



COMMERCIAL INSURANCE

Beauty Care Professionals Program

DECLARATIONS

Policy #: [Specimen]

INSURANCE IS PROVIDED ONLY FOR THOSE COVERAGES FOR WHICH A SPECIFIC LIMIT OF INSURANCE IS SHOWN ON TERMS AND CONDITIONS CONTAINED IN THE FORMS INDICATED.
ANY REFERENCE HEREIN TO THE "COMPANY" SHALL BE CONSTRUED AS "THE INSURER"

THIS DOCUMENT CONTAINS CLAUSES WHICH MAY LIMIT THE AMOUNT PAYABLE

PURPOSE OF THIS DOCUMENT

NEW

The Insurer will provide the insurance described in this Document in return for the premium paid by the Insured and his compliance with the terms of this insurance.

INSURER

Aviva Compagnie d'Assurance du Canada
900-630 boul. René-Lévesque O
Montréal (Québec) H3B 1S6

COVERHOLDER / BROKER

La Turquoise, cabinet en assurance de dommages et services financiers Inc.
104 rue Dubois
St-Eustache (Québec) J7P 4W9
Telephone: 1-833-550-0313

NAMED INSURED AND POSTAL ADDRESS

SPECIMEN

PERIOD OF INSURANCE

From to
(12:01 AM Standard time at the postal address shown above)

TERRITORY LIMIT

Canada

DESCRIPTION OF OPERATIONS

As per the selected activities on the Insured's Activities endorsement.

The Insured is requested to read this policy, and if incorrect, return it immediately for alteration.

In the event of an occurrence likely to result in a claim under this insurance, immediate notice should be given to the Coverholder whose name and address appears above. All inquiries and disputes are also to be addressed to this Coverholder.

IN WITNESS WHERE OF THIS DOCUMENT HAS BEEN SIGNED, AS AUTHORISED BY THE INSURER, BY
PER

TOTAL ANNUAL PREMIUM

Authorized Signature of Insurer
Corporate Secretary

President and Chief Executive Officer

TOTAL PAYABLE PREMIUM (OR REFUND)



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Form No.	Type of Coverage	Deductible (\$)	Co-Insurance	Limit/Amount (\$)
910000-02	Policy Conditions			
910300-01	Termination Notice Period			
002519	English Language Endorsement			
Location 1 – Address: [Loc 1 - Address] [Loc 1 - City] [Loc 1 - Province] [Loc 1 - Postal code]				
Property				
911000-06	Property Form			
	Building		N/A	
	Business Contents		N/A	
	Stock		N/A	
	Tenant improvements		N/A	
	Supplementary coverages – As per selection			As per endorsement
911502-01	Burglar Alarm System Warranty endorsement			
911306-01	Sewer Back Up Endorsement			
911302-02	Flood Endorsement			
911301-02	Earthquake Shock Endorsement	10%		
914000-03	Equipment Breakdown Insurance Form	500		Included
914001-03	Business Income – Actual Loss Sustained – Equipment Breakdown			
911304-03	Stated Amount Endorsement			
912000-03	Business Income Actual Loss Sustained Form			
	Indemnity period: 12 months	500		Included
Crime				
915000-02	Crime Form			
	A – Employee dishonesty			
	B – Money, securities, and other property			
915503-01	Subject to the endorsement "Decrease limit of insurance Crime – Coverage B"			
	C – Counterfeit currency and money orders			
	D – Forgery, alteration, credit card and automated teller card			
	E – Electronic fraud and funds transfer fraud			
	F – Property in safe deposit boxes – Burglary and robbery			
	G – Incoming cheque forgery			
	Client or customer property			



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Form No.	Type of Coverage	Deductible (\$)	Co-Insurance	Limit/Amount (\$)
	Medical expense incurred from robbery			
	Professional fees			
Equipment Floater				
Property				
913005-01	Miscellaneous Property Floater – Broad Form			
	As per schedule	1,000		
	Property in transit for a short period (3 days)	1,000		100,000
	Equipment borrowed (rented) occasionally (per day)	1,000		100,000
913512-02	Basis of settlement – actual cash value endorsement			
910001-06	Property, business income, inland marine, crime and equipment breakdown – Common conditions and exclusions form			
910506-01	Cyber Incident Clarification Endorsement			
910507-01	Property Loss Limit Endorsement			
911514-01	Locked Vehicle Warranty Endorsement			
Liability				
916000-04	General Liability Form			
910002-02	Liability conditions			
	Bodily or mental injury and property damage liability			
	Limit per claim			2,000,000
	Property damage deductible	250		
	General aggregate limit			5,000,000
	Products-completed operations included			
	Products-completed operations aggregate limit			2,000,000
	Personal and Advertising injury limit - Any one person or organization			2,000,000
	Tenants' property damage liability			500,000
	Voluntary medical payment – per person			25,000
916015-02	Employee benefits liability	250		2,000,000
916019-01	Contingent elevator and hoist form			
910504-01	Contagious disease exclusion - Liability			
916500-02	Abuse exclusion (GL) endorsement			
Manuscript	Cosmetic and hairdressing services extension endorsement (APESEQ)			



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Form No.	Type of Coverage	Deductible (\$)	Co- Insurance	Limit/ Amount (\$)
916110-01	QPF 6 – Quebec Automobile Insurance – Non-owned automobile			2,000,000
	QEF 6-94 – Civil liability resulting from damage to hired automobiles and/or automobiles operated under contract endorsement			100,000
	Professional liability			
	Limit per claim	0		2,000,000
	Aggregate limit	0		2,000,000

It is understood that the definition of "employee" is amended to include
"independent contractors operating exclusively for the Named Insured".



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Endorsement – Description of the Named Insured's Activities

It is understood that the Description of operations should read:

Beauty & Personal Care

- | | |
|---|--|
| S-101 Cosmetology - Beauty care advise | S-114 Non-medical Pedicure and Podiatry |
| S-102 Hands & nails care | S-115 Fish spa (fish therapy or fish pedicure) |
| S-103 Nails application (use of Methyl methacrylate excluded) | S-116 Basic makeup |
| S-104 Hair cut, hair coloring | S-117 Professional or artistic makeup |
| S-105 Hair treatment | S-118 Henna / Body painting (black henna excluded) |
| S-106 Coloring of eyelashes and eyebrows | S-119 Spray tanning / Mist tanning |
| S-107 Waxing | S-120 Permanent or semi-permanent makeup with device |
| S-108 Eyebrows and eyelashes removal | S-122 Hair Micropigmentation with specialized device |
| S-109 Facial care / basic facial care | S-123 Semi-permanent makeup with manual tools |
| S-110 Foot beauty care (without sharp tools) | S-124 Eyelash extension with cyanoacrylate |
| S-111 Dental jewelry installation | S-125 Dental whitening with peroxide and LED technique |
| S-112 Ears & nose piercing (only) | S-126 Dental whitening technique |
| S-113 Foot care including the use of sharp tools | |

Advanced & Specialized Beauty Care

- | | |
|--|--|
| S-127 Complete beauty care according MELS' D.E.P | S-140 Beauty care (removal hair included) with laser, IPL (Intense light pulse), R/F (radio frequency), ultrasound |
| S-128 Anti-aging facial treatment, Oxygenotherapy | S-141 Cold sculpting |
| S-129 Beauty care & facial massage | S-142 Non-medical lipocryotherapy |
| S-130 Skin rejuvenation | S-143 Lipolysis with R/F (non evasive technique only) |
| S-131 Light therapy | S-144 Non-medical lipolaser (non evasive laser only) |
| S-132 Infratherapy | S-146 Lymphatic drainage |
| S-133 Pressotherapy | S-147 non-medical Anti-Cellulite treatment – orange peel skin |
| S-134 Scrub (exfoliation technique) | S-148 Endermology - Lipomassage - Palpate-roll care |
| S-135 Glycolic or non-medical chemical peeling (exfoliation technique) | S-149 Electric Hair removal according to the A.S.P. from MELS |
| S-136 Microdermabrasion, Dermalinfusion (exfoliation technique) | S-150 Electrocoagulation (non-medical) |
| S-137 Mesotherapy (non-medical), Micropuncture, Microneedling | S-151 IPL Hair removal (IPL-Intense Pulse light) or laser |
| S-138 Techno (photo) rejuvenation, fractional resurfacing | |
| S-139 Thermocoagulation (non-medical) | |

Body Care / Wellness Care

- | | |
|---|---|
| S-152 Massage therapist, Naturotherapist, Orthotherapist, Kinesiologist | S-155 Meditation resourcing |
| S-153 Phytotherapy, Aromatherapy | S-156 Lipomassage (other term for vacuotherapy) |
| S-154 Reflexology, Reiki | S-157 Body wrap (seaweed, grass, clay, chocolate, etc.) |

Other Care & Professional Services

- | | |
|-------------------------------------|----------------------------|
| S-158 Beauty care school or Academy | S-160 Tanning bed or cabin |
| S-159 Beauty care training | |

Other services (Applicable to General Liability only)

- | | |
|--|--|
| A-161 Balneotherapy & relaxing spa | A-169 Nutritional program – Nutritional supplements |
| A-162 Therapeutic & floating bath | A-170 Nurse, Doctor, Naturopath, Acupuncturist, Physiotherapist, |
| A-163 Nordic Bath & outdoor/indoor pool | A-171 Food service with a kitchen |
| A-164 Steam bath, Thermotherapy, Sauna | A-172 Lodging accomodation |
| A-165 Hydrotherapy | A-173 Distributor - Wholesaler |
| A-166 Thalassotherapy | A-174 High technology Equipment rental (laser, IPL, R/F, ultrasound) |
| A-167 Aqua Spa massage or aqua bed massage | A-175 Cosmetic craft design (declared to Health Canada) |
| A-168 Sale of cosmetics | |



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We, the undersigned, do hereby request cancellation of the document bearing number [SPECIMEN] and acknowledge that the Insurer is hereby relieved from all liability as from the cancellation date. (Together with any renewal certificates relating thereto).

As of: _____

Please indicate below the reason of this cancellation request:

Name of the Insured

Signature

Date

GENERAL INSURING AGREEMENT

The Insurer agrees to provide the insurance described in the forms and endorsements annexed:

- a. in exchange for the payment of the premium;
- b. in reliance upon the statements in the applications and "Policy Declarations"; and
- c. subject to all applicable terms, conditions, exclusions and limitations.

NOTICE TO INSURED

Various provisions restrict coverage. Read the entire policy documents to determine:

- a. each Insured's rights and duties; and
- b. what coverage is and is not afforded in the forms and endorsements annexed.

I. APPLICABLE TO ALL COVERAGES

The following Policy Conditions, as modified or supplemented by forms or endorsements attached, apply to all coverages insured by this policy.

POLICY CONDITIONS

1. WORDS AND PHRASES IN QUOTATION MARKS

Words and phrases in quotation marks have special meaning and are defined in the form or endorsement to which such words and phrases apply.

2. CHANGES TO POLICY

The policy contains all the agreements between the Insured and the Insurer concerning the insurance provided. Notice to any agent or knowledge possessed by any agent or by any other person will not affect a waiver or a change in any part of this policy or estop the Insurer from asserting any right under the terms of this policy. The policy terms can be amended or waived only by an endorsement issued by the Insurer to form part of the policy.

3. CONFORMITY WITH LEGISLATION

If any term, condition, exclusion or limitation of this policy conflicts with applicable provincial or territorial legislation, such term, condition, exclusion or limitation is amended to conform to such legislation. All other terms, conditions, exclusions and limitations of this policy are unchanged.

4. CURRENCY

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

5. DECLARATION OF EMERGENCY - EXTENSION OF TERMINATION OR POLICY PERIOD

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.

SPECIMEN

- a. 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.
- b. i. 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:
 - (a) 30 days; or
 - (b) the number of days equal to the total time the "emergency" order was in effect.
- ii. If this policy is due to expire during an "emergency", it will continue in force until the "emergency" is terminated plus the lesser of:
 - (a) 30 days; or
 - (b) the number of days equal to the total time the "emergency" order was in effect.
- c. In no event will the total term of this extension exceed 120 consecutive days.
- d. The Insured will be responsible for the pro rata premium earned for the additional time the Insurer remains on risk as a result of the above.
- e. For the purpose of this condition "emergency" means the first statutory declaration of an emergency:
 - i. with respect to a situation or an impending situation that constitutes a danger of major proportions that could result in serious harm to persons or substantial damage to property and that is caused by the forces of nature a disease or other health risk an accident or an act whether intentional or otherwise; or
 - ii. as provided for by the relevant governing legislation if different from i.

"Emergency" does not include any subsequent statutory declaration(s) that may be issued relating to the same event.

6. EXCLUSION TITLES

Exclusion titles are solely for reference and do not in any way affect the content of the exclusion to which they relate.

7. INSPECTIONS AND SURVEYS

- a. The Insurer and its authorized representatives shall have the right but are not obligated to:
 - i. inspect the premises, property or operations of the Insured;
 - ii. inform the Insured of the conditions found; and
 - iii. recommend changes.
- b. Except as stated in paragraph c. of this condition any inspections, surveys, findings or recommendations relate only to insurability and the premiums to be charged. They do not constitute a warranty that the premises, property or operations are safe or healthful or comply with laws, codes or standards.
- c. If required under provincial or municipal statutes, ordinances, bylaws or regulations, the Insurer will inspect, survey, report and make recommendations relative to certification of boilers, pressure vessels or elevators.

8. LIBERALIZATION

If, during the policy period, the Insurer changes any of the forms attached to this policy so as to broaden the coverage without increasing the premium charged, the same change will apply to this policy from the date the Insurer makes the change.

