** during the **Policy Period** in the **Declarations** and reported to **Us** in writing during that **Policy Period** or the extended reporting period in accordance with the conditions of this policy.

g. **Termination of Obligations under Policy**

All **Our** obligations arising from this policy shall terminate if the applicable **Limit of Liability** set out in the **Declarations** has been exhausted by payment of **Damages** and/or **Defence Expenses** or extensions or any other amount in the defence, settlement or satisfaction of any **Claim** or aggregation of **Claims**.

5. Deductible

The **Deductible** amount stated in the **Declarations** or otherwise within this policy shall be borne by the **Insured. We** shall only be liable for the amount of any **Damages**, coverage extensions, **Defence Expenses** or any other amount covered under this policy which is in excess of the **Deductible**.

The applicable **Deductible** amount shall apply to each and every **Claim**. A single **Deductible** amount shall apply to **Damages**, coverage extensions and **Defence Expenses** arising from all **Claims** alleging the same or related **Wrongful Act(s)**.

Where two or more **Deductibles** may apply, the larger of the **Deductibles** will be applied.

We may advance the payment of such **Deductible** in order to facilitate the settlement or defence of a **Claim**, in which event, the **Insured** shall reimburse **Us** for such amount within 30 days of receipt of **Our** statement in respect thereof.

SECTION II. EXCLUSIONS

A. Common Exclusions

This policy does not cover any liability or **Claim** directly or indirectly caused by or contributed to by, based upon, or arising out of or attributable to the following. These exclusions apply regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the loss or damage.

1. Known Claims or Wrongful Acts or Circumstances

- a. Any **Claim** or **Wrongful Act** which has been or ought to have been notified under any other policy of insurance in force prior to the inception of this policy;
- b. **Claims** or any fact or circumstances that may reasonably give rise to a **Claim**, whether disclosed in the application or not, in any way known to any **Insured** prior to the effective date of this policy (or of the initial policy issued by **Us** if this policy forms part of a continuous series of renewals).
- c. Any **Claim** which is based upon, arising from or in consequence of:
 - i. Any fact or circumstances which could reasonably be foreseen to give rise to a **Claim** if written notice of such circumstance has been given, or ought to have been given under any other policy;
 - ii. Any fact or circumstances which could reasonably be foreseen to give rise to a **Claim** of which the **Insured** was actually aware or ought reasonably to have been aware prior to the inception date of this policy.

2. **Retroactive Date**

Any act, error, omission or event committed or occurring wholly or in part prior to the **Retroactive Date** shown in the **Declarations**.

3. **Injury and Damage**

Bodily Injury, Property Damage, or Personal and Advertising Injury unless arising directly from a **Wrongful Act**.

4. **Dishonest or Fraudulent Acts**

Any dishonest, fraudulent, malicious, or criminal act, error or omission, or any intentional act or omission committed or condoned by any **Insured** or at the **Insured's** direction or with any **Insured's** prior knowledge or any act, error or omission committed in willful breach of or in reckless disregard of any statute, regulation, contract or duty by any **Insured**.

5. **Project Specific**

Any project that is insured under a project specific insurance policy, provided, however, that this exclusion shall not apply where **Your** liability is found to be in excess of the limits of liability under such project specific insurance policy which has been specifically included for excess coverage by endorsement to this policy.

6. **Benefit by Insured**

Any **Insured** gaining any profit, remuneration or advantage to which such **Insured** was not legally entitled.

7. **Loss of Financial Instruments**

Loss of property, money, securities, crypto-currencies, non-fungible tokens, or financial instruments. This exclusion, however, shall not apply to the specific coverage in the extension for Loss of Documents.

8. Abuse

i) corporal punishment, sexual or physical abuse, sexual exploitation, transmission of disease or other harmful acts by any **Insured** or;

a) any occupant or resident of the **Insured's** operation or premises;

b) any **Employee** or **Volunteer Worker** of any **Insured**;

c) any **Volunteer Worker**.

ii) the actual or threatened abuse or molestation by anyone while in the care, custody or control of any **Insured**; or

iii) the negligent employment, investigation, supervision, reporting to the proper authorities or failure to so report, or retention of a person for whom any **Insured** is or ever was legally responsible and whose conduct would be excluded under paragraph (i) or (ii) above.

9. Fees Claimed Back

Any fees, expenses, payments, or amounts claimed back by a customer of the **Insured** or any overcharging or improper receipt of fees by the **Insured** or any business managed or carried on by the **Insured**.

10. Contractual Liability

Liability assumed by the **Insured** under any contract or agreement, whether express or implied, in fact or in law, written or oral including, but not limited to, hold harmless and indemnity clauses, certifications or penalty clauses. This exclusion does not apply to liability for **Damages** for which the **Insured** would have been liable for in the absence of such contract or agreement.

11. Aviation and Marine

Coverage for any **Claim** which relates to a loss arising out of or related to the Aeronautics, Aviation or Marine industry is excluded.

This includes, but is not limited to, any act, error, omission, or failure to act, or any activity, services or operations related to, arising out of, or for use in or with:

- a. The aviation, avionics or aeronautics industry, including but not limited to **Aeronautical Products**, aircrafts, spacecraft or other aerial device, aircraft industry, air carriers, air navigation services, **Aerodromes**, air traffic control services, aviation reservation systems, any electronics or parts fitted or intended

to be fitted in an aircraft, the design, study, building and flying of any aircraft or any related parts, and aerospace or aviation products, software, services or technology.

- b. The marine industry, including but not limited to **Marine Products**, hovercraft, watercraft, cargo, hull, and other marine liabilities, repair of watercraft or ships, use, ownership or operation of any wharfs, terminals, or marine charters, marine shipping industry, navigation services, marine traffic control services, any electronics or parts fitted or intended to be fitted in any watercraft, the design, study, building and operation of any watercraft or any related parts and any marine related products, software, services or technology.

12. Performance Delay

A default by or on behalf of any **Insured** with respect to the delay in performance or non-completion of any contract or agreement. However, this exclusion does not apply to delay in performance due to a **Wrongful Act** by the **Insured**.

13. Natural Resource Damage

Physical injury to or destruction of, including the resulting loss of value of land, fish, biota, air, water, groundwater, drinking water supplies, and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by any federal, provincial, territorial, Indigenous, or municipal government, or any agency, board or commission thereof, or any foreign government.

14. Owned Property or Property in the Care of the Insured

- a. **Property Damage** to any real or personal property at any time owned or occupied by or rented or leased to any **Insured** or any persons or entity for whom any **Insured** is legally liable.
- b. **Property Damage** to any real or personal property loaned to, held for sale by, or in the care, custody or control of an **Insured**, including for warehousing purposes.

This exclusion does not apply to the specific coverage provided in the extension for Loss of Documents.

15. Automobiles, Mobile Equipment, Aircraft, Watercraft

The ownership, possession, rental, lease, maintenance, use, operation, repair or loading or unloading by an **Insured** or on an **Insured's** behalf of any automobile, trailer, mobile equipment, aircraft, aerospace craft, watercraft, hovercraft unmanned aerial vehicles (UAV), or drones.

16. Licensing

The **Insured** or its contractors failing to be properly licensed, registered or accredited to provide services in the course of its business as required by law or other regulation.

17. Employment Liability

The **Insured's** employment-related practices, acts or omissions, obligations, decisions, or policies as an employer, including but not limited to:

- a. any **Claim** based upon or arising out of unlawful discrimination by the **Insured** against the **Insured's** personnel or employment applicants.
- b. Refusal to employ any person;
- c. Termination of any person's employment; or
- d. Demotion, evaluation, reassignment, discipline, defamation, harassment or humiliation directed at any person.

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 damages with or repay someone else who must pay damages because of the injury.

18. Asbestos and Silica

Inhalation of, contact with, exposure to, use of, existence of, or presence of, or in any way relating to any asbestos or any material containing asbestos in whatever form or quantity, or exposure to silica, silica products, silica fibres or silica dust 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 silica or any material containing asbestos or silica.

19. Lead

Inhalation of, contact with, exposure to, use of, existence of, or presence of, or in any way relating to lead, lead products, lead-paint or any other material, substance or product containing lead 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 lead or any material containing lead.

20. Intellectual Property

- a. Misuse, misappropriation, or infringement of any patent or trade secret, copyright, trademark, service mark, design right, registered design right, or any other intellectual property, including but not limited to illegal uploads, downloads or file sharing, or any form of digital piracy;
- b. Failure to make licensing fee or royalty payments;
- c. Passing off;

- d. Theft or misuse of confidential information or other intellectual property, computer systems or programmes of others.

21. Directors, Officers or Employees

The managerial or supervisory liability of any director, officer or **Employee** of any **Insured**.

22. Waste Treatment

The treatment, storage, recycling, processing, or disposal of any waste material or **Pollutant**.

23. Oil and Gas

- a. Loss of or damage to any **Underground Resources**;
- b. Any costs and expenses incurred in restoring the place of exploration and/or exploitation to a safe and workable condition; or
- c. Any costs and expenses incurred in the removal of tangible property from the place of exploration and/or exploitation.

24. Energy Industry

Any act, error, omission, or failure to act, or any activity, services or operations related to, arising out of, or for use in any industry or operations involved in the exploration, production, marketing, storage, transport, supply or sale of energy, including but not limited to, onshore and offshore energy risks, power-generation technologies, seismic surveys, drilling and construction of energy industry related structures, power generation, electricity transmission, oil and gas pipeline transportation, oil and gas store and refining, operation of power plants, energy utilities, refineries, petrochemical plants, wind power and solar energy. This exclusion applies to both non-renewable energy (e.g. oil and petroleum, gasoline, natural gas, diesel fuel, and nuclear) or renewable energy (e.g. hydropower, solar power and wind power).

25. Mining Industry

Any act, error, omission, or failure to act, or any activity, services or operations related to, arising out of, or for use in Mining industry or operations, including but not limited to, surface and underground operations, above-ground open pit mines, underground mines, smelting and refining operations for metals, coal mines, nonmetal mines, precious metal mines, mining processors and all operations related to the exploration, extraction, beneficiation and processing of minerals and other geological materials from the earth.

26. Real Estate

Any valuation of any residential or commercial property.

27. Trading

Any trading loss or trading liability incurred by the **Insured** or any business managed or carried on by or on behalf of the **Insured** (including the loss of any client account or business);

28. Investment and Financial

- a. Any depreciation or loss of investments when the depreciation or loss is as a result of any fluctuation in any financial stock or commodity markets when such fluctuation is outside the influence or control of the **Insured**;
- b. Dealings of any nature by which it is sought to affect the price of, or market in, any shares or debentures of any company or commodity or currency, or any negotiable instrument, other than dealings carried out in accordance with the laws, rules and regulations applicable to such dealings;
- c. The arrangement of any finance or credit by the **Insured**; or
- d. Estimates of profit, return on capital, economic return or other estimates giving rise to forecasts of economic return.

29. Securities and Pensions

- a. Any purchase, sale, offer or solicitation of an offer to purchase or sell securities, or violation of any of the provisions of the *Securities Act*, RSBC 1996, c. 418, and associated *Securities Regulation* and *Securities Rules*, the *Securities Act*, RSO 1990, the *Securities Act* of 1933 of the United States of America, the *Securities Exchange Act* of 1934 of the United States of America, as well as any national, multi-lateral, and provincial instruments regulating trading in securities and derivatives or any similar provincial, federal, territorial, state or foreign statute or regulations or securities law or any rules or amendments thereto.
- b. antitrust violations, restraint of trade, misappropriation of trade secrets or unfair competition or violations of the *Competition Act*, RSC 1985, c. C-34 and amendments thereto (or any regulations promulgated thereunder) or by any similar provisions of any federal, provincial, territorial, state or local statutory, civil or common law.
- c. any violation of the responsibilities, obligations or duties imposed by the *Canada Pension Benefits Standards Act*, R.S.C. 1985, c. 32 (2nd Supp.), the *Pension Benefits Standards Act*, SBC 2012, c. 30, the *Ontario Pension Benefits Act*, R.S.O. 1990, c. P.8, the *Employee Retirement Income Security Act* of 1974 of the United States of America and amendments thereto (or any regulations promulgated thereunder) or by similar provisions of any federal, provincial, territorial, state or local statutory, civil or common law.

30. Insurance

The advising, acquiring, or requiring of, or failure to advise, acquire, or require or failure to maintain any form of insurance, surety or bond, either with respect to the **Insured** or any other person or entity.

31. Excluded Professional Services:

The performance of or failure to perform **Professional Services** in any of the following industries, professions, or capacities:

- a. Legal services;
- b. Architect and engineering services;
- c. Auditing services, including auditing services provided as part of any accounting or bookkeeping services;
- d. **Technology Services;**
- e. Insurance services, including third-party administrator or actuarial services;
- f. Real estate sales or marketing services;
- g. **Health Care Services;**
- h. Laboratory services or clinical research agencies or organizations;
- i. Life sciences, pharmaceuticals, biotechnology, medical devices, research, development and clinical trials, nutraceuticals, medical technology, and digital health;
- j. Oil and gas, mining, energy, marine, aerospace, aeronautics or aviation, lead or asbestos remediation, and waste management.

These exclusions apply regardless of whether such professional service was ordinary to any **Insured's** profession and regardless of whether or not a **Claim** is brought by any client or by any other person or entity.

32. Warranties and Guarantees

Express or implied warranty, guarantee, penalty clause, cost guarantee or cost estimate. However, this exclusion does not apply if the **Insured's** liability would have attached in the absence of such warranties, guarantees and penalty clauses.

33. Workers Compensation

Under workers' compensation, unemployment compensation or disability benefits law or similar law.

34. Alcohol, Narcotics and Intoxicants

Any **Insured** being under the influence of alcohol, intoxicants or narcotics.

35. Absolute Pollution

Any actual or threatened presence, discharge, dispersal, release, seepage, migration, disposal or escape of **Pollutants** into, in or on any real or personal property, the atmosphere or any water-course or body of water or any cost or expense arising out of any direction, request or voluntary action to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any **Pollutants**.

36. Fungus and Microbial Matter

Any actual or threatened inhalation of, ingestion of, contact with, exposure to, existence of, growth or presence of, or failure to detect, report, test for, monitor, clean up, remove, contain, dispose of, treat, detoxify or neutralize, or in any way respond to, assess the effects of, prevent or advise of the existence of any **Microbial Matter**.

37. Nuclear

- a. Liability imposed by or arising from any nuclear liability act, law, statute or regulation, or any law amendatory thereof;
- b. **Damages** or a **Claim** with respect to which an **Insured** under this policy is also insured under a contract of nuclear energy liability insurance (whether or not 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. **Damages** or a **Claim** resulting directly or indirectly from the **Nuclear Energy Hazard** arising from:
 - i. The ownership, maintenance, operation or use of a **Nuclear Facility** by or on behalf of an **Insured**;
 - ii. The furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **Nuclear Facility**;
 - iii. The possession, consumption, use, handling, disposal or transportation of **Fissionable Substances**, or of other **Radioactive Material** (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be useable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an **Insured**.

38. Terrorism

Terrorism or any activity or decision of a government agency or other entity to prevent, respond to or terminate **Terrorism**.

39. War

War, invasion, act of foreign enemy, hostilities (whether war be declared or not), act of foreign enemy, civil war, rebellion, revolution, insurrection or military power, martial law or confiscation by order of any government or public authority.

40. Network Breach

Network Breach, Network Security Breach or theft or misuse of any **Data**.

41. Cyber Risk

Personal Data Compromise. Any expenses arising from or in any way related to or caused or contributed to by a **Personal Data Compromise** are also excluded from coverage.

42. Computer Virus and Content

- a) The failure to prevent unauthorized access to, unauthorized alteration of or any unauthorized use of any computer system, hardware, program, network, software product or any other electronic system or product, or the unauthorized introduction of a computer virus, **Malicious Code**, or similar program to any of the foregoing;
- b) The transmission of **Malicious Code**, including any malicious or inappropriate email;
- c) Any content published on the **Insured's** own website.

43. Electric Power Supply Change

- a. Any change in electric power supply, including power interruption or surge, brownout (i.e. the reduction in power supply due to drop in voltage), blackout (i.e. the total interruption of electric power supply), short circuit, over voltage, introduction or power fluctuations.
- b. Planned or unplanned service interruption caused by or at the direction of any entity, other than **You**, that provides third parties with access to the internet or provides third parties with any services available on the internet; or
- c. Interruption, surge, brownout, blackout, short circuit, over voltage, introduction or power fluctuations to any government or private utilities or elements of infrastructure, including gas, water or telephone (online, wireless or other).

44. Satellite Failure

The failure of any satellite.

45. Electronic Fund Transfer

The monetary value of any electronic fund transfer that is lost or damaged during transfer into or between accounts.

46. Games of Chance

Sweepstakes, contests, lottery, games of chance, promotional game, special offers or coupons, gaming or gambling.

47. Use of Information

Unauthorized collection, use or dissemination of internet user information through web cookies or other online profiling processes by or on behalf of any **Insured**;

48. Unsolicited Communications

Transmission or dissemination of unsolicited commercial electronic mail or facsimiles or the maintenance of a chat room, bulletin board, or other forum.