9. TERMINATION AMENDMENT

- a. If the policy is made or deemed to be made in any province or territory, other than the Province of Quebec or the Province of Ontario, the termination condition, Statutory Condition 5, is modified as follows:
 - i. The contract may be terminated
 - (a) by the Insurer giving to the Insured:
 - (1) 5 days' written notice of termination, for any reason, if personally delivered,
 - (2) 15 days' written notice of termination by registered mail if the contract is terminated for non-payment of premium, or
 - (3) 30 days' written notice of termination by registered mail if the contract is terminated for any reason other than non-payment of premium;
 - (b) by the insured at any time on request.
 - ii. 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.
 - iii. 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.
 - iv. The 15 or 30 day period referred to in subparagraph a. i. of this condition:
 - (a) if the policy is made or deemed to be made in the provinces of Alberta, British Columbia or Manitoba, starts to run on the day the registered letter or notification of it is delivered to the Insured's postal address.
 - (b) if the policy is made or deemed to be made in any other province or territory, other than Alberta, British Columbia, Manitoba or Quebec, commences to run on the day following receipt of the registered letter at the post office to which it is addressed.
- b. If the policy is made or deemed to be made in the Province of Quebec, the termination condition, General Condition 12, is modified as follows:

- i. This policy may be cancelled at any time:
 - (a) by notice in writing given to the Insurer by each of the Insured's named in the policy. The termination takes effect upon receipt of the notice.
 - (b) by the Insurer giving written notice which will be sent to every Insured named in the policy. The termination takes effect:
 - (1) if the policy is cancelled for non-payment of premium, 15 days after notice is received by the Insured at the Insured's last known address;
 - (2) if the policy is cancelled for any other reason, 30 days after notice is received by the Insured at the Insured's last known address.
- ii. The Insured named in the policy may, however, give one or more of their number the mandate of receiving or sending the notice of termination.
- iii. Where this policy is terminated by the Insurer:
 - (a) the Insurer will refund the excess of premium actually paid by the Insured over the proportionate premium for the expired time; and
 - (b) the refund will accompany the notice, unless the premium is subject to adjustment or determination as to amount, in which case the refund will be made as soon as practicable.
- iv. Where this policy is terminated by the Insured, the Insurer will refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time.
 In this Condition, the words "premium actually paid" means the premium actually paid by the Insured to the Insurer or its representative but the "premium actually paid" does not include any premium or part of the premium paid to the Insurer by a representative unless actually paid to the representative by the Insured.
- c. If the policy is made or deemed to be made in the Province of Ontario, the termination condition, Statutory Condition 5, is modified as follows:
 - i. The contract may be terminated
 - (a) by the Insurer giving to the Insured:
 - (1) 5 days' written notice of termination, for any reason, if personally delivered or delivered by prepaid courier if there is a record by the person who delivered it that the notice has been sent,
 - (2) 15 days' written notice of termination by registered mail if the contract is terminated for non-payment of premium, or
 - (3) 30 days' written notice of termination by registered mail if the contract is terminated for any reason other than non-payment of premium;
 - (b) by the insured at any time on request.
 - ii. 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.
 - iii. 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.
 - iv. The 15 or 30 day period referred to in subparagraph c. i. of this condition commences to run on the day following receipt of the registered letter at the post office to which it is addressed.

10. SHORT RATE TERMINATION TABLES

FOR POLICIES WITH A 12 MONTH POLICY PERIOD (% of premium to be returned)											
Time-on-Risk (Days)	Return %	Time-on-Risk (Days)	Return %	Time-on-Risk (Days)	Return %	Time-on-Risk (Days)	Return %	Time-on-Risk (Days)	Return %	Time-on-Risk (Days)	Return %
1	95	37 - 40	79	97 - 98	63	154 - 156	47	219 - 223	31	292 - 296	15
2	94	41 - 43	78	99 - 102	62	157 - 160	46	224 - 228	30	297 - 301	14
3 - 4	93	44 - 47	77	103 - 105	61	161 - 164	45	229 - 232	29	302 - 305	13
5 - 6	92	48 - 51	76	106 - 109	60	165 - 167	44	233 - 237	28	306 - 310	12
7 - 8	91	52 - 54	75	110 - 113	59	168 - 171	43	238 - 241	27	311 - 314	11
9 - 10	90	55 - 58	74	114 - 116	58	172 - 175	42	242 - 246	26	315 - 319	10
11 - 12	89	59 - 62	73	117 - 120	57	176 - 178	41	247 - 250	25	320 - 323	09
13 - 14	88	63 - 65	72	121 - 124	56	179 - 182	40	251 - 255	24	324 - 328	08
15 - 16	87	66 - 69	71	125 - 127	55	183 - 187	39	256 - 260	23	329 - 332	07
17 - 18	86	70 - 73	70	128 - 131	54	188 - 191	38	261 - 264	22	333 - 337	06
19 - 20	85	74 - 76	69	132 - 135	53	192 - 196	37	265 - 269	21	338 - 342	05
21 - 22	84	77 - 80	68	136 - 138	52	197 - 200	36	270 - 273	20	343 - 346	04
23 - 25	83	81 - 83	67	139 - 142	51	201 - 205	35	274 - 278	19	347 - 351	03
26 - 29	82	84 - 87	66	143 - 146	50	206 - 209	34	279 - 282	18	352 - 355	02
30 - 32	81	88 - 91	65	147 - 149	49	210 - 214	33	283 - 287	17	356 - 360	01
33 - 36	80	92 - 94	64	150 - 153	48	215 - 218	32	288 - 291	16	361 - 366	00

FOR POLICIES WITH A 24 MONTH POLICY PERIOD
(% of premium to be returned)

Time-on-Risk (Days)	Return %	Time-on-Risk (Days)	Return %	Time-on-Risk (Days)	Return %	Time-on-Risk (Days)	Return %	Time-on-Risk (Days)	Return %	Time-on-Risk (Days)	Return %
1 - 2 3 - 5	95 94	74 - 80 81 - 87	79 78	190 - 197 198 - 205	63 62	308 - 314 315 - 321	47 46	438 - 447 448 - 457	31 30	584 - 593 594 - 603	15 14
6 - 9 10 - 13	93 92	88 - 94 95 - 103	77 76	206 - 212 213 - 219	61 60	322 - 328 329 - 335	45 44	458 - 466 467 - 475	29 28	604 - 612 613 - 621	13 12
14 - 17 18 - 21	91 90	104 - 110 111 - 117	75 74	220 - 226 227 - 233	59 58	336 - 343 344 - 351	43 42	476 - 484 485 - 493	27 26	622 - 630 631 - 639	11 10
22 - 25 26 - 29	89 88	118 - 124 125 - 131	73 72	234 - 241 242 - 249	57 56	352 - 358 359 - 365	41 40	494 - 502 503 - 511	25 24	640 - 648 649 - 657	09 08
30 - 33 34 - 37	87 86	132 - 138 139 - 147	71 70	250 - 256 257 - 263	55 54	366 - 374 375 - 383	39 38	512 - 520 521 - 529	23 22	658 - 666 667 - 675	07 06
38 - 41 42 - 45	85 84	148 - 154 155 - 161	69 68	264 - 270 271 - 277	53 52	384 - 392 393 - 401	37 36	530 - 538 539 - 547	21 20	676 - 686 687 - 693	05 04
46 - 52 53 - 59	83 82	162 - 168 169 - 175	67 66	278 - 285 286 - 293	51 50	402 - 410 411 - 419	35 34	548 - 556 557 - 565	19 18	694 - 702 703 - 711	03 02
60 - 66 67 - 73	81 80	176 - 182 183 - 189	65 64	294 - 300 301 - 307	49 48	420 - 428 429 - 437	33 32	566 - 574 575 - 583	17 16	712 - 721 722 - 732	01 00

11. Sanctions

Notwithstanding any provision to the contrary within the insurance policy to which it is attached (the "Policy"), the Policy does not provide any coverage to any insured, beneficiary, or third party who may have any rights under the Policy if such coverage, payment, service, benefit, or any business or activity of the insured (i) breaches or is not in compliance with, or (ii) exposes the insurer or any of its affiliate to penalty, fine or other regulatory sanction under, any sanction laws, rules, regulations and guidance applicable in the jurisdictions in which the insured, the insurer or any of their respective affiliates operates.

II. APPLICABLE TO ALL COVERAGES (EXCEPT ACCIDENT INSURANCE) UNDER A POLICY MADE OR DEEMED TO BE MADE IN THE PROVINCE OF ALBERTA

The following Statutory Conditions, as modified or supplemented by forms or endorsements attached, apply to all coverages, except Accident Insurance, insured by this policy.

STATUTORY CONDITIONS

1. MISREPRESENTATION

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

2. PROPERTY OF OTHERS

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

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

3. CHANGE OF INTEREST

The insurer is liable for loss or damage occurring after an authorized assignment under the *Bankruptcy and Insolvency Act* (Canada) or a change of title by succession, by operation of law or by death.

4. MATERIAL CHANGE IN RISK

- The insured must promptly give notice in writing to the insurer or its agent of a change that is
 - material to the risk, and
 - within the control and knowledge of the insured.
- If an insurer or its agent is not promptly notified of a change under subparagraph a. of this condition, the contract is void as to the part affected by the change.
- If an insurer or its agent is notified of a change under subparagraph a. of this condition, the insurer may
 - terminate the contract in accordance with Statutory Condition 5., or
 - 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.
- If the insured fails to pay an additional premium when required to do so under subparagraph c. ii. of this condition, the contract is terminated at that time and Statutory Condition 5. b. i. applies in respect of the unearned portion of the premium.

5. TERMINATION OF INSURANCE

- The contract may be terminated
 - 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
 - by the insured at any time on request.

- b. If the contract is terminated by the insurer,
 - i. 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
 - ii. 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.
- c. 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.
- d. The 15 day period referred to in subparagraph a. i. 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

- a. On the happening of any loss or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9.,
 - i. immediately give notice in writing to the insurer,
 - ii. 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
 - (a) 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,
 - (b) 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,
 - (c) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
 - (d) stating the amount of other insurances and the names of other insurers,
 - (e) 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,
 - (f) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
 - (g) stating the place where the insured property was at the time of loss,
 - iii. if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
 - iv. if required by the insurer and if practicable,
 - (a) produce books of account and inventory lists,
 - (b) furnish invoices and other vouchers verified by statutory declaration, and
 - (c) furnish a copy of the written portion of any other relevant contract.
- b. The evidence given, produced or furnished under subparagraph a. iii. and iv. of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12. and 13.

7. FRAUD

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

8. WHO MAY GIVE NOTICE AND PROOF

- Notice of loss under Statutory Condition 6. a. i. may be given and the proof of loss under Statutory Condition 6. a. ii. may be made
- a. by the agent of the insured, if
 - i. the insured is absent or unable to give the notice or make the proof, and
 - ii. the absence or inability is satisfactorily accounted for,
 - or
 - b. by a person to whom any part of the insurance money is payable, if the insured refuses to do so, or in the circumstances described in clause a. of this condition.

9. SALVAGE

- a. 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.
- b. The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph a. of this condition.

10. ENTRY, CONTROL, ABANDONMENT

After loss or damage to insured property, the insurer has

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

11. IN CASE OF DISAGREEMENT

- a. 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.
- b. There is no right to a dispute resolution process under this condition until
 - i. a specific demand is made for it in writing, and
 - ii. the proof of loss has been delivered to the insurer.

12. WHEN LOSS PAYABLE

Unless the contract provides for a shorter period, the loss is payable within 60 days after the proof of loss is completed in accordance with Statutory Condition 6. and delivered to the insurer.

13. REPAIR OR REPLACEMENT

- a. 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.
- b. If the insurer gives notice under subparagraph a. of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss and must proceed with all due diligence to complete the work within a reasonable time.

14. NOTICE

- a. 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.
- b. Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.

ADDITIONAL CONDITION

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

III. APPLICABLE TO ALL COVERAGES (EXCEPT ACCIDENT INSURANCE) UNDER A POLICY MADE OR DEEMED TO BE MADE IN THE PROVINCE OF BRITISH COLUMBIA

The following Statutory Conditions, as modified or supplemented by forms or endorsements attached, apply to all coverages, except Accident Insurance, insured by this policy.

STATUTORY CONDITIONS

1. MISREPRESENTATION

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

2. PROPERTY OF OTHERS

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

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

3. CHANGE OF INTEREST

The insurer is liable for loss or damage occurring after an authorized assignment under the *Bankruptcy and Insolvency Act* (Canada) or a change of title by succession, by operation of law or by death.

4. MATERIAL CHANGE IN RISK

- a. The insured must promptly give notice in writing to the insurer or its agent of a change that is
 - i. material to the risk, and
 - ii. within the control and knowledge of the insured.
- b. If an insurer or its agent is not promptly notified of a change under subparagraph a. of this condition, the contract is void as to the part affected by the change.
- c. If an insurer or its agent is notified of a change under subparagraph a. of this condition, the insurer may
 - i. terminate the contract in accordance with Statutory Condition 5., or
 - ii. 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.
- d. If the insured fails to pay an additional premium when required to do so under subparagraph c. ii. of this condition, the contract is terminated at that time and Statutory Condition 5. b. i. applies in respect of the unearned portion of the premium.

5. TERMINATION OF INSURANCE

- a. The contract may be terminated
 - i. by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or
 - ii. by the insured at any time on request.
- b. If the contract is terminated by the insurer,
 - i. 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

- ii. 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.
- c. 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.
- d. The 15 day period referred to in subparagraph a. i. 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

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

7. FRAUD

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

8. WHO MAY GIVE NOTICE AND PROOF

Notice of loss under Statutory Condition 6. a. i. may be given and the proof of loss under Statutory Condition 6. a. ii. may be made

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

9. SALVAGE

- a. 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.
- b. The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph a. of this condition.

10. ENTRY, CONTROL, ABANDONMENT

After loss or damage to insured property, the insurer has

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

11. IN CASE OF DISAGREEMENT

- a. 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.
- b. There is no right to a dispute resolution process under this condition until
 - i. a specific demand is made for it in writing, and
 - ii. the proof of loss has been delivered to the insurer.

12. WHEN LOSS PAYABLE

Unless the contract provides for a shorter period, the loss is payable within 60 days after the proof of loss is completed in accordance with Statutory Condition 6. and delivered to the insurer.

13. REPAIR OR REPLACEMENT

- a. 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.
- b. If the insurer gives notice under subparagraph a. of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

14. NOTICE

- a. 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.
- b. Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.

ADDITIONAL CONDITION

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

IV. APPLICABLE TO ALL COVERAGES (EXCEPT ACCIDENT INSURANCE) UNDER A POLICY MADE OR DEEMED TO BE MADE IN THE PROVINCE OF MANITOBA

The following Statutory Conditions, as modified or supplemented by forms or endorsements attached, apply to all coverages, except Accident Insurance, insured by this policy.

STATUTORY CONDITIONS

1. MISREPRESENTATION

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

2. PROPERTY OF OTHERS

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

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

3. CHANGE OF INTEREST

The insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy and Insolvency Act (Canada) or a change of title by succession, by operation of law or by death.

4. MATERIAL CHANGE IN RISK

- a. The insured must promptly give notice in writing to the insurer or its agent of a change that is
 - i. material to the risk, and
 - ii. within the control and knowledge of the insured.
- b. If an insurer or its agent is not promptly notified of a change under subparagraph a. of this condition, the contract is void as to the part affected by the change.
- c. If an insurer or its agent is notified of a change under subparagraph a. of this condition, the insurer may
 - i. terminate the contract in accordance with Statutory Condition 5., or
 - ii. 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.
- d. If the insured fails to pay an additional premium when required to do so under subparagraph c. ii. of this condition, the contract is terminated at that time, and Statutory Condition 5. b. i. applies in respect of the unearned portion of the premium.