Nor does the policy cover:

49. Data

Data or any loss or damage caused directly or indirectly by or arising from a **Data Problem**.

50. Non-Compensatory Damages

Fines, penalties, punitive or exemplary damages, including but not limited to damages which are a multiple of compensatory damages.

51. Employee

Any **Claim** against an **Insured** by an **Employee** of an **Insured**.

52. Insured versus Insured

Any **Claim** brought or maintained by, on behalf of, or in the right of any **Insured**, including any bankruptcy or insolvency trustee, receiver, examiner, liquidator, or similar official for any **Insured** in any respect, against any other **Insured**.

53. Associated Entities

Any **Claim** by or on behalf of, or in the name or right of, any entity:

- a. Operated, controlled or managed by any **Insured**;
- b. That any **Insured**, or any **Insured's** spouse or domestic partner, individually or collectively with one or more **Insured** has an ownership interest of fifty percent (50%) or more;
- c. that maintains any ownership interest in any **Insured**;
- d. that manages or operates any **Insured**; or
- e. that is owned by the parent company of both an **Insured** and that entity.

54. Directors & Officers

Any **Claim** made against any **Insured's** directors, trustees or officers arising from any unlawful or negligent act, error or omission, actual or alleged breach of trust, breach of warranty of authority, or breach of duty committed or attempted by such director or officer where such **Claim** is made solely by reason of his holding the position of director or officer and having acted in that capacity, including but not limited to any claim arising from any statement, representation or information regarding the business contained within any accounts, reports or financial statements.

55. Sanctions

We shall not be deemed to provide cover and shall not be liable to pay any **Claim** or provide any benefit hereunder, to the extent that the provision of such cover, payment of such **Claim** or provision of such benefit would conflict with or expose **Us** to any sanction, prohibition, restriction or penalty under United Nations resolutions or the trade or economic sanctions, laws or regulations of Canada, the European Union, United Kingdom or United States of America.

56. Jurisdiction and Territorial Limits

- a. Legal proceedings brought in a Court of Law outside of Canada or brought in a Court of Law within Canada to enforce a judgment or order made in any Court of Law outside of Canada; or
- b. Any **Claim** directly or indirectly caused by or contributed to by, or arising from a **Wrongful Act** which occurred outside of Canada and/or the United States of America (including its territories and possessions).

57. Insolvency or Bankruptcy

Solely due to insolvency or bankruptcy of any Insured.

SECTION III. CONDITIONS

A. Common Conditions

1. Notice and Reporting

- a. All notices under this policy shall be in writing and given by prepaid express courier, certified or registered mail or email properly addressed to the appropriate party at the **Notice Address** set out in the **Declarations**.
- b. Written notice of a **Claim** or facts or circumstances which may reasonably be expected to give rise to a **Claim** shall be given to **Us** as soon as it becomes known and while this policy is in force. Failure to give notice of a **Claim** or of facts or circumstances which may reasonably be expected to give rise to a **Claim** as soon as it becomes known shall not affect the right of any of the **Insureds** who did not have knowledge of the **Claim** or facts or circumstances provided notice is received while the policy is in force.

Failure to notify **Us** in writing as soon as the **Claim** or facts or circumstances becomes known may forfeit the **Insured's** right to indemnity if such failure causes prejudice to us.

- c. As a condition precedent to the coverage hereunder:
 - i. In the event of a **Claim**, written notice containing particulars sufficient to identify the **Insured** and all reasonably obtainable information with respect to the time, place and particulars thereof, and the names and addresses of available witnesses, shall be given by or for the **Insured** to **Us** as soon as practicable.
 - ii. If a **Claim** is made against the **Insured**, the **Insured** shall, as soon as practicable, forward to **Us** every demand, notice, summons, order or other process received by the **Insured** or the **Insured's** representative. This requirement continues throughout the life of the **Claim**.
- d. If any **Insured** becomes aware of facts or circumstances which may reasonably be expected to give rise to a **Claim** for which this policy may apply, and if, during the **Policy Period**, the **Insured** gives written notice containing details of:
 - i. The specific circumstances which could reasonably be expected to give rise to a **Claim**;
 - ii. The alleged **Wrongful Act**;
 - iii. The specific nature and extent of the injury or damage which has been sustained or which may result from the circumstances; and
 - iv. How the **Insured** became aware of such facts or circumstances,

Then any **Claim** that may subsequently be made against the **Insured** arising out of such facts or circumstances shall be deemed to have been made on the date first written notice was received by us. This right conferred upon the **Insured** in this paragraph shall terminate at the end of the **Policy Period** and shall not exist during any Extended Reporting Period.

2. Duties in the Event of a Claim

- a. Pursuant to Condition A. 1. Notice and Reporting, **You** shall give written notice containing particulars sufficient to identify the **Insured**, time, place and underlying circumstances of the **Claim** to **Us**.
- b. The **Insured** shall admit no liability, make no payments, assume no obligation and incur no expense related to such **Claim** without **Our** prior written consent.
- c. When a **Claim** is made against an **Insured**, the **Insured** shall immediately forward to **Us** every demand, notice, summons or other process received by the **Insured** or its representatives.

- d. The **Insureds** shall cooperate with **Us** and, upon **Our** request, assist in making settlement and in the conduct of suits. The **Insured** shall attend hearings, trials and depositions and shall assist in securing and giving evidence and in obtaining the attendance of witnesses.
- e. The **Insured** shall not demand to or agree to arbitration of any **Claim** without **Our** prior written consent. Such consent shall not be unreasonably withheld.
- f. The **Insured** shall, upon **Our** request, assist **Us** in enforcing any rights of contribution or indemnity against another who may be liable to the **Insured**.

3. Settlement and Cooperation

- a. The **Insureds** shall provide **Us** with all information, assistance and cooperation which **We** reasonably request and agree that in the event of a **Claim**, the **Insureds** will do nothing that shall prejudice **Our** position or **Our** potential or actual rights of recovery.

4. Consent to Settlement

We shall not settle any **Claim** without the prior written consent of the **Insured**. If however, the **Insured** refuses to consent to a settlement recommended by **Us**, **Our** duty to defend shall then cease and the **Insured** shall thereafter, at the **Insured's** own expense, negotiate or defend such **Claim** independently of **Us**, and **Our** liability shall be limited to the amount of **Damages** for which the **Claim** could have been settled, had such settlement been consented to and to the **Defence Expenses** incurred up to the time of the **Insured's** refusal.

5. Representations

By acceptance of this policy, **You** agree that the statements in the application for this policy are **Your** agreements and representations and that this policy is issued in reliance upon the truth of such representations.

6. Examination, Audit and Inspection

We may examine and audit the **Insured's** books, records and operations at any time during the **Policy Period** and up to three years afterwards, to the extent they relate to the subject matter of this policy.

7. Cancellation/Termination

- a. This policy may be cancelled by the **Named Insured** at any time by prior written notice to **Us** at the applicable **Notice Address** stating the effective time of such cancellation. If **You** cancel the policy, **We** shall retain the greater of the minimum retained premium or the short rate proportion of the premium set out in Section X Additional Conditions 11. Short Rate Cancellation Table of this policy.
- b. The policy may be cancelled by **Us** by giving to the **Named Insured** at the address shown on the **Declarations** 15 days written notice of termination by registered mail or 5 days written notice of termination personally delivered. The 15 days period

referred to in this provision starts to run on the day the registered letter or notification of it is delivered to the **Insured's** postal address.

- c. If **We** cancel for any reason, the earned premium shall be computed pro-rata of the policy term subject to the minimum retained premium specified in the Section X Additional Conditions 11. Short Rate Cancellation Table of this policy. Payment of any return premium shall not be a condition of cancellation.

8. Action Against Insurer

- a. Except in jurisdictions where this provision is unenforceable, no action will lie against **Us** unless, as a condition precedent thereto, there has been full compliance with all terms of this **Policy**, and the amount of the **Insured's** obligation to pay **Damages** has been fully determined either by judgement entered in a court of law against the **Insured** after a trial on the merits or by written agreement among the **Insured**, the claimant(s) and **Us**.
- b. Any person or organization who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy.
- c. No person or organization has any right under this policy to join **Us** as a party to any action against any **Insured** to determine the **Insured's** liability, nor shall **We** be the **Insured** or the **Insured's** legal representatives.
- d. **Your** bankruptcy or insolvency shall not relieve **Us** of **Our** obligations hereunder.

9. Assignment

Assignment of any interest under this policy shall not bind **Us** unless and until **Our** written consent is endorsed hereon.

10. Subrogation

In the event of any payment under this policy, **We** shall be subrogated to all of the **Insured's** rights of recovery therefore against any person or organization and the **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

11. Waiver of Subrogated Rights

The **Insured** shall not surrender any right of recovery that it may have against another party without **Our** prior written consent. Failure to comply with this condition may permit **Us** to reduce any payment under this policy to the extent that prejudice has been suffered.