5. TERMINATION OF CONTRACT

- a. The contract may be terminated
 - i. by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or
 - ii. by the insured at any time on request.
- b. If the contract is terminated by the insurer,
 - i. 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

- ii. 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.
- c. 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.
- d. The 15-day period referred to in subparagraph a. i. 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

- a. On the happening of any loss or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9.,
 - i. immediately give notice in writing to the insurer,
 - ii. 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
 - (a) 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,
 - (b) 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,
 - (c) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
 - (d) stating the amount of other insurances and the names of other insurers,
 - (e) 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,
 - (f) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
 - (g) stating the place where the insured property was at the time of loss,
 - iii. if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
 - iv. if required by the insurer and if practicable,
 - (a) produce books of account and inventory lists,
 - (b) furnish invoices and other vouchers verified by statutory declaration, and
 - (c) furnish a copy of the written portion of any other relevant contract.
- b. The evidence given, produced or furnished under subparagraph a. iii. and iv. of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

7. FRAUD

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

8. WHO MAY GIVE NOTICE AND PROOF

Notice of loss under Statutory Condition 6. a. i. may be given and the proof of loss under of Statutory Condition 6. a. ii. may be made

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

9. SALVAGE

- a. 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.
- b. The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph a. of this condition.

10. ENTRY, CONTROL, ABANDONMENT

After loss or damage to insured property, the insurer has

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

11. IN CASE OF DISAGREEMENT

- a. 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.
- b. There is no right to a dispute resolution process under this condition until
 - i. a specific demand is made for it in writing, and
 - ii. the proof of loss has been delivered to the insurer.

12. WHEN LOSS PAYABLE

Unless the contract provides for a shorter period, the loss is payable within 60 days after the proof of loss is completed in accordance with Statutory Condition 6 and delivered to the insurer.

13. REPLACEMENT

- a. 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.
- b. If the insurer gives notice under subparagraph a. of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss and must proceed with all due diligence to complete the work within a reasonable time.

14. NOTICE

- a. 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.
- b. Written notice to the insured may be personally delivered at, or sent by registered mail addressed to the insured's last known address as provided to the insurer by the insured.

ADDITIONAL CONDITION

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

V. APPLICABLE TO THE PROVINCE OF QUEBEC

The following General Conditions, as modified or supplemented by forms or endorsements attached, apply to all perils insured by this policy and to the liability coverage, where provided.

GENERAL CONDITIONS

1. REPRESENTATION OF RISK

The applicant, and the Insured if the Insurer requires it, is bound to represent all the facts known to him which are likely to materially influence an insurer in the setting of the premium, the appraisal of the risk or the decision to cover it, but he is not bound to represent facts known to the Insurer or which from their notoriety he is presumed to know, except in answer to inquiries.

2. MATERIAL CHANGE IN RISK

- a. The Insured will promptly notify the Insurer of any change that increases the risks stipulated in the policy and that results from events within his control if it is likely to materially influence an insurer in setting the rate of the premium, appraising the risk or deciding to continue to insure it.
- b. On being notified of any material change in the risk, the Insurer may cancel the contract or propose, in writing, a new rate of premium. Unless the new premium is accepted and paid by the Insured within 30 days of the proposal, the policy ceases to be in force.

3. MISREPRESENTATIONS OR CONCEALMENT

- a. Any misrepresentation or concealment of relevant facts mentioned in 1. and in 2. a. of these General Conditions by the applicant or the Insured nullifies the contract at the instance of the Insurer, even in respect of losses not connected with the risk so misrepresented or concealed.
- b. Unless the bad faith of the applicant or of the Insured is established or unless it is established that the Insurer would not have covered the risk if the Insurer had known the true facts, the Insurer remains liable towards the Insured for such proportion of the indemnity as the premium the Insurer collected bears to the premium the Insurer should have collected.

4. REPRESENTATIONS OF INSURED

Any increase in risk resulting from a breach of a condition suspends the coverage until accepted by the Insurer or until such breach has been remedied by the Insured.

5. ASSIGNMENT

- a. This policy may be assigned only with the consent of the Insurer and in favour of a person who has an insurable interest in the insured property.
- b. Upon the death or bankruptcy of an Insured or the assignment of an Insured's interest in the insurance to a co-insured, the insurance continues in favour of the heir, trustee in bankruptcy or remaining Insured, subject to the heir, trustee or remaining Insured performing the obligations that were incumbent upon the Insured.

6. NOTICE OF LOSS AND LOSS INFORMATION

- a. The Insured will notify the Insurer of any loss which may give rise to an indemnity, as soon as the Insured becomes aware of it. Any interested person may give such notice.
- b. In the event that the requirement set out in 6. a. of this condition is not fully complied with, all rights to compensation will be forfeited by the Insured where such non-compliance has caused prejudice to the Insurer.
- c. The Insured will inform the Insurer as soon as possible of all the circumstances surrounding the loss, including its probable cause, the nature and extent of the damage, the location of the insured property, the rights of third parties, and any concurrent insurance; the Insured will also furnish the Insurer with vouchers and attest under oath to the truth of the information.
- d. Where, for a serious reason, the Insured is unable to fulfill such obligation, the Insured is entitled to a reasonable time in which to do so. If the Insured fails to fulfill these obligations, any interested person may do so on the Insured's behalf.
- e. The Insured will send to the Insurer a copy of any notice, letter, subpoena or writ or document received in connection with a claim.
- f.
 - i. Any person making a deceitful representation forfeits the right to indemnity for the risk to which the representation relates.
 - ii. If the occurrence of the event insured against entails the loss of both movable and immovable property or of both property for occupational use and personal property, forfeiture is incurred only with respect to the class of property to which the representation relates.

7. SAFEGUARDING AND EXAMINATION OF PROPERTY

At the expense of the Insurer, the Insured must take all reasonable steps to prevent further loss or damage to the insured property and any further loss or damage resulting directly or indirectly from the Insured's failure to take such action will not be recoverable. The Insured may not abandon the damaged property if there is no agreement to that effect. The Insured will facilitate the salvage and inspection of the insured property by the Insurer. The Insured will, in particular, permit the Insurer and its authorized representatives to visit the premises and examine the insured property before repairing, removing or modifying the damaged property, unless so required to safeguard the property.

8. REPLACEMENT

Subject to the rights of preferred creditors and mortgagees, the Insurer reserves the right to repair, rebuild or replace the insured property. The Insurer is then entitled to salvage and may take over the property.

9. TIME OF PAYMENT

If the Insured has complied with all the terms of the contract, the Insurer will pay the indemnity within 60 days after receiving the proof of loss or, at the Insurer's request, all relevant information and supporting documents. Any outstanding premium may be deducted from the indemnity payable.

10. WAIVER

Neither the Insurer nor the Insured will be deemed to have waived any term or condition of the policy by any act relating to arbitration or to the completion or delivery of proof of loss, or to the investigation or adjustment of the claim.

11. LIMITATION OF ACTIONS

Every action or proceeding against the Insurer under this policy will be commenced within 3 years from the date the right of action has arisen.

12. TERMINATION

- a. This policy may be cancelled at any time:
 - i. By notice in writing given to the Insurer by each of the Insured's named in the policy. The termination takes place upon receipt of the notice.
 - ii. By the Insurer giving prior notice which will be sent to every Insured named in the policy. The termination takes place 15 days after notice is received by the Insured at the Insured's last known address.
- b. The Insured named in the policy may, however, give one or more of their number the mandate of receiving or sending the notice of termination.
- c. Where this contract is terminated by the Insurer,
 - i. the Insurer will refund the excess of premium actually paid by the Insured over the proportionate premium for the expired time; and
 - ii. the refund will accompany the notice, unless the premium is subject to adjustment or determination as to amount, in which case the refund will be made as soon as practicable.
- d. Where this contract is terminated by the Insured, the Insurer will refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time.

In this Condition, the words "premium actually paid" mean the premium actually paid by the Insured to the Insurer or its representative but the "premium actually paid" does not include any premium or part of the premium paid to the Insurer by a representative unless actually paid to the representative by the Insured.

13. NOTICE

Any notice to the Insurer may be sent by any recognized means of communication to the Insurer or its authorized representative. Notice may be given to the Insured named in the policy by letter personally delivered to the Insured or by mail addressed to the Insured at the Insured's last known address. It is incumbent upon the sender to prove that such notice was received.

VI. APPLICABLE TO ALL COVERAGES (EXCEPT ACCIDENT INSURANCE) UNDER A POLICY MADE OR DEEMED TO BE MADE IN THE PROVINCE OF ONTARIO

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

STATUTORY CONDITIONS

1. MISREPRESENTATION

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

2. PROPERTY OF OTHERS

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

3. CHANGE OF INTEREST

The Insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy Act (Canada) or change of title by succession, by operation of law, or by death.

4. MATERIAL CHANGE

Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected by the change, unless the change is promptly notified in writing to the Insurer or its local agent, and the Insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract. Alternatively, the Insurer may notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within 15 days of the receipt of the notice, pay to the Insurer an additional premium. In default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

5. TERMINATION

- a. This contract may be terminated,
 - i. by the Insurer giving to the Insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered or delivered by prepaid courier if there is a record by the person who delivered it that the notice has been sent;
 - ii. by the Insured at any time on request.
- b. Where this contract is terminated by the Insurer,
 - i. the Insurer shall refund the excess of premium actually paid by the Insured over the proportionate premium for the expired time, but, in no event, shall the proportionate premium for the expired time be less than any minimum retained premium specified; and
 - ii. the refund shall accompany the notice, unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
- c. Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
- d. The refund may be made by money, postal or express company money order or cheque payable at par.
- e. The 15 days mentioned in subparagraph a. i. of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

6. REQUIREMENT AFTER LOSS

- a. Upon the occurrence of any loss or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11;
 - i. immediately give notice thereof in writing to the Insurer;
 - ii. deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration;
 - (a) giving a complete inventory of the lost or damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed;
 - (b) 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;
 - (c) stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the Insured;
 - (d) showing the amount of other insurances and the names of other insurers;
 - (e) showing the interest of the Insured and of all others in the property with particulars of all liens, mortgages, encumbrances and other charges upon the property;
 - (f) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract;
 - (g) showing the place where the insured property was at the time of loss or damage;
 - iii. if required, give a complete inventory of undamaged property showing in detail quantities, cost, actual cash value;
 - iv. if required and if practicable, produce accounts, warehouse receipts, stock lists, invoices and other pertinent records, verified by statutory declaration, as well as any relevant contracts or agreements with others.
- b. The evidence furnished under clauses a. iii. and iv. of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

7. FRAUD

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

8. WHO MAY GIVE NOTICE AND PROOF

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

9. SALVAGE

- a. The Insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent further damage or further damage thereto.
- b. The Insurer shall contribute proportionately towards any reasonable and proper expenses in connection with steps taken by the insured and required under subcondition a. of this condition according to the respective interests of the parties.

10. ENTRY, CONTROL, ABANDONMENT

After loss or damage to insured property, the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage. After the Insured has secured the property, the Insurer has a further right of access and entry sufficient to enable its agents to make appraisal or particular estimate of the loss or damage. The Insurer is not entitled to the control or possession of the insured property. There can be no abandonment of insured property without the Insurer's consent.

11. APPRAISAL

In the event of disagreement as to the value of the insured property, or the value of the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under the *Insurance Act* before there can be any recovery under this contract, whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand for one is made in writing and until after proof of loss has been delivered.

12. WHEN LOSS PAYABLE

The loss is payable within 60 days after completion of the proof of loss, unless the contract provides for a shorter period.

13. REPLACEMENT

- a. The Insurer, instead of making payment, may repair, rebuild or replace the property lost or damaged, giving written notice of its intention to do so within 30 days after receipt of the proof of loss.
- b. In that event, the Insurer shall commence to repair, rebuild, or replace the property within 45 days after receipt of the proofs of loss, and shall proceed with all due diligence to completion of the work.

14. ACTION

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

15. NOTICE

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

VII. APPLICABLE TO ALL PROVINCES AND TERRITORIES EXCEPT THE PROVINCES OF ALBERTA, BRITISH COLUMBIA, MANITOBA, ONTARIO AND QUEBEC

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

STATUTORY CONDITIONS

1. MISREPRESENTATION

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

2. PROPERTY OF OTHERS

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

3. CHANGE OF INTEREST

The Insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy Act (Canada) or change of title by succession, by operation of law, or by death.

4. MATERIAL CHANGE

Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected by the change, unless the change is promptly notified in writing to the Insurer or its local agent, and the Insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract. Alternatively, the Insurer may notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within 15 days of the receipt of the notice, pay to the Insurer an additional premium. In default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

5. TERMINATION

- a. This contract may be terminated,
 - i. by the Insurer giving to the Insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered;
 - ii. by the Insured at any time on request.
- b. Where this contract is terminated by the Insurer,
 - i. the Insurer shall refund the excess of premium actually paid by the Insured over the proportionate premium for the expired time, but, in no event, shall the proportionate premium for the expired time be less than any minimum retained premium specified; and
 - ii. the refund shall accompany the notice, unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
- c. Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
- d. The refund may be made by money, postal or express company money order or cheque payable at par.
- e. The 15 days mentioned in subparagraph a. i. of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

6. REQUIREMENT AFTER LOSS

- a. Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11;
 - i. immediately give notice thereof in writing to the Insurer;
 - ii. deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration;
 - (a) giving a complete inventory of the lost or damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed;
 - (b) 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;
 - (c) stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the Insured;
 - (d) showing the amount of other insurances and the names of other insurers;
 - (e) showing the interest of the Insured and of all others in the property with particulars of all liens, mortgages, encumbrances and other charges upon the property;
 - (f) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract;
 - (g) showing the place where the insured property was at the time of loss or damage;
 - iii. if required, give a complete inventory of undamaged property showing in detail quantities, cost, actual cash value;
 - iv. if required and if practicable, produce accounts, warehouse receipts, stock lists, invoices and other pertinent records, verified by statutory declaration, as well as any relevant contracts or agreements with others.
- b. The evidence furnished under clauses a. iii. and iv. of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

7. FRAUD

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

8. WHO MAY GIVE NOTICE AND PROOF

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

9. SALVAGE

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

10. ENTRY, CONTROL, ABANDONMENT

After loss or damage to insured property, the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage. After the Insured has secured the property, the Insurer has a further right of access and entry sufficient to enable its agents to make appraisal or particular estimate of the loss or damage. The Insurer is not entitled to the control or possession of the insured property. There can be no abandonment of insured property without the Insurer's consent.

11. APPRAISAL

In the event of disagreement as to the value of the insured property, or the value of the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under the *Insurance Act* before there can be any recovery under this contract, whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand for one is made in writing and until after proof of loss has been delivered.

12. WHEN LOSS PAYABLE

The loss is payable within 60 days after completion of the proof of loss, unless the contract provides for a shorter period.

13. REPLACEMENT

- a. The Insurer, instead of making payment, may repair, rebuild or replace the property lost or damaged, giving written notice of its intention to do so within 30 days after receipt of the proof of loss.
- b. In that event, the Insurer shall commence to repair, rebuild, or replace the property within 45 days after receipt of the proofs of loss, and shall proceed with all due diligence to completion of the work.

14. ACTION

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

15. NOTICE

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

SPECIMEN

This endorsement changes the coverage provided by:
POLICY CONDITIONS – 910000

This endorsement changes the termination conditions as follows:

A. POLICY CONDITIONS – 910000

Policy Condition I. 9. TERMINATION AMENDMENT is amended as follows:

1. Subparagraph a. i. is deleted and replaced by the following:
 - i. The contract may be terminated
 - (a) by the Insurer giving to the Insured:
 - (1) 5 days' written notice of termination, for any reason, if personally delivered,
 - (2) 15 days' written notice of termination by registered mail if the contract is terminated for non-payment of premium, or
 - (3) the number of days shown on the "Policy Declarations" for this endorsement, of written notice of termination by registered mail if the contract is terminated for any reason other than non-payment of premium.
 - (b) by the Insured at any time on request.
2. The first line of subparagraph a. iv. is deleted and replaced by the following:
The periods referred to in subparagraphs a. i. (2) and (3) of this condition:
3. Subparagraph b. i. (b) is deleted and replaced by the following:
 - (b) by the Insurer giving written notice which will be sent to every Insured named in the policy. The termination takes effect:
 - (1) if the policy is cancelled for non-payment of premium, 15 days after notice is received by the Insured at the Insured's last known address;
 - (2) if the policy is cancelled for any other reason, the number of days shown on the "Policy Declarations" for this endorsement after notice is received by the Insured at the Insured's last known address.

All other terms, conditions, exclusions and limitations remain unchanged.

ENGLISH LANGUAGE ENDORSEMENT

This endorsement, at the express wish of the Named Insured, represents an agreement with respect to the use of the English language for this insurance policy and all related documents:

The Parties hereto have requested that this insurance policy be drafted in the English language after having had the opportunity to review the French version. Thereafter, all related documents will be exclusively in English.

Les parties ont requis que la présente police d'assurance soit rédigée en anglais après avoir eu la possibilité d'examiner sa version française. Par la suite, les documents qui s'y rattachent seront exclusivement en anglais.

All terms, conditions, exclusions and limitations of the policy are unchanged.

SPECIMEN



AVIVA

AVIVA	Regular	
Supplementary Coverages		
Group One - Blanket Limit		
Property		
Automatic fire suppression system recharge expense		
Brands and labels		
Building damage by theft		
Landscaping and growing plants, trees, shrubs or flowers in the open		
Master key coverage		
Newly acquired business contents		
Personal effects of officers, employees, customers and guests		
Seasonal stock increase		
	\$	100,000
Business Income		
Accountants' fees		
Fines and penalties		
Leasehold interest		
Newly acquired locations		
Equipment Breakdown Insurance Form		
Ammonia contamination		
Brands and labels		
Hazardous substances		
Research and development costs		
Group Two - Additional limits		
Property	\$	100,000
Accounts receivable		inclus
Buildings and business contents at newly acquired locations	\$	2,000,000
Building improvements, betterments and course of construction		inclus
Building upgrade - build back better		inclus
Business contents away from premises		inclus
Business contents in transit		inclus
Business property at a residence		inclus
By-laws		inclus
Catch all	\$	25,000
Clean up expenses for land and water pollution		inclus
Confiscated or seized property		inclus
Debris removal		inclus
Environmental upgrade - build back better		inclus
Errors and omissions	\$	50,000
Expediting expense		inclus
Extra expense		inclus
Exterior paving		inclus
Fine arts		inclus
Fire fighting expenses		inclus
Damage by animals or insects		inclus
Inspection and approval costs		inclus
Installation floater		inclus
Professional fees		inclus
Reward	\$	5,000
Stock contamination		inclus
Stock spoilage – distance (km) : 25		inclus
Valuable papers and records		inclus

**AVIVA**

AVIVA	Regular	
Supplementary Coverages		
Business Income		
Contingent business interruption	\$	25,000
Utilities service interruption – distance in km from insured location: 25	\$	25,000
Equipment Breakdown Insurance Form		
By-laws	\$	50,000
Catch all clause	\$	25,000
Data coverage	\$	10,000
Data processing equipment and media at a residence	\$	10,000
Data processing equipment and media - off premises	\$	10,000
Debris removal	\$	0
Environmental upgrade	\$	50,000
Errors and omissions	\$	50,000
Fluid escape	\$	50,000
Expediting expense	\$	25,000
Extra expense	\$	25,000
Inspection and approval costs	\$	10,000
Newly acquired location	\$	2,000,000
Professional fees	\$	25,000
Stock spoilage	\$	25,000
Business income - Equipment breakdown		
Contingent business interruption	\$	25,000
Utilities service interruption – distance in km from insured location: 25	\$	25,000
Group Three - Additional limits		
Business Income		
Mortgage rate guarantee	\$	25,000
Ordinary payroll expenses – 90 days		Inclus
Restricted access – period: 30 days	\$	10,000

I. INDEMNITY AGREEMENT

In the event of direct physical loss of or direct physical damage to insured property sustained during the policy period by an insured peril, the Insurer agrees to indemnify the Insured subject to the terms and conditions of this form to an amount not exceeding the least of:

1. the value of the physically lost or physically damaged property as determined in V. SPECIAL CONDITIONS;
2. the interest of the Insured in the property;
3. the limit of insurance shown on the "Policy Declarations" for the physically lost or physically damaged property.

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

II. INSURED PROPERTY

The following is insured property under this form, provided a limit of insurance is shown in the "Policy Declarations":

1. Property at the "premises" described as:
 - "Building"
 - "Equipment"
 - "Stock"
 - "Business Contents"
 - "All Property"
2. Property as described in IV. SUPPLEMENTARY COVERAGES.

III. INSURED PERILS AND EXCLUSIONS

A. INSURED PERILS

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

B. EXCLUSIONS

1. EXCLUDED PROPERTY

This form does not insure loss of or damage to:

a. Animals

All animals. This exclusion does not apply to physical loss or physical damage caused directly by "named perils" or by theft or attempted theft.

b. Automobiles, watercraft and aircraft

"Automobiles", watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, including motors or other accessories attached to or mounted on such property. This exclusion does not apply to:

- i. watercraft, trailers, amphibious or air cushion vehicles held for sale;
- ii. unlicensed "automobiles" or unlicensed trailers used in the business of the Insured when on the "premises".

c. Electrical devices

Electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing. This exclusion does not apply to physical loss or physical damage caused directly by resultant fire or explosion as described in this form.

d. Growing plants outside the building

Growing plants, trees, shrubs or flowers, all while outside the "building" except as provided in IV. SUPPLEMENTARY COVERAGES.

e. Money and negotiable items

"Money", "cash cards", "securities", stamps, tickets (except lottery tickets) and tokens, "digital currency", electronic fund transfers, or evidence of debt or title.

f. Pressure vessels, electrical equipment, turbines

- i. (a) Any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure, including moving or rotating machinery or parts connected to them;
- (b) ASME (American Society of Mechanical Engineers) approved Boiler or pressure vessels, which are normally subject to vacuum or internal pressure other than static pressure of contents including:
 - (1) boiler;
 - (2) condensate return tank;
 - (3) fired pressure vessel;
 - (4) fibreglass reinforced plastic vessel, or metal unfired vessels,
 - (5) refrigeration or air conditioning vessels and piping; or
 - (6) metal piping and its accessories including:
 - (i) feed water piping between any boiler and its feed pumps or injectors;
 - (ii) boiler condensation return piping;
 - (iii) chilled water piping connected to and forming part of a refrigeration or air conditioning system;
 - (iv) arrangement of piping used in conjunction with hot water heating system, together with valves, radiators and fittings connected to such system, provided such systems are not encased or requiring excavation;
 - (v) any unfired pressure vessels which is used for the storage of gas or liquid and which is periodically filled, moved, emptied and refilled in the course of its normal service, will be considered as connected ready for use within the terms of the policy;
 - (vi) mechanical or electrical equipment mounted on or forming part thereof used solely for the purposes of monitoring or controlling such object.
- (c) Mechanical, electrical machine or apparatus which generates, transmits or utilizes mechanical or electrical power including electronic equipment meaning;

- (1) any data processing, calculating or computing equipment, or any electronic machine, device or instrument;
 - (2) any x-ray machine, magnetic resonance imaging (MRI), computed tomography (CT scan), electronic microscope, laser, particle accelerator, beta gauge, spectrograph including equipment used for research, diagnostic, treatment, experimental medical or scientific purposes or any equipment or apparatus utilizing radio-active materials: or
 - (3) any equipment used for the generation, control, transmission, reception, reproduction, playback or any other use of television, radio, or telecommunications signals.
- ii. This exclusion only applies to loss or damage caused directly or indirectly by:
 - (a) explosion;
 - (b) electrical arcing;
 - (c) rupture, bursting or cracking;
 - (d) centrifugal force;
 - (e) mechanical breakdown;
 - (f) burning out or bulging.
 - iii. This exclusion does not apply to:
 - (a) tanks having an internal diameter of 610 millimetres (24 inches) or less used for the storage of hot water;
 - (b) manually portable gas cylinders;
 - (c) explosion of natural, coal or manufactured gas;
 - (d) explosion of gas or unconsumed fuel within a furnace or within the gas passages from the furnace to the atmosphere; or
 - (e) other property insured by this form that has been damaged by the explosion of vessels, apparatus or pipes while undergoing pressure testing.

g. Property being worked upon or repaired

"Business contents":

- i. while actually being worked upon and directly resulting from such work; or
- ii. caused by any repairing, adjusting, or servicing of "business contents".

This exclusion does not apply to physical loss or physical damage caused directly by resultant fire or explosion as described in this form.

h. Property illegally kept or transported

Property that is:

- i. illegally acquired, kept, stored or transported, irrespective if known or unknown to the insured; or
- ii. seized or confiscated for breach of any law or by order of any public authority, except as provided in IV. SUPPLEMENTARY COVERAGES.

i. Property rented, leased or sold

Property from the time of leaving the Insured's custody if it is:

- i. loaned or rented or leased to others; or
- ii. sold by the Insured under conditional sale or instalment payment or other deferred payment plan.

This exclusion 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.

j. Roadways, walkways and parking lots

Roadways, walkways, exterior parking lots or other similar exterior paved or unpaved surfaces except as provided in IV. SUPPLEMENTARY COVERAGES.

k. Sewers and drains

Sewers, drains or watermains located beyond the "premises" or at a "newly acquired location".

l. Vacant properties

Property at locations which to the knowledge of the Insured, are vacant, unoccupied or shut down for more than 30 consecutive days. This exclusion does not apply to locations:

- i. that are shown on the "Policy Declarations" as a seasonal business, and
- ii. the seasonal vacancy, unoccupancy or shut down does not exceed 9 consecutive months.

m. Valuable property

Furs, fur garments, "fine arts", jewels, jewellery, pearls, or precious and semi precious stones, bullion, numismatic property, platinum and other precious metals and alloys, except as provided in IV. SUPPLEMENTARY COVERAGES. This exclusion does not apply to physical loss or physical damage caused directly by "named perils".

2. EXCLUDED PERILS

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

a. Centrifugal force and mechanical breakdown

By centrifugal force, mechanical or electrical breakdown or derangement, in or on the "premises" or at a "newly acquired location". This exclusion does not apply to physical loss or physical damage caused directly by resultant fire.

b. Change in atmosphere or temperature

- i. (a) By dampness or dryness of atmosphere;
(b) by changes in or extremes of temperature, heating or freezing; or
(c) by total or partial interruption to the supply of electricity, water, gas or steam;
whether the result of natural forces or artificial forces, except as provided in IV. SUPPLEMENTARY COVERAGES.
- ii. This exclusion does not apply to:
 - (a) physical loss or physical damage caused directly by rupture of pipes or breakage of apparatus not excluded in III. B. 1. h. Pressure vessels, electrical equipment, turbines;
 - (b) damage to pipes caused directly by freezing, unless such pipes are excluded in III. B. 1. h. Pressure vessels, electrical equipment, turbines;
 - (c) physical loss of or physical damage to "building" or "equipment" caused directly by "named perils", theft or attempted theft; or
 - (d) physical loss or physical damage caused directly by an accident to a transporting conveyance.

c. Change in texture or finish

- i. By shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, or change in colour or texture or finish; or
- ii. by marring, scratching or crushing;
except as provided in IV. SUPPLEMENTARY COVERAGES.
This exclusion does not apply to physical loss or physical damage caused directly by:
 - (a) "named perils";
 - (b) rupture of pipes or breakage of apparatus not excluded in III. B. 1. h. Pressure vessels, electrical equipment, turbines;
 - (c) theft or attempted theft; or
 - (d) an accident to a transporting conveyance.

d. Contamination

By contamination except as provided in IV. SUPPLEMENTARY COVERAGES.

This exclusion does not apply to physical loss or physical damage caused directly by:

- i. "named perils";
- ii. rupture of pipes or breakage of apparatus not excluded in III. B. 1. h. Pressure vessels, electrical equipment, turbines;
- iii. theft or attempted theft; or
- iv. an accident to a transporting conveyance.

e. Delay, loss of market or use

By delay, loss of market, or loss of use or occupancy or any other direct or indirect consequential loss.

f. Dishonest, intentional and criminal acts

- i. By any dishonest, intentional or criminal act committed by the Insured or any agent of the Insured, acting alone or in collusion with others;
- ii. by theft or attempted theft committed by any employee of the Insured, acting alone or in collusion with others; or
- iii. by any dishonest, intentional, or criminal act committed by anyone, except as stated in III. B. 2. f. ii., when the Insured or any agent of the Insured knew or ought to have known prior to the direct physical loss or direct physical damage, of the dishonest, intentional, or criminal act. This exclusion does not apply if, upon becoming aware of the dishonest, intentional, or criminal act, the Insured or any agent of the Insured immediately notifies the police and the Insurer.

g. Earthquake

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

h. Explosion of pressure vessels, turbines or electrical equipment

- i. By explosion (except explosion of gas or unconsumed fuel), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured:
 - (a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - (b) piping and apparatus or their parts normally containing steam or water under steam pressure from an external source and while under such pressure;
 - (c) other vessels and apparatus and their connected pipes while under pressure, or while in use or in operation provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure but this exclusion does not apply to direct physical loss or direct physical damage resulting directly from the explosion of manually portable gas cylinders, or of tanks or vessels having an internal diameter of 610 millimetres (24 inches) or less used for the heating and storage of hot water;
 - (d) moving or rotating machinery or their parts;

- (e) any vessels or apparatus and their connected pipes while undergoing pressure tests but this exclusion does not apply to other insured property damaged by such explosion; or
 - (f) gas turbines.
 - ii. This exclusion does not apply to physical loss or physical damage caused directly by resultant fire.
 - i. **Flood and other water events**
By flood, including "surface water", waves, tides, tidal waves, or the breaking out or overflow, whether a natural or man-made event, of any natural or artificial body of water. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for physical loss or physical damage caused directly by resultant fire, explosion, smoke, leakage from "fire protective equipment", all as described in this form. This exclusion does not apply to property in transit or physical loss or physical damage caused directly by leakage from a watermain.
 - j. **Rodents, insects and vermin**
By rodents, insects, bats, raccoons, skunks or vermin, except as provided in IV. SUPPLEMENTARY COVERAGES. This exclusion does not apply to physical loss or physical damage caused directly by a peril not otherwise excluded.
 - k. **Seepage and leakage of water**
 - i. By seepage, leakage or influx of water through basement walls, doors, windows or other openings, foundations, basement floors, sidewalks or sidewalk lights, unless concurrently and directly caused by a peril not otherwise excluded in this form;
 - ii. by the backing up or overflow of water from sewers, sumps, septic tanks or drains, wherever located, unless concurrently and directly caused by a peril not otherwise excluded in this form; or
 - iii. by the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings unless through an aperture concurrently and directly caused by a peril not otherwise excluded in this form.
 - l. **Settling, moving or shifting**
By settling, expansion, contraction, moving, shifting or cracking, whether natural or manmade, unless concurrently and directly caused by a peril not otherwise excluded in this form.
 - m. **Smoke**
By smoke from agricultural smudging or industrial operations.
 - n. **Snowslide, landslide or earth movement**
By snowslide, landslide or other earth movement whether natural or manmade. This exclusion does not apply to:
 - i. property in transit;
 - ii. resultant physical loss or physical damage caused directly by fire, explosion, smoke or leakage from "fire protective equipment".
3. **OTHER EXCLUDED LOSS OR DAMAGE**
This form does not insure:
- a. **By-laws and zoning**
Any costs arising from the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which makes it impossible to repair or reinstate the property as it was immediately prior to loss, except as provided in IV. SUPPLEMENTARY COVERAGES.
 - b. **Faulty materials, workmanship and design**
 - i. faulty or improper material;
 - ii. faulty or improper workmanship; or
 - iii. faulty or improper design.