12. Changes

This policy contains all the agreements between **You** and **Us** concerning the insurance afforded. This policy's terms can be amended, waived or otherwise changed only by endorsement issued by **Us** and made a part of this policy.

13. Other Insurance

This policy is excess over any other valid and collectible insurance available to the **Insured**, whether such insurance is stated to be primary, excess, contingent or otherwise. This does not apply to insurance which is written to apply specifically in excess of the insurance under this policy.

14. Multiple Coverages – Anti Stacking

In the unlikely event there is coverage under multiple policies issued by **Us**, only the highest single limit shall apply and **Our** total liability under all policies will be no more than the highest limit of one of those policies.

15. Severability

Except with respect to the **Limit of Liability** and any rights or duties specifically assigned to **You**, or otherwise specifically provided under the policy, this insurance applies:

- a. As if each **Insured** were the only **Insured**;
- b. Separately to each **Insured** against whom a **Claim** is made; and
- c. Misrepresentation, concealment or breach of condition or violation of any duty under this policy by one **Insured** shall not prejudice the interest or coverage of another **Insured** under this policy.

16. Reorganization

If during the **Policy Period**:

- a. the **Named Insured** shall consolidate with or merge into another entity such that the **Named Insured** is not the surviving entity; or
- b. another person or entity, or group of persons or entities acting in concert, acquires securities or voting rights which result in ownership or voting control by said entities or persons of more than fifty percent (50%) of the securities representing the rights to vote for the election of the **Named Insured's** directors;

(either of the above events herein referred to as the "**Transaction**"),

coverage under this policy shall continue until termination of this policy, but only with respect to **Claims** for **Wrongful Acts** which occurred prior to the effective time of the **Transaction** and are otherwise covered by this policy.

The **Named Insured** shall give written notice to the **Insurer** of the **Transaction** as soon as practicable, but in no event later than 30 days after the effective date of the **Transaction**. The full annual premium for the **Policy Period** shall be deemed fully earned immediately upon the occurrence of the **Transaction**.

17. Headings

The headings in this policy are for descriptive purposes only.

18. Currency

All premiums, limits of liability, and other amounts under this policy are and shall be expressed and payable in the currency of Canada.

19. Governing Law

This policy will be governed and interpreted in accordance with the law and jurisdiction of the Province of British Columbia.

Any dispute between the **Insured** and **Us** relating to this policy shall be exclusively governed by and construed in accordance with the laws of the Province of British Columbia.

20. Enforceability

In the event that any portion of the policy is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

21. Compliance with Applicable Trade and Economic Sanctions Law

If coverage under this Policy would be in violation of any applicable economic or trade sanctions, then such coverage will be null and void.

SECTION V. DEFINITIONS

Whenever appearing in this policy, words and phrases appearing in bold type shall have the meanings set forth below. These Definitions apply to the singular and plural of these terms as circumstances and context require.

	TERM	MEANS
1.	Additional Insured by Contract	<p>Any person, corporation, firm or organization for which You have contracted to provide insurance, but only with respect to vicarious liability that arises out of Your Professional Services performed under such contract and only to the extent required by such contract.</p> <p>The insurance provided for such Additional Insured by Contract has no application to the Additional Insured by Contract's own negligence which is expressly excluded.</p>
2.	Advertisement	<p>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:</p>

		<p>a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and</p> <p>b. Regarding websites, only that part of a website that is about Your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.</p>
3.	Aerodrome	Any area of land, water (including the frozen surface thereof) or other supporting surface used, designed, prepared, equipped or set apart for use either in whole or in part for the arrival, departure, movement or servicing of aircraft, helicopter, spacecraft or other aerial device and includes any buildings, installations and equipment situated thereon or associated therewith.
4.	Aeronautical Product	Any aircraft, spacecraft, helicopter or other aerial device, engine, propeller or appliance or part or the component parts of any of those things, including any computer system and software.
5.	Bodily Injury	Bodily injury, disability, sickness, mental anguish, mental injury, mental shock, or disease sustained by a person including death resulting from any of these at any time.
6.	Claim	<p>a. Any demand, whether written or verbal, for money, services, non-monetary relief or injunction relief;</p> <p>b. Any writ, statement of claim, summons, application, cross claim, counter-claim or third or similar party notice of an action or civil proceeding;</p> <p>c. An arbitration proceeding;</p> <p>Against any Insured for a Wrongful Act.</p> <p>A Claim shall be deemed to have been first made at the earliest date upon which written or oral notice thereof, or a copy of the Claim was personally received by any Insured by any means.</p>
7.	Damages	<p>A monetary judgment, award or settlement of compensatory damages due or awarded in payment for actual injury or economic loss.</p> <p>Damages does not include and this policy shall not cover fines, taxes, penalties, set-off, or punitive, exemplary or multiplied damages, or any other non-compensatory relief,</p>

		injunctive or equitable relief, damages awarded in lieu of injunctive relief, restitutionary awards or sums ordered to be paid that are restitutionary in nature, the return or reduction of fees, deposits, commissions, payments or charges for services rendered or expenses incurred by the Insured , or any requirement to pay arising as a result of statute that is not dependent upon fault or neglect.
8.	Data	Representations of information or concepts, in any form.
9.	Data Problem	a. erasure, destruction, corruption, misappropriation, misinterpretation of Data ; b. error in creating, amending, entering, deleting or using Data ; or c. inability to receive, transmit or use Data .
10.	Data Breach	The unauthorized taking, acquisition, obtaining, use or disclosure of information on a Network . Data Breach does not include Personal Data Compromise .
11.	Declarations	The Declarations of insurance attaching to and forming part of this policy together with any renewal declarations.
12.	Deductible	The first part of each and every Claim borne by the Insured as stated in the Declarations and within this policy. The Deductible applies to any recovery under any extension of coverage as stated within this policy.
13.	Defence Expenses	All reasonable and necessary costs, charges, fees (including but not limited to legal fees and experts' fees) and expenses incurred by Us or the Insured with Our written consent in the investigation, adjustment, negotiation, arbitration or defence of any covered Claim . Defence Expenses does not include salaries, wages, overhead, benefit or benefit expenses associated with any Insured or the Insured's directors, Employees , partners or principles or other compensation paid to any Insured except as specifically provided under the Coverage Extension for Attendance at Trial.
14.	Employee	Includes a Leased Worker and Temporary Worker
15.	Executive Officers	A person holding any of the officer positions created by Your charter, constitution, by-laws or any other similar governing document.

16.	Fissionable Substance	Any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
17.	Healthcare Service	<p>Any:</p> <ul style="list-style-type: none"> a. Cosmetic service, advice, instruction or treatment; b. Dental, medical, nursing, physiotherapy, surgical or x-ray service, advice, instruction or treatment; c. Handling or treatment of dead bodies, including autopsies, organ donations or other procedures; d. Health or therapeutic service, advice, instruction or treatment; or e. Related dispensing or furnishing of any beverages or food, or any life science product or dental, medical or surgical application or supplies.
18.	Insured	<p>An Insured means the Named Insured specified in the Declarations and the following:</p> <p>If You are designated in the Declarations as:</p> <ul style="list-style-type: none"> 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.