This exclusion does not apply to physical loss or physical damage caused directly by a resultant peril not otherwise excluded in this form. This exception does not apply to any direct or indirect cost or expense to rectify i., ii., or iii. above in the undamaged portion of the insured property.
 - c. **Fungi or spores**
 - i. Loss or damage consisting of, or caused directly or indirectly, by any "fungi" or "spores".
This exclusion does not apply to physical loss or physical damage:
 - (a) if the "fungi" or "spores" are directly caused by a peril not otherwise excluded in this form; or
 - (b) caused directly by a resultant peril not otherwise excluded in this form.
 - ii. The cost or expense for any testing, monitoring, evaluating or assessing of "fungi" or "spores".
 - d. **Mysterious disappearance**
Against mysterious disappearance, or shortage of "business contents" disclosed on taking inventory.
 - e. **Wear and tear, rust, corrosion and gradual deterioration**
Against loss or damage consisting of or caused by:
 - i. wear and tear;
 - ii. rust or corrosion; or
 - iii. gradual deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself.

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

4. COMMON EXCLUSIONS

See COMMON EXCLUSIONS section of 910001 PROPERTY, BUSINESS INCOME, INLAND MARINE, CRIME AND EQUIPMENT BREAKDOWN COMMON CONDITIONS AND EXCLUSIONS FORM.
This Form does not insure loss or damage arising from:

- i. Contagious Disease
- ii. Cyber Risk
- iii. Data
- iv. Data Problem
- v. Marine and Waterborne Property
- vi. Nuclear Incident and Radioactive Contamination
- vii. Pollution
- viii. Terrorism
- ix. War, invasion, act of foreign enemy

IV. SUPPLEMENTARY COVERAGES

A. GROUP ONE

The limit of insurance applicable to loss or damage covered by any or all coverages described in GROUP ONE is the blanket limit shown on the "Policy Declarations". The limit of insurance applies to any one occurrence of insured loss or damage, irrespective if multiple "premises" suffer loss or damage. Unless stated otherwise, the blanket limit of insurance is in addition to any other limit of insurance applicable under this form.

Any Co-insurance Clause applicable to this form does not apply to GROUP ONE coverages as set out below.

Any Supplementary Coverage shown on the "Policy Declarations" as Not Covered will not be insured by this Form.

1. AUTOMATIC FIRE SUPPRESSION SYSTEM RECHARGE EXPENSE

This form insures any automatic fire suppression system recharge expense incurred by the Insured due to the leakage of or discharge of the fire suppressant within any automatic fire suppression system at the "premises", where such discharge or leakage is directly caused by or results directly from a peril insured against under this form. Automatic fire suppression recharge expenses do not include costs incurred to replace, upgrade or remove any component parts of automatic fire suppression systems.

2. BRANDS AND LABELS

This form insures the expenses:

- a. if the Insurer exercises its option to take all or any part of the "stock" involved in an insured loss; and
 - b. if the Insured reserves the right to first remove their trademarks, guarantees, names or other evidence of their interest or connection from the "stock";
- to remove said trademarks, guarantees, names or other evidence of their interest. Where the removal of such marks is impossible or impractical, the "stock" may be stamped as salvage and/or transferred to bulk containers.

3. BUILDING DAMAGE BY THEFT

This form insures physical loss or physical damage (except by fire) to that part of the "building" occupied by the Insured directly resulting from theft or any attempted theft and from vandalism or malicious acts committed on the same occasion, provided that:

- a. the Insured is not the owner of such "building" and is legally liable for such damage; and
- b. the "building" is not otherwise insured by this form.

4. LANDSCAPING AND GROWING PLANTS, TREES, SHRUBS OR FLOWERS IN THE OPEN

This form insures physical loss of or physical damage to landscaping of the "premises", growing plants, trees, shrubs, lawns or flowers all while outside the "building" caused directly by "named perils" with the exception of windstorm or hail as described in this form or from theft or attempted theft. There will in no event be coverage for:

- a. growing crops; or
- b. roadways, walkways, exterior parking lots or other similar exterior paved or unpaved surfaces.

5. MASTER KEY COVERAGE

This form insures the cost of replacing or re-tooling locks, following direct physical loss or direct physical damage to master keys, electronic passes or access cards that control doors at the "premises".

6. NEWLY ACQUIRED BUSINESS CONTENTS

- a. This form insures direct physical loss of or direct physical damage to "business contents" that are acquired after the beginning of the current policy period that are located at the "premises".
- b. This coverage will cease on the earliest of:
 - i. 90 days from the date of acquisition of such property;
 - ii. the date values for such property are reported to the Insurer; or
 - iii. the expiration date of this policy.
- c. Premium for this coverage will be payable from the date of the acquisition of such newly acquired "business contents".

7. PERSONAL EFFECTS OF OFFICERS, EMPLOYEES, CUSTOMERS AND GUESTS

This form insures direct physical loss of or direct physical damage to personal effects of officers, employees, customers, volunteers and guests of the Insured. The insurance on such property:

- a. will not attach if it is insured by the owner; and
- b. will apply only to direct physical loss or direct physical damage occurring at the "premises" or at any "newly acquired location" for which coverage is provided under this form.

8. SEASONAL STOCK INCREASE

This form insures increases in "stock" values resulting from seasonal variations. The amount of this coverage will not exceed 50% of the Insured's average monthly "stock" values for:

- a. the 12 months immediately preceding the date of loss; or
- b. in the event the Insured has been in business for less than 12 months, the average values for the period of time that the Insured has been in business.

B. GROUP TWO

Coverages listed in GROUP TWO are subject to the limit of insurance shown on the "Policy Declarations" for the particular coverage described. Unless stated otherwise, the limit of insurance for each coverage in GROUP TWO is in addition to any other limit of insurance applicable under this form. The limit of insurance applies to any one occurrence of insured loss or damage, irrespective if multiple "premises" suffer loss or damage. Any coverage(s) in GROUP TWO where an aggregate limit is shown on the "Policy Declarations" is subject to an annual policy aggregate limit.

Any Co-insurance Clause applicable to this form does not apply to GROUP TWO coverages as set out below.

Any Supplementary Coverage shown on the "Policy Declarations" as Not Covered will not be insured by this Form.

1. ACCOUNTS RECEIVABLE

- a. This form insures:
 - i. all sums due the Insured from customers or credit card companies, provided the Insured is unable to effect their collection as a direct result of direct physical loss of or direct physical damage to records of accounts receivable while the records are located anywhere within the "territorial limits";
 - ii. interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such direct physical loss or direct physical damage;
 - iii. collection expenses, in excess of normal collection costs and made necessary because of such direct physical loss or direct physical damage; and
 - iv. other expenses when reasonably incurred by the Insured in re-establishing records of accounts receivable following such direct physical loss or direct physical damage.
- b. This coverage does not insure against loss:
 - i. due to bookkeeping, accounting or billing errors or omissions;
 - ii. the proof of which, as to factual existence, is dependent upon an audit of records, or an inventory computation; or
 - 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 but only to the extent of such wrongful giving, taking, obtaining, or withholding.
- c. Accounts receivable coverage is not subject to the following exclusions of III. B. EXCLUSIONS:
Centrifugal force and mechanical breakdown;
Change in atmosphere or temperature;
Change in texture, finish;
Contamination;
Explosion of pressure vessels, turbines or electrical equipment;
Mysterious disappearance;
Seepage and leakage of water;
Settling, moving or shifting;
Smoke;
- d. In the event that the Insured cannot accurately establish the total amount of accounts receivable outstanding as of the date the loss occurs, such amount will be based on the Insured's monthly statements and will be computed as follows:
 - i. determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;
 - ii. calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve months immediately preceding the month in which the loss occurs, or such months for which the Insured has provided monthly statements to the Insurer as compared with such coverage for the same months of the preceding year;
 - iii. the amount determined in IV. B. 1. d. i. increased or decreased by the percentage calculated under IV. B. 1. d. ii. will be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;
 - iv. the amount determined in IV. B. 1. d. iii. will be increased or decreased in conformity with normal fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the business since the last day of the last fiscal month for which statement has been rendered.

In determining the amount of insured loss of accounts receivable there will be deducted from the total amount of accounts receivable the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by the Insured, and an amount to allow for probable bad debts which would normally have been uncollectible by the Insured. On deferred payment accounts receivable, unearned interest and service charges will be deducted.
- e. Recoveries
After payment of loss all amounts recovered by the Insured on accounts receivable for which the Insured has been indemnified will 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 will belong to the Insured.

2. BUILDINGS AND BUSINESS CONTENTS AT NEWLY ACQUIRED LOCATIONS

- a. This form insures direct physical loss of or direct physical damage to insured property at any location that is a "newly acquired location(s)".
- b. This coverage will cease on the earliest of:
 - i. 90 days from the date of acquisition of each "newly acquired location";
 - ii. the date values for such property are reported to the Insurer; or
 - iii. the expiration date of this policy.
- c. Premium for coverage on newly acquired property is payable from the date of the acquisition of such property.

3. BUILDING IMPROVEMENTS, BETTERMENTS AND COURSE OF CONSTRUCTION

If not insured elsewhere, this form insures direct physical loss of or direct physical damage to additions, improvements and extensions to the "building" during the course of their construction and during construction of new buildings at the "premises". This coverage will apply only to construction that begins after the inception date of this policy and will cease on the earliest of:

- a. 90 days from the date such construction begins;
- b. on the date values for such construction are reported to the Insurer; or
- c. on the expiration date of this policy.

4. BUILDING UPGRADE – BUILD BACK BETTER

- a. This form insures the increase in direct costs incurred, due to an insured loss payable for "building", to repair or replace "building" components that are physically lost or physically damaged or to add new "building" components that improve the resistance of the "building" to future loss that may result from a peril insured against under this form.
- b. The Insurer will pay the least of:
 - i. 10% of the sum of:
 - (a) the total amount payable for the direct physical loss of or direct physical damage to the "building", and
 - (b) the amount of the applicable deductible;
 - ii. the amount actually expended by the Insured; or
 - iii. the limit of insurance shown on the "Policy Declarations" for this coverage.
- c. Notwithstanding the V. 9. REINSTATEMENT in this form, following a loss under this coverage, the limit of insurance for this coverage will be reduced by the amount payable.
- d. This coverage does not apply to any increase in the cost of repair or replacement of "buildings" occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.

5. BUSINESS CONTENTS AWAY FROM PREMISES

This form insures direct physical loss of or direct physical damage to "business contents" while away from the "premises":

- a. in the custody of a sales representative;
- b. while on exhibition;
- c. temporarily at any other location; or
- d. while being transported to and from any of the above.

This coverage applies only to property while it is within the "territorial limits" and not otherwise insured by this form. There is no coverage for "business contents" at a location owned or leased in whole or in part by the Insured.

6. BUSINESS CONTENTS IN TRANSIT

This form insures direct physical loss of or direct physical damage to "business contents" while in transit within the "territorial limits" and not otherwise insured by this form. There is no coverage for "business contents" at a location owned, leased or controlled in whole or in part by the Insured.

7. BUSINESS PROPERTY AT A RESIDENCE

This form insures direct physical loss of or direct physical damage to "business contents" while at any residence of any officer or employee of the Insured within the "territorial limits". This coverage, however, does not apply to property temporarily away from the "premises" or in transit.

8. BY-LAWS

- a. Without increasing the limit of insurance and in the event of physical loss of or physical damage to insured property directly caused by a peril insured under this form, the Insurer will indemnify the Insured for:
 - i. loss occasioned by the demolition of any undamaged portion of the insured property;
 - ii. the cost of demolishing and clearing the site of any undamaged portion of the insured property;
 - iii. any increase in the cost of repairing, replacing, constructing or reconstructing the insured property on the same site or on an adjacent site, of like height, floor area, style and for like occupancy;
 resulting 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 or structures; and
 - (b) is in force at the time of such loss or damage.
- b. By-laws coverage does not insure against:
 - i. the enforcement of any by-law, regulation, ordinance or law, whether known or unknown by the insured, which prohibits the Insured from rebuilding or repairing on the same site or an adjacent site or prohibits continuance of like occupancy;
 - ii. the enforcement of any by-law, regulation, ordinance or law that could have been enforced in the absence of a loss; or
 - iii. 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";
 - iv. 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
 - v. direct or indirect loss, damage, cost or expense relating to the removal of asbestos in the undamaged portion of the insured property.
- c. In the event that the limit of insurance on the "building" is exhausted, by-laws coverage will continue to apply, up to the limit of insurance shown on the "Policy Declarations" for this coverage, in any one occurrence.

9. CATCH ALL

This coverage provides an additional limit of insurance in the event that the limit of insurance under any other GROUP TWO coverage is insufficient to provide full indemnity, after the application of the deductible for any covered loss or damage that results from a single occurrence.