		<p>e. A trust, You are an Insured. Your trustees are also Insureds, but only with respect to their duties as trustees.</p> <p>Each of the following is also an Insured:</p> <p>f. 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.</p> <p>However, none of these Employees or Volunteer Workers are insureds for Bodily Injury or Personal and Advertising Injury:</p> <ul style="list-style-type: none"> (i) 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; (ii) To the spouse, child, parent, brother or sister of that co-Employee or Volunteer Worker as a consequence of Paragraph (f)(i) above; (iii) For which there is any obligation to share Damages with or repay someone else who must pay Damages because of the injury described in Paragraph (f)(i) or (ii) above; (iv) Arising out of his or her providing or failing to provide professional health care services; (v) 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.
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		<p>Further, none of these Employees or Volunteer Workers are Insureds for Property Damage to property:</p> <p>(vi) Owned, occupied or used by; or</p> <p>(vii) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;</p> <p>You, any of Your Employees, Student Interns, 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).</p> <p>g. 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 policy.</p> <p>h. Any person, organization or other party designated as an additional insured in the Declarations for this policy or in an endorsement, but only in respect of liability arising out of the regular operations of the Named Insured as designated in the Declarations.</p> <p>i. An additional Insured named in a Certificate of Insurance filed with and issued by Us but:</p> <p>(i) Only for the period during which the Certificate of Insurance is in effect;</p> <p>(ii) Only if such person or organization is required to be insured under this policy pursuant to a contract with the Named Insured; and</p> <p>(iii) Only in respect of liability arising out of the operations of the Named Insured as stated in the Declarations for this policy.</p> <p>j. 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 sole ownership or majority ownership interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:</p>
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		<p>(i) Coverage under this provision is afforded only until the 120th day after You acquire or form the organization or the end of the policy period, whichever is earlier;</p> <p>(ii) Coverage does not apply to a Wrongful Act that occurred before You acquired or formed the organization;</p> <p>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 or added by endorsement hereon.</p> <p>No person or organization is an Insured with respect to business activities of the Named Insured which are not listed on the Declarations.</p>
19.	Leased Worker	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 .
20.	Limit of Liability	The relevant amount stated in the Declarations or otherwise set out in this policy being the total amount payable by Us for various coverages as set out in the policy.
21.	Malicious Code	Any computer virus, Trojan horse, worm, or other code, script, or software program that is intentionally designed and released or inserted to corrupt, damage, harm or infect any or all parts of a computer network.
22.	Marine Products	Any ship, boat, barge, yacht, or other watercraft, hovercraft, engine, propeller, hull or appliance or part of the component parts of any of those things, including any computer system and software.
23.	Microbial Matter	<p>a. Fungi, including any form of yeast and mold, and any mycotoxin, spore, scent or byproduct that is produced or released by the same; and</p> <p>b. Any other microorganisms including bacteria, viruses, and protozoa, whether or not such microbial matter is living.</p>
24.	Named Insured	The person or entity designated as the Named Insured on the Declarations and any other person or entity expressly

		qualifying as a Named Insured under a named insured endorsement.
25.	Notice Address	The addresses for service of written notice to Us as set out in the Declarations .
26.	Network	A connected system or computing hardware, software, firmware and associated electronic components under the ownership, operation or control of an Insured .
27.	Network Breach	<ul style="list-style-type: none"> a. Unauthorized access to a Network that results in: <ul style="list-style-type: none"> i. The destruction, deletion or corruption of electronic Data on a Network; ii. Data Breach from a Network; iii. Denial of service attacks against internet sites or computers; or b. Transmission of Malicious Code from a Network to third-party computers.
28.	Network Security Breach	A negligent act, error or omission by the Insured in managing the security of a Network that causes a Network Breach or prevents a third party that is authorized to do so from gaining access to a Network .
29.	Nuclear Energy Hazard	The radioactive, toxic, explosive, or other hazardous properties of Radioactive Material .
30.	Nuclear Facility	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> (i) Separating the isotopes of plutonium, thorium and uranium or any one or more of them, (ii) Processing or utilizing spent fuel, or (iii) Handling, processing or packaging waste. c. Any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the insured

		<p>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;</p> <p>d. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste Radioactive Material;</p> <p>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.</p>
31.	Our, Us, We	British Columbia Automobile Association (“BCAA”), the company providing this insurance.
32.	Personally Identifying Information	<p>Includes, but is not limited to:</p> <p>a. Personal information as defined in the federal <i>Personal Information Protection and Electronic Documents Act</i> (PIPEDA) as amended, and in equivalent provincial and territorial legislation, concerning the individual including the <i>Personal Information Protection Act</i> (PIPA) in B.C.;</p> <p>b. Information that singularly or in combination can uniquely identify an individual, including but not limited to an individual’s name, social insurance number, address, birth date, physical characteristics, IP address, biometric record, unique mobile device identifier, geo-location data, mobile telephone number, email address, user name, text message or email, call log, contacts and address book entries, financial or payment information, health or medical information, account numbers, photos or videos or internet browsing history; or</p> <p>c. Other personal information about the individual that is protected under any provincial, territorial, federal or foreign statute or regulation.</p> <p>d. Information, including health information, that could be used to commit fraud or other illegal activity involving the credit, access to health care, or identity of any person, organization or other any other entity.</p>
33.	Personally Sensitive Information	Private information specific to an individual or entity, the release of which requires notification of the individual or entity under any applicable law.

34.	Personal and Advertising Injury	<p>Injury, including consequential Bodily Injury arising out of one or more of the following offenses:</p> <ul style="list-style-type: none"> a. False arrest, detention or imprisonment; b. Humiliation or discrimination; c. Malicious prosecution; d. 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; e. 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; f. Oral or written publication, in any manner, of material that violates a person's right of privacy; g. The use of another's advertising idea in Your Advertisement; or h. Infringing upon another's copyright, trade dress or slogan in Your Advertisement.
35.	Personal Data Compromise	<p>The loss, theft, accidental release or accidental publication of Personally Identifying Information or Personally Sensitive Information as respects one or more affected individuals or entities.</p> <p>Personal Data Compromise includes disposal or abandonment of Personally Identifying Information or Personally Sensitive Information without appropriate safeguards such as shredding or destruction.</p> <p>Personal Data Compromise includes situations where there is a reasonable cause to suspect that such Personally Identifying Information or Personally Sensitive Information has been lost, stolen, accidentally released or accidentally published, even if there is no firm proof.</p>
36.	Policy Period	<p>The period of time from the effective date of this policy to the earlier of the expiration date shown on the Declarations or the effective date of cancellation of this policy.</p>
37.	Pollutants	<p>Any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including but not limited to</p>

		Microbial Matter , smoke, odour, vapour, soot, fumes, dust, debris, spores, fungi, germs, asbestos, acids, alkalis, chemicals, hazardous substances, hazardous materials, and waste (including but not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials).
38.	Prior Acts Period	<p>The period of time between the Retroactive Date shown on the Declarations and the inception date of this policy.</p> <p>If this policy with Us has been continuously renewed since its inception with no gaps in coverage, then the Prior Acts Period means the period of time between the Retroactive Date shown on the Declarations and the first inception date of this policy issued by Us to You which has been continuously renewed.</p>
39.	Professional Services	<p>Professional services which are ordinary to the Named Insured's profession as set out in the Declarations.</p> <p>Professional Services does not include actual construction activities. The policy does not cover Claims which arise from actual construction activities of any Insured.</p>
40.	Property Damage	<p>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</p> <p>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.</p>
41.	Radioactive Material	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.
42.	Technology Services	<p>Any technology, computer or data related services including, but not limited to the following:</p> <p>a. Design and development of computer software programs, applications or systems;</p> <p>b. Database design or database management, data warehousing, data and application hosting;</p> <p>c. Website design or website programming;</p>

		<p>d. Maintenance of computer software programs, applications or systems;</p> <p>e. Hosting, management, or maintenance of websites ; and</p> <p>f. Those services and other activities as described in an endorsement to this policy.</p>
43.	Temporary Worker	A person who is furnished to You to substitute for a permanent Employee on leave or to meet seasonal or short-term workload conditions.
44.	Terrorism	An act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.
45.	Underground Resource	<p>a) Oil, gas, water or other mineral substances which have not been reduced to physical possession above the surface of the earth or above the surface of any body of water;</p> <p>b) Any well, hole, shaft, pipeline (including process, transportation, and storage facilities), formation, stratum, reservoir, or area in or through which exploration for or production of any substance is carried on;</p> <p>c) Any casing, pipe, bit, tool, pump or other drilling or well servicing machinery or equipment located beneath the surface of the earth in any such well hole or shaft or beneath the surface of any body of water.</p>
46.	Volunteer Workers	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 .
47.	Wrongful Act	<p>Any actual or alleged negligent act, error or omission by the Insured in performing or failing to perform Professional Services for others.</p> <p>All Wrongful Acts that take place on or after the Retroactive Date and prior to the end of the Policy Period of</p>

		the last policy We issued to the Named Insured , and are related by common facts, circumstances, transactions, events and/or decisions will be deemed and treated as one Wrongful Act .
48.	You, Your	The Named Insured shown on the Declarations and any other person or organization expressly qualifying as a Named Insured under a named insured endorsement.

APPENDIX 1 – STATUTORY CONDITIONS

The following statutory conditions are deemed to be part of every contract and no variation or omission or addition to a statutory condition is binding on the insured.

Statutory Conditions 1 and 6 to 13 apply only to, and need only be printed on, contracts that include insurance against loss or damage to property.

Property of others

2. The insurer is not liable for loss or damage to property owned by a person other than the insured unless
 - (a) otherwise specifically stated in the contract, or
 - (b) the interest of the insured in that property is stated in the contract.

Change of interest

3. The insurer is liable for loss or damage occurring after an authorized assignment under the [Bankruptcy and Insolvency Act](#) (Canada) or a change of title by succession, by operation of law or by death.

Material change in risk

4. (1) The insured must promptly give notice in writing to the insurer or its agent of a change that is
 - (a) material to the risk, and
 - (b) within the control and knowledge of the insured.

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

Termination of insurance

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

Notice

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

All other policy terms and conditions remain unchanged.

SECTION X GENERAL CONDITIONS

COMMON POLICY CONDITIONS & STATUTORY CONDITIONS

Throughout the Policy, unless otherwise expressly stated, “the Insured” refers to the Named Insured shown on the “Declarations page” and “the Insurer” refers to the company providing this insurance.

Other words and phrases that appear in quotations have special meaning, as defined either in the Definitions Section of this Form or in the liability or property coverage forms attached to this Policy.

The following Conditions are included under each part of the Policy, unless stated otherwise.

1. Audit and Inspection

- a. The Insurer may examine and audit the Insured’s books and records at any time during the policy period and extensions of the policy period and up to three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.
- b. The Insurer shall be permitted, but is not obligated, to inspect the Insured’s property and operations. Neither the Insurer’s right to inspect nor reporting based on such inspections shall constitute an undertaking on behalf of or for the benefit of the Insured or others to determine or warrant that such property or operations are safe.

2. Cancellation - Termination

- a. The first Named Insured shown on the Declarations may terminate this policy or any of its individual coverages at any time by sending the Insurer a written request.
- b. The Insurer may terminate this policy or any of its individual coverages at any time by sending to the first Named Insured by registered mail written notice of termination at least:
 - i. Fifteen (15) days before the effective date of termination if the Insurer terminates for non-payment of premium; or
 - ii. Thirty (30) days before the effective date of termination if the insurer terminates for any other reason.

- c. The Insurer's notice of termination will be mailed or delivered to the first Named Insured's last mailing address known to the Insurer and will indicate the date on which coverage is terminated. If notice of termination is mailed, proof of mailing will be sufficient proof of notice.
- d. The thirty (30) and fifteen (15) days notice of cancellation by registered post referred to in sub-paragraphs 2.b.i. and 2.b.ii. starts to run on the day the registered letter or notification of it is delivered to the Insured's mailing address.
- e. If this Policy or any part of it is terminated by the Insurer:
 - i. Where the premium is not subject to adjustment or determination as to amount, the Insurer will refund the excess of the paid premium for the time the Policy has been in force, calculated pro rata;
 - ii. Where the premium is subject to adjustment or determination as to amount, the Insurer will refund the excess of the paid premium above the premium earned, when determined.
- f. If this Policy or any part of it is terminated by the Insured:
 - i. Where the premium is not subject to adjustment or determination as to amount, the Insurer will refund the excess of the paid premium above the short rate premium for the time the Policy has been in force calculated in accordance with the short rate premium table in use by the Insurer, subject to the retention of any minimum retained premium provided by the Policy;
 - ii. Where the premium is subject to adjustment or determination as to amount, the Insurer will refund the excess of the paid premium above the premium earned, when determined, subject to the retention of any minimum retained premium provided by the Policy.
- g. Refund of excess premium may be made by money, post office order, electronic transfer, postal note or cheque.
- h. Premium adjustment may be made at the time termination is effected and if not then made shall be made as soon as practicable after termination becomes effective but payment or tender of unearned premium is not a condition of termination. Termination will be effective even if the Insurer has not made or offered a refund.
- i. If the policy is terminated, the effective date of termination will become the end of the policy period. If a part of this policy is terminated, that date will become the end of the policy period as respects that part only.

3. Changes

This policy contains all of the agreements between the Insured and the Insurer concerning the insurance afforded. This policy can only be changed by a written endorsement issued by the Insurer that becomes part of this policy.

4. Prohibited Coverage – Trade or Economic

- a. This insurance does not apply to extent that any economic or trade sanctions or other laws or regulations prohibit the Insurer from providing insurance.
- b. The Insurer will provide coverage as set out in this policy only to the extent that providing such coverage does not expose the Insurer or any of its affiliated or parent companies to:
 - i. Any trade or economic sanction under any law or regulation of Canada; or
 - ii. Any other applicable trade or economic sanction, prohibition or restriction, provided that this condition will not contravene any applicable federal law of Canada.

5. Prohibited Coverage – Unlicensed Insurance

- a. With respect to loss sustained by any insured, or loss to any property, located in a country or jurisdiction in which the Insurer is not licensed to provide this insurance, this insurance does not apply to the extent that insuring such loss would violate the laws or regulations of such country or jurisdiction.
- b. The Insurer does not assume responsibility for:
 - i. The payment of any fine, fee, penalty or other charge that may be imposed on any person or organization in any country or jurisdiction because the Insurer is not licensed to provide insurance in such country or jurisdiction; or
 - ii. The furnishing of certificates or other evidence of insurance in any country or jurisdiction in which the Insurer is not licensed to provide insurance.

6. First Named Insured/ Premiums

- a. The first Named Insured shown on the Declarations:
 - i. Is responsible for the payment of all premiums; and
 - ii. Will be the payee for any refund or return of premiums that become payable under this policy.
- b. The Insurer computes all premiums for this policy in accordance with its rules, rates, rating plans, premiums and minimum premiums. The premium(s) shown on the Declarations was computed based on rates and rules in effect at the time the policy was issued. On each renewal continuation or anniversary of the effect date of this policy, the Insurer will compute the premium in accordance with its rates and rules then in effect.

7. Inspections and Surveys

- a. The Insurer has the right to:
 - i. Make inspections and surveys at any time;
 - ii. Give the Insured reports on the conditions found by the Insurer; and
 - iii. Recommend changes.
- b. The Insurer is not obligated to make any inspections, surveys, reports or recommendations and any such actions the Insurer does undertake relate only to insurability and the premiums to be charged. The Insurer does not make safety inspections. The Insurer does not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And, the Insurer does not warrant that conditions:
 - i. Are safe or healthful; or
 - ii. Comply with laws, regulations, codes or standards.
- c. Subparagraphs a. and b. of this condition apply not only to the Insurer, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations for the Insurer.

8. Transfer of rights and duties

- a. The Insured's rights and duties under this policy may not be transferred without the Insurer's written consent except in the case of death of an individual Named Insured.
- b. If a Named Insured dies, the Named Insured's rights and duties will be transferred to the Named Insured's legal representative but only while acting within the scope of duties as the Named Insured's legal representative. Until the legal representative is appointed, anyone having proper temporary custody of the Named Insured's property will have the Named Insured's rights and duties but only with respect tot that property.

9. Subrogation

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

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

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

10. Currency Clause

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

11. Short Rate Cancellation Table

Days in Force	Percentage of Premium Retained
1 to 54	25
55 to 58	26
59 to 62	27
63 to 65	28
66 to 69	29
70 to 73	30
74 to 76	31
77 to 80	32
81 to 83	33
84 to 87	34
88 to 91	35
92 to 94	36
95 to 98	37
99 to 102	38
103 to 105	39
106 to 109	40
110 to 113	41

114 to 116	42
117 to 120	43
121 to 124	44
125 to 127	45
128 to 131	46
132 to 135	47
136 to 138	48
139 to 142	49
143 to 146	50
147 to 149	51
150 to 153	52
154 to 156	53
157 to 160	54
161 to 164	55
165 to 167	56
168 to 171	57
172 to 175	58
176 to 178	59
179 to 182	60
183 to 187	61
188 to 191	62
192 to 196	63
197 to 200	64
201 to 205	65
206 to 209	66
210 to 214	67

215 to 218	68
219 to 223	69
224 to 228	70
229 to 232	71
233 to 237	72
238 to 241	73
242 to 246	74
247 to 250	75
251 to 255	76
256 to 260	77
261 to 264	78
265 to 269	79
270 to 273	80
274 to 278	81
279 to 282	82
283 to 287	83
288 to 291	84
292 to 296	85
297 to 301	86
302 to 305	87
306 to 310	88
311 to 314	89
315 to 319	90
320 to 323	91
324 to 328	92
329 to 332	93

333 to 337	94
338 to 342	95
343 to 346	96
347 to 351	97
352 to 355	98
356 to 360	99
361 to 365	100

12. Compliance by Insured

The Insurer has no duty to provide coverage under this policy unless the Named Insured and any other involved insured have fully complied with all of the terms and conditions of the policy.

13. Governing Law and Jurisdiction

- a. This policy shall be governed and construed in accordance with the laws of the province or territory of Canada in which it is delivered to the Insured.
- b. The Insurer, the Insured and any other person or organization seeking to enforce any rights under this policy in accordance with its terms will submit to the jurisdiction of the courts of such province or territory in relation to any and all actions or proceedings of any nature or kind brought under or in relation to this policy.

14. Legal Action against Insurer

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

15. Special Statutory Provisions (limitations)

If any condition of this policy relating to limitation of time for notice of accident or loss or damage or for instituting legal proceedings is at variance with any specific statutory provision in the jurisdiction in which the accident occurs, such statutory provision shall be substituted for such condition.