- a. The Insurer will pay the difference between the loss payable and the amount required to fully indemnify the Insured after the application of the deductible.
- b. The liability of the Insurer in respect of this coverage during any one policy period will not exceed the aggregate shown on the "Policy Declarations" for this coverage, irrespective if multiple locations are impacted in one event.
- c. Notwithstanding V. 9. REINSTATEMENT in this form, following a loss under this coverage, the limit of insurance for this coverage will be reduced by the amount payable.

In the event that claims are made under more than one GROUP TWO coverage for a single occurrence, allocation of payment is to be determined by the Insured.

10. CLEAN UP EXPENSES FOR LAND AND WATER POLLUTION

- a. This form insures expenses incurred to "clean up" "pollutants" from land and water at the "premises" provided the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":
 - i. is occasioned by physical loss or physical damage to insured property caused directly by an insured peril;
 - ii. is sudden, unexpected and unintended from the standpoint of the Insured; and
 - iii. first occurs during the policy period.
- b. The liability of the Insurer in respect of this coverage during any one policy period will not exceed, the aggregate shown on the "Policy Declarations" for this coverage irrespective if multiple locations are impacted in one event.
- c. Notwithstanding V. 9. REINSTATEMENT in this form, following a loss under this coverage, the aggregate limit of insurance for this coverage will be reduced by the amount payable.
- d. The Insurer will 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, migration, release or escape of "pollutants" that began before the effective date of this policy;
 - iii. fines, penalties, punitive or exemplary damages;
 - iv. expenses incurred for the "clean up" of "pollutants" at or from any premises, site or location which is or was at any time used by or for any Insured or others for the handling, storage, disposal, processing or treatment of waste.
- e. It is a condition precedent to recovery under this coverage that all expenses insured by this coverage must be incurred and reported within 180 days of the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" for which "clean up" expenses are being claimed.
- f. The insurance afforded by this coverage will apply as excess over any other valid and collectible insurance available to the Insured or any other interested party.

11. CONFISCATED OR SEIZED PROPERTY

This form insures "business contents" that:

- a. were illegally acquired before being purchased by the Insured; and
- b. are confiscated or seized from the Insured by public authority.

This coverage does not apply if, at the time of purchase, the Insured knew or ought to have known that the property had been illegally acquired.

12. DEBRIS REMOVAL

- a.
 - i. This form insures expenses incurred in the removal from the "premises" of debris of the insured property occasioned by direct physical loss or direct physical damage to such property, for which coverage is provided under this form.
 - ii. The amount payable under this coverage:
 - (a) will not increase the limits of insurance shown on the "Policy Declarations", and
 - (b) will not exceed 25% of the sum of:
 - (1) the total amount payable for the direct physical loss of or direct physical damage to the property insured; and
 - (2) the amount of the applicable deductible.
 - iii. If in any one occurrence expenses for debris removal exceeds the limit set out in 12. a. ii. or, if exhausted, the limit of insurance for such property, an additional limit, up to the amount shown on the "Policy Declarations" for Debris Removal Expense, is payable.
- b. This form also insures expenses incurred in the removal of debris or other property which is not insured by this form but which has been blown by windstorm upon the "premises" or at a "newly acquired location". The amount payable under this coverage will not increase the limits of insurance on property at the "premises" or for a "newly acquired location" shown on the "Policy Declarations".
- c. Debris removal coverage does not apply to costs or expenses:
 - i. to "clean up" "pollutants" from land or water;
 - ii. for testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of pollutants.
- d. Expenses for removal of debris will not be considered in the determination of actual cash value for the purpose of any co-insurance clause.

13. ENVIRONMENTAL UPGRADE – BUILD BACK BETTER

- a. This form insures the increase in direct costs incurred, due to an insured loss payable for "building" or "equipment", to repair or replace "building" and "equipment" components that are physically lost or physically damaged, with those that improve the energy efficiency or environmental emissions rating of the "building" or "equipment".
- b. The Insurer will pay the least of:
 - i. 10% of the sum of
 - (a) the total amount payable for the direct physical loss of or direct physical damage to the "building" and "equipment", and
 - (b) the amount of the applicable deductible;
 - ii. the amount actually expended by the Insured; or
 - iii. the limit of insurance shown on the "Policy Declarations" for this coverage.
- c. This coverage will not apply to any increase in the cost of repair or replacement of insured property occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.
- d. The liability of the Insurer in respect of this coverage during any one policy period will not exceed the aggregate shown on the "Policy Declarations" for this coverage, irrespective if multiple locations are impacted in one event.
- e. Notwithstanding V. 9. REINSTATEMENT in this form, following a loss under this coverage, the limit of insurance for this coverage will be reduced by the amount payable.

14. ERRORS AND OMISSIONS

- a. This form insures direct physical loss of or direct physical damage to insured property at a location owned or occupied by the Insured that is not covered by this form solely due to error or unintentional omission by the Insured of:
 - i. an unreported location at the commencement of the current policy period;
 - ii. the description of a location; or

- iii. an incorrect deletion of an insured location,
but only to the extent such direct physical loss or direct physical damage would have been covered under this form in the absence of such error or omission.
- b. This coverage only applies if:
 - i. the Insured report and correct such error or omission as soon as possible when discovered, and
 - ii. the Insured pay any additional premium that may be due.
- c. This coverage does not apply if there is coverage applicable under IV. B. 2. BUILDINGS AND BUSINESS CONTENTS AT NEWLY ACQUIRED LOCATIONS.

15. EXPEDITING EXPENSE

This form insures the reasonable additional costs incurred, including overtime and the extra cost of express or other rapid means of transportation, as a result of physical loss or physical damage directly caused by an insured peril:

- a. for temporary repairs, and
 - b. for expediting the permanent repair or replacement of insured property that is physically lost or physically damaged.
- This coverage does not include any costs related to any "equipment" installed on a temporary basis.

16. EXTRA EXPENSE

- a. This form insures the "extra expense" incurred as a result of physical loss of or physical damage to insured property at the "premises" caused directly by a peril insured against under this form, for the period of time required with the exercise of due diligence and dispatch, to restore normal business operations.
- b. In no event, will the Insurer be liable for:
 - i. loss of income;
 - ii. "extra expense" in excess of that necessary to continue as nearly as practicable the normal conduct of the Insured's business;
 - iii. the cost of repairing or replacing any property that has been damaged or destroyed by an insured loss;
 - iv. due to fines or damages for breach of contract, for late or non-completion of orders, or for any penalties of whatever nature;
 - v. "extra expense" resulting from any lease, license or order that is suspended, lapsed or cancelled.
- c. The amount of the actual cash value of substitute or temporary "building" or "equipment" remaining after resumption of normal operations will be deducted from the payment of any loss under this coverage.

17. EXTERIOR PAVING

This form insures direct physical loss of or direct physical damage to roadways, walkways, exterior parking lots or other similar exterior paved or unpaved surfaces at the "premises".

18. FINE ARTS

- a. This form insures direct physical loss of or direct physical damage to "fine arts" within the "territorial limits":
 - i. that are the property of the Insured; or
 - ii. for which the Insured is legally liable.
- b. This form also insures newly acquired "fine arts" that are:
 - i. acquired by the Insured after the beginning of the current policy period, and
 - ii. within the "territorial limits".
 - (a) This coverage will cease on the earliest of:
 - (1) 90 days from the date of acquisition of "fine arts";
 - (2) the date values for such "fine arts" are reported to the Insurer; or
 - (3) the expiration date of this policy.
 - (b) Premium for coverage IV. B. 16. b. i. newly acquired "fine arts", is payable from the date of such acquisition.
 - (c) The Insurer will not be liable under IV. B. 18. b. i. for more than the actual cash value of such newly acquired "fine arts" and in no event for more than 25% of the total limit of insurance for "fine arts" under this form.
- c. "Fine arts" coverage is not subject to the following exclusions of III. B. EXCLUSIONS:
Property rented, leased or sold;
Centrifugal force and mechanical breakdown;
Change in atmosphere or temperature;
Change in texture, finish;
Contamination;
Explosion of pressure vessels, turbines or electrical equipment;
Mysterious disappearance;
Seepage and leakage of water;
Settling, moving or shifting;
Smoke;

19. FIRE FIGHTING EXPENSES

This form insures any expenses the Insured is charged by a municipality for fire department services, as a result of a fire or any other insured peril. Expenses under this coverage will not be paid unless the Municipality allows for fire fighting service expenses to be levied against the owner of the property under the municipal by laws.

20. DAMAGE BY ANIMALS OR INSECTS

This form insures physical loss of or physical damage to insured property at the "premises" caused directly by rodents, insects, bats, raccoons, skunks or vermin.

21. INSPECTION AND APPROVAL COSTS

This form insures the direct cost of inspections and regulatory approvals that are required as a result of physical loss or physical damage caused directly by an insured peril, to repair, rebuild or reconstruct insured property in accordance with the Basis of Settlement clause contained in this form.

This form does not insure:

- a. fines or penalties;
- b. costs or expenses for any testing, monitoring, evaluating or assessing:
 - i. "fungi" or "spores"; or
 - ii. any actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants";
- c. any increase in the cost of repair or replacement of insured property occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law;
- d. increased costs due to loss of market, loss of use or occupancy that may result from delays in obtaining or receiving required inspections or approvals.

22. INSTALLATION FLOATER

- a. This form insures the property of the Insured or the property of others for which the Insured is legally liable, including labour required for installation, which the Insured has been contracted to install or which will be used in completing an installation contract at a location within "territorial limits".
Insured property includes:
 - i. supplies, machinery, equipment and materials that will form part of the completed installation;
 - ii. temporary buildings, scaffolding, falsework, forms, hoardings, excavation, site preparation and similar work, to the extent that their replacement or restoration is necessary to complete the project.
- b. Coverage is provided:
 - i. while such property is in transit within the "territorial limits" to the installation site;
 - ii. during temporary storage at locations within the "territorial limits" away from the "premises" while awaiting installation; or
 - iii. while such property is at the installation site, awaiting installation or while being installed.
- c. This coverage does not insure:
 - i. loss or damage to buildings except temporary buildings described in a., but building materials and supplies are covered until such time as they become a permanent part of any installation project completed by the Insured;
 - ii. loss or damage to plans, blueprints, designs, specifications or any similar property;
 - iii. loss or damage to "contractors' equipment", other than property specified in IV. B. 20. a. ii.;
 - iv. loss or damage to any installation or part of installation from the commencement of use for purposes for which it was intended;
 - v. loss or damage to property while in airborne transit, unless by scheduled airlines;
 - vi. loss or damage covered under any guarantee or warranty (expressed or implied) by any contractor, manufacturer or supplier, whether or not such contractor, manufacturer or supplier is an Insured under this coverage; or

- vii. the application of a deductible from a Builders Risk, Course of Construction, or similar policy.
- d. Installation floater coverage is not subject to the following exclusions of III. B. EXCLUSIONS:
 - Property rented, leased or sold;
 - Change in texture, finish;
 - Contamination;
 - Seepage and leakage of water;
 - Settling, moving or shifting;
 - Smoke;
- e. Coverage ceases at the earliest of:
 - i. the termination of the Insured's interest;
 - ii. the installation being accepted as satisfactory; or
 - iii. the expiry date of this policy.

23. PROFESSIONAL FEES

This form insures the reasonable fees payable to the Insured's auditors, accountants, lawyers, architects, engineers, or other consultants, for producing particulars of details of the Insured's loss or losses in order to arrive at the loss payable under this form in the event of a claim. There is no coverage for fees payable to:

- a. the Insured's own employees;
- b. the Insured's insurance broker;
- c. public adjusters; or
- d. any claims advocate hired to negotiate settlement on behalf of the Insured.

24. REWARD

- a. The Insurer will pay for information leading to the arrest and conviction of any person or persons responsible for claims that are paid under this form that result from criminal acts.
- b. The Insurer will be the sole judge as to the person or persons to whom a reward is paid and as to the size of the reward. Under no circumstances will a reward be payable to:
 - i. the Insured;
 - ii. officers and partners of the Insured; or
 - iii. members of their household(s).

25. STOCK CONTAMINATION

This form insures direct physical loss of or direct physical damage to the Insured's food product "stock" resulting from "contamination" while the "stock" is on the "premises".

For the purpose of this coverage only, "contamination" means the introduction of a foreign material or substance into the food product in such a way as to render the food product unfit for its intended consumption as determined by any government authority.

26. STOCK SPOILAGE

- a. This form insures direct physical loss of or direct physical damage to "perishable goods", including its packaging on the "premises", due to spoilage caused by dampness or dryness of atmosphere or change of temperature or humidity that is the direct result of:
 - i. direct physical loss or direct physical damage to that part of "buildings" or "equipment" that is used for:
 - (a) refrigerating, cooling, humidifying, dehumidifying, or heating; or
 - (b) generating, converting or transmitting power, including supply lines and pipes and their connections on the "premises".
 - ii. interruption to the supply of "utility services" to the "premises". The interruption must be caused by physical loss of or physical damage to "utility property" that generates or supplies "utility services" to the "premises":
 - (a) caused directly by an insured peril, and
 - (b) the "utility property" that sustains loss or damage, must be located on the "premises" or within the number of kilometres as shown on the "Policy Declarations" from the "premises".
- b. This form does not insure loss or damage resulting from partial or total interruption to the supply of "utility 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.
- c. The Insurer will pay, subject to the limit of insurance for this coverage:
 - i. if the "perishable goods" are replaced by the Insured, the actual cost incurred by the Insured;
 - ii. if the "perishable goods" are not replaced, the actual cash value of the property.

27. VALUABLE PAPERS AND RECORDS

- a. This form insures direct physical loss or direct physical damage to "valuable papers and records" owned by the Insured or held by the Insured in any capacity while located anywhere within the "territorial limits".
- b. This coverage does not insure against loss or damage:
 - i. directly resulting from errors or omissions in processing or copying unless fire or explosion ensues and then only for direct physical loss or direct physical damage caused by such ensuing fire or explosion;
 - ii. to property which cannot be replaced with other of like kind and quality;
 - iii. to property held as samples or for sale or delivery after sale; or
 - iv. to "data" or "media" caused directly or indirectly by:
 - (a) actual work upon such property unless fire or explosion ensues and then only for direct physical loss or direct physical damage caused by such ensuing fire or explosion;
 - (b) riot, vandalism or malicious acts; or
 - (c) any change or interruption to electric power, electromagnetic waves, whether manmade or natural, or a geomagnetic storm.
- c. "Valuable papers and records" coverage is not subject to the following exclusions of III. B. EXCLUSIONS:
 - Property rented, leased or sold;
 - Centrifugal force and mechanical breakdown;

Change in atmosphere or temperature;
 Change in texture, finish;
 Contamination;
 Explosion of pressure vessels, turbines or electrical equipment;
 Mysterious disappearance;
 Seepage and leakage of water;
 Settling, moving or shifting;
 Smoke;

28. VALUABLE PROPERTY

This form insures furs, fur garments, jewels, jewellery, pearls or precious and semi precious stones, bullion, numismatic property, platinum and other precious metals and alloys, including those of customers and guests. The insurance on such property belonging to customers and guests:

- a. will not apply if the property is insured by the owner unless the Insured is obligated to insure it or is liable for its direct physical loss or direct physical damage; and
- b. will apply only to direct physical loss or direct physical damage occurring at the "premises".