16. Title of Paragraphs

The titles of the various paragraphs of this policy and endorsements if any, attached to this policy are inserted solely for convenience or reference and are not to be deemed in any way to limit or affect the provisions to which they relate.

STANDARD MORTGAGE CLAUSE

IT IS HEREBY PROVIDED AND AGREED THAT:

1. **Breach of Conditions by Mortgagor, Owner or Occupant:** This insurance and every documented renewal thereof - AS TO THE INTEREST OF THE MORTGAGEE ONLY THEREIN - is and shall be in force notwithstanding any act, neglect, omission or misrepresentation attributable to the mortgagor, owner or occupant of the property insured, including transfer of interest, any vacancy or non-occupancy, or the occupation of the property for purposes more hazardous than specified in the description of the risk;

PROVIDED ALWAYS that the Mortgagee shall notify forthwith the Insurer (if known) of any vacancy or non-occupancy extending beyond thirty (30) consecutive days, but this clause shall not apply to the "Tourist Camp" property which due to its nature, may be seasonally unoccupied, or of any transfer of interest or increased hazard THAT SHALL COME TO HIS KNOWLEDGE; and that every increase of hazard (not permitted by the policy) shall be paid for by the Mortgagee - on reasonable demand - from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.

2. **Right of Subrogation:** Whenever the Insurer pays the Mortgagee any loss award under this policy and claims that - as to the Mortgagor or Owner - no liability therefor existed, it shall be legally subrogated to all rights of the Mortgagee against the Insured; but any subrogation shall be limited to the amount of such loss payment and shall be subordinate and subject to the basic right of the Mortgagee to recover the full amount of its mortgage equity in priority to the Insurer; or the Insurer may at its option pay the Mortgagee all amounts due or to become due under the mortgage or on the security thereof, and shall thereupon receive a full assignment and transfer of the mortgage together with all securities held as collateral to the mortgage debt.
3. **Other Insurance:** If there be other valid and collectible insurance upon the property with loss payable to the Mortgagee -at law or in equity - then any amount payable thereunder shall be taken into account in determining the amount payable to the Mortgagee.
4. **Who May Give Proof of Loss:** In the absence of the Insured, or the inability, refusal or neglect of the Insured to give notice of loss or deliver the required Proof of Loss under the policy, then the Mortgagee may give the notice upon becoming aware of the loss and deliver as soon as practicable the Proof of Loss.

- 5. Termination:** The term of this mortgage clause coincides with the term of the policy; PROVIDED ALWAYS that the Insurer reserves the right to cancel the policy as provided by Statutory provision but agrees that the Insurer will neither terminate nor alter the policy to the prejudice of the Mortgagee without the notice stipulated in such Statutory provision.
- 6. Foreclosure:** Should title or ownership to said property become vested in the Mortgagee and/or assigns as owner or purchaser under foreclosure or otherwise, this insurance shall continue until expiry or cancellation for the benefit of the said Mortgagee and/or assigns. SUBJECT TO THE TERMS OF THIS MORTGAGE CLAUSE (and these shall supersede any policy provisions in conflict therewith BUT ONLY AS TO THE INTEREST OF THE MORTGAGEE), loss under this policy is made payable to the Mortgagee.

Declaration of Emergency Endorsement - Extension of Termination or Expiry

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

1. The "emergency" must have a direct effect or impact on:

- i) the Insured, the insured site or insured property located in the declared emergency area; or
- ii) the operations of the Insurer or its agent/broker located in the declared emergency area.

2. A. Any time limitation described in the Termination condition of this policy, with respect to termination of this policy by the Insurer, will not continue to run until the "emergency" is terminated plus the lesser of:

- i) 30 days; or
- ii) the number of days equal to the total time the "emergency" order was in effect.

2. B. If this policy is due to expire during an "emergency", it will continue in force until the "emergency" is terminated plus the lesser of:

- i) 30 days; or
- ii) the number of days equal to the total time the "emergency" order was in effect.

3. In no event shall the total term of this extension exceed 120 consecutive days.

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

"Emergency" means the first statutory declaration of an emergency:

- a) with respect to a situation or an impending situation that constitutes a danger of major proportions that could result in serious harm to persons or substantial damage to

property and that is caused by the forces of nature, a disease or other health risk, an accident or an act whether intentional or otherwise; or

b) as provided for by the relevant governing legislation if different from a). but does not include any subsequent statutory declaration(s) that may be issued relating to the same event.

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

STATUTORY AND POLICY CONDITIONS (Common law provinces and territories except BC, Alberta, and Manitoba)

The following conditions apply to all coverages insured by this Policy as both Statutory and Policy Conditions, except where indicated.

For coverages which insure loss or damage to property arising from the peril of fire, these are Policy and Statutory Conditions. For all other coverages, these are Policy Conditions.

If there is a conflict between these Statutory Conditions and any other provisions in this policy, such conflict will be settled in favour of the Insured.

1. Misrepresentation
2. Property of Others
3. Change of Interest
4. Material Change
5. Termination
6. Requirements after Loss
7. Fraud
8. Who may give notice and proof
9. Salvage (Prevent further damage)
10. Entry, Control, Abandonment
11. Appraisal
12. When Loss Payable
13. Replacement
14. Action (against Insurer)
15. Notice

STATUTORY AND POLICY CONDITIONS – MANITOBA AND ALBERTA

The following conditions apply to all coverages insured by this Policy as both Statutory and Policy Conditions, except where indicated.

Conditions 1 and 6-13 apply as Policy and Statutory Conditions to coverages which include insurance against loss or damage to property. For all other coverages, Conditions 1 and 6-13 are Policy Conditions.

If there is conflict between a Statutory Condition or policy condition and any other provision in this policy, such conflict will be resolved in favour of the insured.

1. Misrepresentation
2. Property of Others
3. Change of Interest
4. Material change in Risk
5. Termination
6. Requirements after Loss
7. Fraud
8. Who may give notice and proof
9. Salvage
10. Entry, control abandonment
11. In case of Disagreement
12. When Loss payable
13. Repair or Replacement
14. Notice

STATUTORY CONDITIONS - British Columbia

The following conditions apply to all coverages insured by this Policy as both Statutory and Policy Conditions, except where indicated.

Conditions 1 and 6-13 apply as Policy and Statutory Conditions to coverages which include insurance against loss or damage to property. For all other coverages, Conditions 1 and 6-13 are Policy Conditions.

If there is conflict between a Statutory Condition or policy condition and any other provision in this policy, such conflict will be resolved in favour of the insured.

1. Misrepresentation
2. Property of Others
3. Change of Interest
4. Material change in Risk
5. Termination of Insurance
6. Requirements after Loss
7. Fraud
8. Who may give notice and proof
9. Salvage
10. Entry, control abandonment
11. In case of Disagreement
12. When Loss payable
13. Repair or Replacement
14. Notice

GENERAL CONDITIONS – QUEBEC

To comply with the Civil Code of Quebec, this policy is subject to these General Conditions. Reference to Civil Code articles in some instances is for easier reading only and should not be construed as exact quotations of the wording of such articles. These General Conditions apply to all coverages included in this policy except where noted as inapplicable.

If there is conflict between these General Conditions and any other provisions in this policy, such conflict will be settled in favour of the insured.

1. Statements
 - a. Representation of risk
 - b. Material change in risk
 - c. Misrepresentation or concealment
 - d. warranties
2. General Provisions
 - a. Insurable interest
 - b. Changes
 - c. Assignment
 - d. Books and Records
 - e. Inspection
 - f. Currency
3. Losses
 - a. Notice of loss
 - b. Information to be provided
 - c. False representation
 - d. Intentional fault
 - e. Notice to police
 - f. Safeguarding and examination of property
 - g. Admission of liability and cooperation
 - h. Right of action
4. Compensation and Settlement
 - a. Basis of settlement
 - b. Pair and set
 - c. Parts
 - d. Replacement
 - e. Time of payment
 - f. Property of others
 - g. Waiver
 - h. Limitation of actions
 - i. Subrogation
5. Other insurance
 - a. Property insurance

- b. Liability insurance
- 6. Cancellation
- 7. Notice

PROPERTY, BUSINESS INTERRUPTION, CRIME AND INLAND MARINE SECTION - GENERAL PROVISIONS

The following conditions are in addition to the Common Policy Conditions and apply to all forms, floaters, endorsements, and coverages which include insurance against loss or damage to property, including commercial property forms, business interruption, crime, and commercial inland marine, except as otherwise stated.

1. Abandonment

- a. There can be no abandonment of any property to the Insurer unless the Insurer specifically agrees to such abandonment in writing.