V. SPECIAL CONDITIONS

1. BASIS OF VALUATION

- a. As referred to in this form:
 - i. Actual Cash Value:
 Various factors will be considered in the determination of actual cash value. The factors to be considered will include, but not be limited to, replacement cost less any depreciation and market value. In determining depreciation, consideration will be given to the condition of the property immediately before the direct physical loss or direct physical damage, the resale value, the normal life expectancy of the property and obsolescence.
 - ii. 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 like occupancy without deduction for depreciation.
 - iii. Replacement includes repair, construction or reconstruction with new property of like kind and quality.
- b. The value of the insured property will be determined as follows:
 - i. on unsold "stock": the actual cash value of the property at the time and place of direct physical loss or direct physical damage, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;
 - ii. on sold "stock": the selling price after allowance for discounts;
 - iii. on the property of others in the care, custody or control of the Insured for the purpose of performing work upon it: the amount for which the Insured is liable, but not exceeding the actual cash value at the time and place of direct physical loss or direct physical damage plus allowance for labour and materials expended to such time;
 - iv. on the property of others in the care, custody or control of the Insured that is not to be worked upon: the amount for which the Insured is liable, but not exceeding the actual cash value at the time and place of direct physical loss or direct physical damage;
 - v. on tenant's improvements:
 - (a) when physically lost or physically damaged by an insured peril:
 - (1) if repaired or replaced with due diligence and dispatch: the cost to replace improvements on the same site, plus the cost of moving, temporary storage and restoration if repaired or replaced on another site;
 - (2) if not repaired or replaced with due diligence and dispatch: that portion of the original cost of the physically lost or physically damaged tenant's improvements which the unexpired term of the lease at the time of direct physical loss or direct physical damage bears to the period(s) from the date(s) such tenant's improvements were made to the expiration date of the lease; or
 - (3) if the landlord terminates a lease as a result of an insured peril and the lease calls for insurance proceeds to be paid to the landlord: the cost to repair or replace the damaged improvements, whichever is less.
 - (b) when not physically lost or physically damaged by an insured peril: if, as a result of the building owner exercising the cancellation clause in a lease due to an insured peril, the Insured's interest in improvements reverts to the landlord, the cost to replace improvements on the same site or another site.
 - (c) The Insurer will not be liable for any loss of leasehold interest resulting from the Insured exercising the option to cancel a lease.
 - (d) No lease renewal options will be considered in any loss settlement unless an offer to renew has been made to and accepted by the landlord, in writing, prior to the direct physical loss of or direct physical damage to tenant's improvements.
 - vi. on business records, other than "valuable papers and records" and prepackaged software:
 - (a) the cost of blank "media" for reproducing "data"; and
 - (b) the costs of labour to transcribe or copy the "data" when there is a duplicate.
 - vii. on unscheduled "fine arts": the greater of:
 - (a) the amount paid at the time of purchase by the owner; or
 - (b) the most recent professionally appraised value at the time of direct physical loss or direct physical damage.
 - viii. on scheduled "fine arts": the limit specified for each item scheduled on the "Policy Declarations" will apply as the agreed value of such item for the purpose of this insurance, if agreed value is indicated beside the item(s) listed.
 - ix. on "valuable papers and records":
 - (a) the cost of blank "media" for reproducing lost or damaged "data";
 - (b) the cost of gathering or reproducing "data"; and
 - (c) the costs of labour to transcribe or copy the "data" onto the "media".
 - x. all other insured property under this form and for which no more specific conditions have been set out: the actual cash value at the time and place of direct physical loss or direct physical damage, but not exceeding what it would then cost to repair or replace with material of like kind and quality.

2. BASIS OF SETTLEMENT - FUNCTIONAL REPLACEMENT COST

- a. The limit the Insurer will pay for direct physical loss of or direct physical damage to insured property will be the amount actually expended by the Insured to repair or replace such property, subject to the following provisions:
 - i. the damaged property must be repaired or replaced with due diligence and dispatch;

- ii. the amount the Insurer will pay for any repair or replacement will be limited to the lesser of:
 - (a) the cost at the time of the direct physical loss or direct physical damage to repair such property, or
 - (b) the replacement cost of such property at the time of the direct physical loss or direct physical damage.
- iii. in the event the replacement is by property of a better kind or quality or of larger capacity or size, the liability of the Insurer will not exceed the amount that would be paid if the replacement had been made by property of like, kind, capacity, size and quality;
- iv. in the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that physically lost or physically damaged and which is capable of performing the same function will be deemed to be new property of like kind and quality for the purposes of this condition.
- v. replacement may be at a different site but the liability of the Insurer will not exceed the amount that would be paid if the replacement had been made at the same site.
- b. Failing compliance by the Insured with any of the foregoing provisions, settlement will be made on the basis of actual cash value.
- c. Settlement on a replacement cost basis does not apply to:
 - i. "stock";
 - ii. "fine arts";
 - iii. "valuable papers and records";
 - iv. manuscripts and records meaning books of account, drawing, card index system and other records, "media", and program devices for electro mechanical data processing or for electronically controlled equipment;
 - v. insured property that is obsolete for its original purpose.

3. BREACH OF CONDITION

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

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

4. DEDUCTIBLE

In any one insured loss the Insurer is liable for the amount by which the direct physical loss or direct physical damage caused by an insured peril exceeds the amount of the deductible shown on the "Policy Declarations".

5. INFLATION GUARD

- a. This condition applies only to II. 1. INSURED PROPERTY.
- b. The limits of insurance shown on the "Policy Declarations" are deemed to increase during the policy period by the proportion of current inflationary trends.
- c. If any of the limits of insurance shown on the "Policy Declarations" are changed at the request of the Insured during the policy period, the effective date of this condition will coincide with the effective date of such change.
- d. At the renewal date, the limits of insurance will be increased in accordance with the inflationary trend since the last policy period and the premium will be adjusted accordingly.

6. PERMISSION

Permission is granted:

- a. for other insurance concurrent with this form;
- b. to make additions, alterations or repairs; and
- 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.

7. PREMIUM ADJUSTMENT

- a. Stock

The Insured has the option of requesting an adjustment of the premium paid for "stock" subject to the following requirements:

 - i. A specific limit of insurance is shown on the "Policy Declarations" for "stock".
 - ii. The Insured files with the Insurer within 6 months after the expiry date or anniversary date of the policy period a signed declaration showing the value of "stock" at each "premises" on the last day of each month for the policy period.
 - iii. Upon receipt of the Insured's signed declaration, the Insurer will calculate the actual premium for the policy period at the rate applying to each "premises" for the average amount of the total values declared. If the actual premium exceeds the provisional premium, the difference is due and payable immediately upon notice to the Insured
 - iv. In the event of any monthly declared values being in excess of the amount of insurance, the amount of the excess will not be included in the premium adjustment.
- b. Installations

IV. B. 22. Installation Floater is subject to premium adjustment if the estimated annual receipts for installation projects and the adjustment rate are shown on the "Policy Declarations".

 - i. The Insured must file with the Insurer, within 6 months after the expiry date or anniversary date of the policy period, a signed declaration showing the actual annual receipts including labour costs received for all installation projects during the policy period.
 - ii. Upon receipt of the Insured's signed declaration the Insurer will calculate the actual premium for the policy period at the adjustment rate. If the actual premium exceeds the provisional premium, the difference is due and payable immediately upon notice to the Insured.
 - iii. Any loss in excess of the limit of insurance shown on the "Policy Declarations" will be borne by the Insured, notwithstanding the requirement the premium is to be adjusted on the basis of total annual receipts.
- c. The following conditions apply to 7. a. and 7. b.:
 - i. The Insured will keep records of the information the Insurer needs for premium calculation, and send copies of such records to the Insurer whenever asked to do so.
 - ii. Where the provisional premium exceeds the actual premium, the Insurer will refund the excess premium paid, subject to a minimum retention of 50% of the provisional premium.

8. PROPERTY PROTECTION SYSTEMS

- a. The Insured will immediately notify the Insurer of any interruption, flaw or defect in any property protection systems that comes to the knowledge of the Insured.
- b. For the purposes of this condition, property protection systems include:
 - i. sprinkler or other fire extinguishing systems;
 - ii. fire detection systems; or
 - iii. intrusion detection systems; that are located at the "premises".
- c. The Insured will immediately notify the Insurer of the cancellation or non-renewal of any contract which provides monitoring or maintenance services to property protection systems or of the notification of the suspension of police service in response to any property protection systems.

9. REINSTATEMENT

Loss under any item of this form will not reduce the applicable limit of insurance, unless specified elsewhere in the form or endorsements attached to this form.

10. REMOVAL

This form insures insured property that is necessarily removed from the "premises" or a "newly acquired location" to prevent direct physical loss of or direct physical damage to such property. The amount payable under this coverage will not increase the limits of insurance on property at the "premises" shown on the "Policy Declarations".

This coverage will cease on the earlier of:

- a. 90 days from the date of the original loss; or
- b. The expiry date of this policy.

VI. DEFINITIONS

Wherever used in this form or any other property form and its endorsements, except where otherwise specified:

1. "all property" means "building", "equipment" and "stock".
2. "automobile" means:
 - a. a land motor vehicle or trailer or semitrailer that is required by law to be insured under a contract evidenced by a motor vehicle liability policy; or
 - b. any vehicle insured under such a contract.
3. "building" means the building(s) described on the "Policy Declarations" and includes:
 - a. fixed structures pertaining to the building and located on the "premises";
 - b. additions and extensions communicating and in contact with the building;
 - c. permanent fittings and fixtures attached to and forming part of the building including:
 - i. elevating devices;
 - ii. utility equipment both above and below ground on the "premises" which the insured owns or is legally liable for; and
 - iii. domestic appliances installed in dwelling units.
 - d. materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to the building or for building services; and
 - e. growing plants, trees, shrubs or flowers inside the building used for decorative purposes when the Insured is the owner of the building.
4. "business contents" means "equipment" and "stock".
5. "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.
6. "clean up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants" including testing which is integral to the aforementioned processes.
7. "condominium corporation" means a corporation constituted under provincial or territorial legislation relating to condominiums or co-ownership by declaration. It refers to a strata corporation in British Columbia and to a divided co-ownership syndicate in Quebec.
8. "contractors equipment" means:
 - a. mobile machinery, cranes and derricks whether or not attached to a licensed automobile;
 - b. portable equipment, hand and powered tools;
 - c. if reusable and not otherwise insured, scaffolding, falsework, forms, hoardings and portable structures;
 - d. accessories and spare parts for VI. 8. a. and b.; and
 - e. construction trailers not used for the transportation of materials or equipment described in VI. 8. a., b., c. and d.
9. "data" means representations of information or concepts, in any form.
10. "digital currency" means:
 - a. any form of currency that is available only in digital or electronic form, and not physical form; or
 - b. any form of currency that is available only in digital or electronic form, and not physical form, that has no central issuing or regulating authority but instead uses a decentralized system to record transactions and manage the issuance of new units.
11. "equipment" means:
 - a. generally all contents usual to the business of the Insured including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances other than "building" or "stock". "contractors' equipment" is not deemed to be "equipment" within the meaning of this definition except "contractors' equipment" used only at the "premises";
 - b. similar property belonging to others and which the Insured is obliged to insure or for which the Insured is legally liable;
 - c. outside communication towers, antennae (including satellite receivers) and equipment attached to them, street clocks and exterior signs, provided the "building" is not otherwise insured by this form; and which the insured owns or is legally liable for;

- d. tenants' improvements which are defined as "building" improvements, alterations and betterments made at the expense of the Insured to a "building" occupied by the Insured and which are not otherwise insured, provided the Insured is not the owner of such "building". If the Insured purchased the use interest in tenants' improvements made by a predecessor tenant, this form applies as though such tenants' improvements had been made at the expense of the Insured;
 - e. "unit improvements and betterments".
12. "extra expense" means the necessary additional cost to conduct the Insured's business over and above the cost that normally would have been incurred to conduct the business during the same period had no insured loss occurred. This additional cost will include the expense of obtaining and using other property or facilities and other similar necessary emergency expenses.
13. "fine arts" includes paintings, etchings, pictures, tapestries and other bona fide works of art (including 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.
14. "fire protective equipment" includes tanks, water mains, 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:
- a. branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - b. any water mains or appurtenances located outside of the "premises" and forming a part of the public water distribution system; or
 - c. any pond or reservoir in which the water is impounded by a dam.
15. "fungi" includes, but is not limited to:
- a. any form or type of mould, yeast, mushroom or mildew, whether or not allergenic, pathogenic or toxigenic; and
 - b. any substance, vapour or gas produced by or emitted or arising from any fungi or "spores" or resultant allergens, mycotoxins or pathogens.
16. "media" means:
- a. materials on which "data" is recorded or stored; and
 - b. program and/or instruction vehicles used in the Insured's data processing operations.
17. "money" means:
- a. currency, coins, bank notes or registered cheques; and
 - b. traveller's cheques and money orders held for sale to the public.
- But "money" does not mean "digital currency" or electronic fund transfers.
18. "named perils" means:
- a. fire or lightning;
 - b. explosion: the following are not explosions within the intent or meaning of this form:
 - i. electric arcing or any coincident rupture of electrical equipment due to such arcing;
 - ii. bursting or rupture caused by hydrostatic pressure or freezing; or
 - iii. bursting or rupture of any safety disc, rupture diaphragm or fusible plug.
 - c. impact by aircraft, spacecraft or land vehicle: the terms aircraft and spacecraft include articles dropped from them. The Insurer will not be liable for loss or damage:
 - i. that is cumulative;
 - ii. caused by land vehicles belonging to or under the control of the Insured or any of the Insured's employees;
 - iii. to aircraft, spacecraft or land vehicles causing the loss; or
 - iv. caused by any aircraft or spacecraft when being taxied or moved inside or outside of a "building".
 - d. riot, vandalism or malicious acts: the term riot includes open assemblies of strikers and of locked-out employees inside or outside the "premises". The Insurer will not be liable 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 as insured by this form; or
 - iii. due to theft or attempted theft.
 - e. smoke due to a sudden, unusual and faulty operation of any stationary furnace. The Insurer will not be liable for any cumulative damage.
 - f. leakage from "fire protective equipment": leakage or discharge from, collapse of, or rupture due to freezing of "fire protective equipment" for the "premises" or adjoining structures.
 - g. windstorm or hail. The Insurer will not be liable for loss or damage:
 - i. to the interior of the "building" or "business contents" inside the "building" unless damage occurs concurrently with and results from an aperture caused by windstorm or hail; or
 - 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 or landslide.
19. "newly acquired location(s)" means locations:
- a. acquired by the Insured after the beginning of the current policy period for the first 90 days after the acquisition;
 - b. owned, leased, occupied or controlled by the Insured; and
 - c. within Canada.
20. "perishable goods" means any insured property:
- a. maintained under controlled conditions for its preservation, and
 - b. susceptible to loss or damage if the controlled conditions are not maintained.
21. "Policy Declarations" means the policy declarations applicable to this policy for the current policy period, including any supplementary pages or schedules.
22. "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.