2. Appraisal

- a. If the Insurer and the Insured disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser within 30 days of the written demand. Within 15 days of each party selecting an appraiser, the two appraisers will select an umpire. If they cannot agree within that 15 day period, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:
 - i. Pay its chosen appraiser; and
 - ii. Bear the other expenses of the appraisal and umpire equally.If there is an appraisal, the Insurer will retain its right to deny the claim.

3. Duties in the Event of Loss or Damage

- a. The Insured must see that the following is done in the event of loss of or damage to insured property:
 - i. Notify the police or other authorities having jurisdiction if a law may have been broken;
 - ii. Give the Insurer or its authorized representative prompt notice of the loss or damage and include a description of the property involved.
 - iii. As soon as practicable, give the Insurer a description of how, when, and where the loss or damage occurred.

- iv. Take all reasonable steps to protect the insured property from further damage and keep a record of the Insured's expense necessary to protect the insured property for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, the Insurer will not pay for any loss or damage resulting from a cause of loss that is not a covered cause of loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- v. At the Insurer's request, provide complete inventories of the damaged and undamaged property including quantities, costs, values and amount of loss claimed.
- vi. As often as may be reasonably required, permit the Insurer to inspect the property and records proving the loss or damage and examine the Insured's books and records.

Also, permit the Insurer to take samples of damaged and undamaged property for inspection, testing and analysis and permit the Insurer to make copies from the Insured's books and records.

- vii. File with the Insurer a signed, sworn proof of loss containing the information requested by the Insurer to investigate the claim. The Insured must do this within 60 days of the Insurer's request.
 - viii. Cooperate with the Insurer in the investigation and settlement of the claim.
 - ix. Authorize the Insurer to obtain records or reports necessary for the Insurer's investigation.
 - x. The Insured will not, except at the Insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without the Insurer's consent except as respect to protecting property from further damage.
- b. The Insurer may examine any insured under oath, while not in the presence of any other insured and at such time as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Insurance Under two or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, the Insurer will not pay more than the actual amount of the loss or damage.

5. Loss Payment

- a. The Insurer will pay for covered loss or damage within 30 days after the Insurer receives the sworn proof of loss, if the Insured has complied with all of the terms of this insurance, and:
 - i. The Insurer has reached agreement with the Insured on the amount of loss; or
 - ii. an appraisal award has been made.
- b. The Insurer will not pay the Insured more than the Insured's financial interest in the covered property.
- c. The Insurer may adjust losses with the owners of lost or damaged covered property if other than the Insured. If the Insurer pays the owners, such payments will satisfy the Insured's claims against the Insurer for the owners' covered property. The Insurer will not pay the owners more than their financial interest in such property.
- d. The Insurer may elect to defend the Insured against suits arising from claims of owners of covered property. The Insurer will do this at its own expense.
- e. The Insurer will not be liable for any part of a loss that has been paid or made good by others.

6. Basis of Settlement

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

The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

7. Other Insurance

- a. If the Insured has other insurance subject to the same plan, terms, conditions and provisions as this insurance, the Insurer will pay its share of the covered loss or damage. The Insurer's share is the proportion that the applicable Limit of Insurance bears to the Limits of Insurance of all insurance covering on the same basis.
- b. If there is other insurance covering the same loss or damage, other than that described in Paragraph a. above, the Insurer will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether the Insured can collect on it or not. But the Insurer will not pay more than the applicable Limit of Insurance under this insurance.
- c. If loss or damage is also covered by a service agreement, any amounts payable for such loss or damage under this insurance will be excess over any amounts payable under such agreement. Service agreement means a service plan, property restoration plan, or similar service warranty agreement, even if it is characterized as insurance.

8. Pair, Sets or parts

a. Pair or Set

In the case of loss or damage to any part of a pair or set the Insurer may:

- i. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- ii. Pay the difference between the value of the pair or set before and after the loss or damage.

b. Parts

In the case of loss or damage to any part of insured property consisting of several parts when complete, the Insurer will only pay for the value of the lost or damaged part.

9. Recovered Property/Salvage

If any lost or damaged insured property is recovered by the Insured or the Insurer after a loss payment is made, the party making the recovery must give the other party prompt notice.

If any recovered insured property has a salvage value, the Insurer shall control the disposition of such salvage.

When insured property is recovered, the Insured may:

- a. keep the recovered property and return the loss payment to the Insurer; or
- b. keep the loss payment and the Insurer will keep the recovered property.

If any recovered property has salvage value or if there is any money recovered through subrogation, the Insurer will reimburse the Insured from the amount recovered for:

- c. the deductible amount that the Insured paid;
 - a. the penalties the Insured paid as a result of any Coinsurance clause of this insurance, if applicable; and
 - b. any uninsured loss or damage resulting from an insufficient Limit of Insurance.

If there are expenses:

- c. in recovering any lost or damaged insured property; or
 - a. as a result of subrogation,
- the Insurer will share the expenses with Insured in proportion to the amount the Insured and the Insurer are each reimbursed.

When any recovered insured property that the Insured chooses to keep is in need of repair, the Insurer will pay for the repairs subject to the applicable Limit of Insurance shown in the Declarations.

10. Reinstatement of Limit after Loss

With the exception of losses that are subject to annual aggregate limits, any loss under this policy shall not reduce the limits of insurance."

11. Transfer of Rights of Recovery

If any person or organization to or for whom the Insurer makes payment under this coverage part has rights to recover damages from another, those rights are transferred to the Insurer to the extent of the Insurer's payment. That person or organization must do everything necessary to secure the Insurer's rights and must do nothing after loss to impair them. But the Insured may waive the Insured's rights against another party in writing:

- i.** Prior to a loss to the Insured's insured property.
- ii.** After a loss to the Insured's insured property only if, at time of loss, that party is one of the following:
 - 1.** Someone insured by this insurance; or
 - 2.** An individual who owns or controls the majority of capital stock of the Insured's business.
 - 3.** A related business firm:
 - a.** Majority-owned or controlled by the Insured; or
 - b.** That owns or controls the majority of the capital stock of the Insured's business.

This will not restrict the Insured's insurance.

12. Concealment, misrepresentation or fraud

This insurance is void in the case of any fraud, intentional concealment or misrepresentation of any material fact or circumstances, by any insured, at any time, concerning or relating to:

- a. This insurance;
- b. The insured property;
- c. The Insured's interest in the insured property; or
- d. A claim under this insurance policy or any part thereof.

13. Breach of Conditions - Control of Property

- a. Any act or neglect of any person other than the Insured which is beyond the Insured's direction or control will not affect this insurance.
- b. The breach of any condition of this insurance at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

14. Legal Action against Insurer

No legal action may be brought against the Insurer unless:

- a. There has been full compliances with all of the terms of this insurance; and

- b. the legal action or proceeding is commenced within one year from the date the Insured discovered the loss or damage, except that if the applicable law prohibits this one-year limitation period, then such period is amended to be the minimum limitation period permitted by such law.

15. No benefit to Bailee

No person or organization, other than the Insured, having custody of insured property will benefit from this insurance.

16. Policy Period, Coverage

The Insurer covers loss or damage commencing:

- a. During the policy period shown in the Declarations; and
- b. Within the "coverage territory".

17. Valuation

In the event of loss or damage to insured property, the value of such insured property will be determined as of the time of loss or damage.

- a. The value of insured property will be the least of the following amounts:
 - i. Actual cash value of the lost or damaged property;
 - ii. Cost of reasonably restoring the property to its condition immediately before the loss; or
 - iii. Cost of replacing the lost or damaged property with substantially identical property.

The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

If a valuation method other than actual cash value applies, as shown in the Declarations or by a valuation condition in the coverage form, that valuation method applies above in place of actual cash value.

18. Liberalization

If the Insurer adopts any changes:

- a. Within 45 days prior to the effective date shown in the Declarations; or
 - b. During the policy period,
- which could broaden this insurance without an additional premium charge, the Insured will automatically receive the benefit of the broadened coverage as of the date that the change is effective.

SUMMARY OF INSURERS

Small Business Insurance is sold through B.C.A.A. Holdings Ltd. dba BCAA Insurance Agency, a licensed insurance agency, and is underwritten and administered by BCAA Insurance Corporation (BCAAIC), HDI Global Specialty SE, and The Boiler Inspection and Insurance Company of Canada (HSB), as set forth in the table below.

THE INSURER	SECTION	PERCENT INSURED
BCAA Insurance Corporation	I: Property and Business Interruption II: Crime IV: Off Premise Coverage: Inland Marine VII: Liability VIII: Non-Owned Automobile Liability IX: Professional Liability	100%
HDI Global Specialty SE	V. Legal Expense	100%
The Boiler Inspection and Insurance Company of Canada	III. Equipment Breakdown VI. Cyber Risk	100%

DEFINITIONS

- 1) "Coverage territory" means Canada.

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