23. "premises" means:
- the entire area within the property lines at the location(s) described on the "Policy Declarations";
 - areas under adjoining sidewalks and driveways; and
 - in or on vehicles within 100 metres (328 feet) of such locations.
- but "Premises" does not mean "newly acquired locations".
24. "securities" means all negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include "money".
25. "spores" includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".
26. "stock" means:
- merchandise of every description usual to the Insured's business, including supplies and raw materials that are used in the manufacture or processing of such merchandise;
 - packaging, wrapping and advertising materials for such merchandise; and
 - property belonging to others and which the Insured is obliged to insure or for which the Insured is legally liable.
27. "surface water" means water or natural precipitation temporarily diffused over the surface of the ground.
28. "territorial limits" means Canada and the continental United States of America.
29. "unit" means the condominium unit as defined in the declaration, description or by-laws of the "condominium corporation" or provincial or territorial legislation relating to "condominium corporations". It refers to a strata lot in British Columbia and to a private portion in Quebec.
30. "unit improvements and betterments" means:
- components of the "unit" in which the Insured has a financial interest and which are not required to be insured by the "condominium corporation"; or
 - construction, upgrades or other changes made to the "unit" by the Insured or completed at the Insured's expense that increase the value of the "unit".
31. "utility property" means communication equipment, satellite receivers, generating plants, transformer stations, switching stations, sub-stations, transformers, pumping stations, sewerage or other apparatus that supplies "utility services" to the "premises".
32. "utility services" means communications, electricity, gas, refrigeration, steam, water or outgoing sewerage service delivered to the "premises" through the use of "utility property".
33. "valuable papers and records" means written, printed or otherwise inscribed documents and records, including "data" and "media", but does not mean "money", "digital currency", electronic fund transfers, "securities" or "fine arts".

SEWER BACK UP ENDORSEMENT
911306-01

This endorsement modifies the insurance provided under the property form covering insured property.

This endorsement applies separately to each location for which Sewer Back Up is shown on the "Policy Declarations". If a Schedule of Locations is attached to this endorsement, this endorsement applies only to the locations shown.

Insured Peril

The coverage for insured property is extended to include "sewer back up".

1. Deductible

- a. The Insurer is liable for the amount by which the direct physical loss or direct physical damage caused by "sewer back up" exceeds the amount of the deductible shown on the "Policy Declarations" for this endorsement in any one occurrence.
- b. This deductible applies separately to each "premises" to which this endorsement applies.

2. Limit of Insurance

- a. If a limit of insurance is shown on the "Policy Declarations" for this endorsement, that limit is the most the Insurer will pay in any one occurrence for direct physical loss or direct physical damage to insured property caused by "sewer back up".
- b. If a limit of insurance is shown on the "Policy Declarations" as the Annual Aggregate for this endorsement, that limit is the most the Insurer will pay in a single policy period for all direct physical loss or direct physical damage caused by "sewer back up" sustained during that policy period.

3. Definitions

As used in this endorsement "sewer back up" means the backing up or overflow of water from within sewers, sumps, septic tanks or drains located inside buildings.

All other terms, conditions, exclusions and limitations of the policy are unchanged.

SPECIMEN

This endorsement modifies the insurance provided under the property form covering insured property.

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

1. Insured Peril

The coverage for insured property is extended to include "flood".

2. Deductible

- a. The Insurer is liable for the amount by which the direct physical loss or direct physical damage caused by "flood" exceeds the amount of the deductible shown on the "Policy Declarations" for this endorsement in any "flood occurrence".
- b. This deductible applies separately to each "premises" to which this endorsement applies.

3. Limit of Insurance

- a. If a limit of insurance is shown on the "Policy Declarations" for Flood, that limit is the most the Insurer will pay in a "flood occurrence" for direct physical loss of or direct physical damage to insured property caused by "flood".
- b. If a limit of insurance is shown on the "Policy Declarations" as the Annual Aggregate for this endorsement, that limit is the most the Insurer will pay in a single policy period for all direct physical loss or direct physical damage caused by "flood" sustained during that policy period.

4. Exclusions

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

- a. fire, explosion or smoke;
- b. leakage from "fire protective equipment" or from a watermain;
- c. riot, vandalism or malicious acts;
- d. theft or attempted theft;
- e. the backing up or overflow of water from within sewers, sumps, septic tanks, or drains located inside buildings; or
- f. 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.

5. Extension of Coverage

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

6. Definitions

Wherever used in this endorsement:

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

All other terms, conditions, exclusions and limitations of the policy are unchanged.

EARTHQUAKE SHOCK ENDORSEMENT
911301-02

This endorsement modifies the insurance provided under the property form covering insured property.

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

1. Insured Peril

The coverage for insured property is extended to include "earthquake".

2. Deductible

- a. The Insurer is liable for the amount by which the direct physical loss or direct physical damage caused by "earthquake" exceeds the amount of the deductible shown on the "Policy Declarations" for this endorsement in any "earthquake occurrence".
 - i. If a percentage deductible is shown on the "Policy Declarations", the amount of the deductible will be calculated based on the percentage of the "reported values", for the location or locations affected.
 - ii. If both an amount and a percentage deductible are shown on the "Policy Declarations", whichever deductible is greater will apply.
- b. This deductible clause supersedes the provisions of any other deductible clause stated elsewhere in the policy.
- c. This deductible applies separately to each "premises" to which this endorsement applies.

3. Limit of Insurance

If a limit of insurance is shown on the "Policy Declarations" as the Annual Aggregate for this endorsement, that limit is the most the Insurer will pay in a single policy period for all direct physical loss or direct physical damage caused by "earthquake" sustained during that policy period.

4. Exclusions

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

- a. fire, explosion or smoke;
- b. "flood";
- c. leakage from "fire protective equipment"; or
- d. riot, vandalism or malicious acts; or
- e. theft or attempted theft.

5. Extension of Coverage

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

6. Definitions

- a. "earthquake" includes landslide, snowslide, other earth movements and tsunami occurring concurrently with and directly resulting from an earthquake shock.
- b. "earthquake occurrence" means all earthquake shocks that occur within 168 consecutive hours, commencing during the policy period on or after the effective date of this endorsement. The expiration of the policy will not reduce the 168 hour period.
- c. "flood" means flood, including "surface water", waves, tides, tidal waves, or the breaking out or overflow of any natural or artificial body of water.
- d. "reported values" means the values declared by the Insured in the statement of locations and values filed with the Insurer most recently before the occurrence of loss or damage.
- e. "surface water" means water or natural precipitation temporarily diffused over the surface of the ground

All other terms, conditions, exclusions and limitations of the policy are unchanged.

EQUIPMENT BREAKDOWN INSURANCE FORM
914000-03

I. INDEMNITY AGREEMENT

In the event of an "accident" to an insured "object" occurring during the policy period, the Insurer agrees to indemnify the Insured subject to the terms and conditions of this form for an amount not exceeding the least of:

1. the value of the damaged insured property as determined in V. SPECIAL CONDITIONS;
2. the interest of the Insured in such property; or
3. the limit of insurance shown on the "Policy Declarations" for Direct Damage.

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

II. INSURED PROPERTY

This form insures the following property:

1. the insured "object" at the "premises";
2. other property at the "premises" belonging:
 - a. to the Insured; and
 - b. to others for which the Insured is obligated to insure or for which the Insured is legally liable,
3. property insured as described in IV. SUPPLEMENTARY COVERAGES.

III. EXCLUSIONS

1. This form does not insure:

a. Ammonia contamination

Loss or damage caused by ammonia contacting or permeating insured property as a result of an "accident" to any refrigeration system, vessels or piping, except as provided in IV. SUPPLEMENTARY COVERAGES.

b. By-laws and zoning

Any increase in costs arising from the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures which makes it impossible to repair or reinstate the property as it was immediately prior to loss, except as provided in IV. SUPPLEMENTARY COVERAGES.

c. Delay, loss of market or use

Loss or damage caused by delay, loss of market or loss of use or occupancy or any other consequential loss.

d. Earth movement, landslide or snowslide

Loss or damage caused directly or indirectly by:

- i. earthquake or tsunami;
- ii. snowslide, landslide, or other earth movement, whether natural or manmade; or
- iii. volcanic eruption.

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.

e. Explosion within a furnace or a chemical recovery type boiler

Loss or damage caused directly or indirectly by:

- i. explosion of gas or unconsumed fuel within a furnace or within the passages from a furnace to the atmosphere; or
- ii. explosion within the furnace of any boiler of the chemical recovery type or within the passages from the furnace to the atmosphere.

f. Fire, smoke or combustion explosion

Loss or damage caused directly or indirectly by fire, smoke or combustion explosion including those that:

- i. result in an "accident" to an "object";
- ii. occur at the same time as an "accident" to an "object"; or
- iii. ensue from an "accident" to an "object".

This exclusion does not apply to loss or damage caused by fire, concurrent with or resulting from an "accident", contained within any electrical or electronic machine or apparatus.

g. Flood and other water events

Loss or damage caused directly or indirectly by:

- i. flood including "surface water", waves, tides, tidal waves, or the breaking out or overflow, whether a natural or man-made event, of any natural or artificial body of water;

- ii. mudslide or mudflow caused by accumulation of water on or under the ground;
- iii. the seepage, leakage or influx of water through basement walls, doors, windows or other openings, foundations, basement floors, sidewalks or sidewalk lights;
- iv. the backing up or overflow of water from sewers, sumps, septic tanks or drains;
- v. leakage or discharge of water from a sprinkler system or domestic water piping; or
- vi. water or other means used to extinguish a fire.
- vii. waterborne material carried or otherwise moved by any of the water referred to in paragraph i., iii. or iv. or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage except for loss or damage to an "object" directly resulting from an ensuing "accident".

h. Fluid escape

Loss or damage caused directly or indirectly by the escape of any fluid resulting from an "accident" if coverage is provided by any other insurance in effect at the time of the loss or damage. If no other insurance is in effect at the time of the loss or damage, then this insurance will respond as provided in IV. SUPPLEMENTARY COVERAGES.

i. Fungi and spores

- i. Loss or damage consisting of or caused directly or indirectly by any "fungi" or "spores". This exclusion does not apply if the "fungi" or "spores" are directly caused by or directly result from an "accident" otherwise insured and not otherwise excluded under this form; or
- ii. The cost or expense for any testing, monitoring, evaluating or assessing of "fungi", or "spores".

j. Hazardous substance

- i. Any increase in loss resulting from damage, contamination or pollution by a "hazardous substance", except as provided in IV. SUPPLEMENTARY COVERAGES.
- ii. Additional expenses incurred for clean up, storage, repair, replacement or disposal of property damaged, contaminated or polluted by a "hazardous substance", except as provided in IV. SUPPLEMENTARY COVERAGES.

k. Natural electrical currents

Loss or damage caused directly or indirectly by naturally generated electrical currents including lightning, if coverage is provided by any other insurance in effect at the time of the loss or damage.

l. Riot, vandalism or malicious acts

Loss or damage caused directly or indirectly by riot, vandalism or malicious acts if coverage is provided by any other insurance in effect at the time of the loss or damage. Riot includes open assemblies of strikers and of locked-out employees inside or outside the "premises".

m. Stock Spoilage

Loss or damage caused directly or indirectly by "spoilage" of "perishable goods" due to an "accident", except as provided in IV. SUPPLEMENTARY COVERAGES.

n. Vacant properties

Property at locations which to the knowledge of the Insured, are vacant or unoccupied for more than 30 consecutive days. This exclusion applies to direct or indirect damage resulting from an "accident" to an "object" caused by freezing, vandalism or malicious acts.

o. Wind, hail, snow and ice

Loss or damage caused directly or indirectly by:

- i. wind, including but not limited to cyclone, tornado or hurricane;
- ii. hail; or
- iii. weight of snow, ice or sleet.

This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.

2. COMMON EXCLUSIONS

See COMMON EXCLUSIONS section of 910001 PROPERTY, BUSINESS INCOME, INLAND MARINE, CRIME AND EQUIPMENT BREAKDOWN COMMON CONDITIONS AND EXCLUSIONS FORM.

This Form does not insure loss or damage arising from:

a. Contagious Disease

b. Cyber Risk

c. Data

d. Data Problem

e. Marine and Waterborne Property

f. Nuclear Incident and Radioactive Contamination

g. Pollution

h. Terrorism

i. War, invasion, act of foreign enemy

IV. SUPPLEMENTARY COVERAGES

A. GROUP ONE

The limit of insurance applicable to loss or damage covered by any or all coverages described in GROUP ONE is the blanket limit shown on the "Policy Declarations". The limit of insurance applies to any one occurrence of insured loss or damage, irrespective if multiple "premises" suffer loss or damage. Unless stated otherwise, the blanket limit of insurance is in addition to any other limit of insurance applicable under this form. Any Supplementary Coverage shown on the "Policy Declarations" as Not Covered will not be insured by this Form.

1. AMMONIA CONTAMINATION

If insured property is directly damaged by ammonia contacting or permeating such property as a direct result of an "accident" to any refrigeration system, vessels or piping, this form insures such damage, including expenses for clean up, salvage and disposal of the affected property.

2. BRANDS AND LABELS

This form insures the reasonable expenses:

- a. if the Insurer exercises its option to take all or any part of the insured property involved in an insured "accident"; and
 - b. if the Insured reserves the right to first remove their trademarks, guarantees, names or other evidence of their interest or connection from the insured property;
- to remove said trademarks, guarantees, names or other evidence of their interest. Where the removal of such marks is impossible, impractical or not cost effective, the insured property may be stamped as salvage and/or transferred to bulk containers.

3. HAZARDOUS SUBSTANCES

- a. If a "hazardous substance" is involved in or released by an "accident" to any "object", this form insures the costs to repair, replace, clean up or dispose of the affected property.
- b. With respect to this coverage, the increase in costs means the costs beyond that which would have been incurred had no "hazardous substance" been present.

4. RESEARCH AND DEVELOPMENT COSTS

This form insures reasonable and necessary expenses required to return research or research projects to the state of development at the time of the "accident". Coverage will be limited to the least of:

- a. the actual expenses incurred to return the project to the state of its development at the time of the loss;
- b. the limit of insurance as shown on the "Policy Declarations"; or
- c. the actual expenses incurred for no longer than 12 months from the date of the "accident", but not limited to the expiry date of the policy period.

B. GROUP TWO

Coverages listed in GROUP TWO are subject to the limit of insurance shown on the "Policy Declarations" for the particular coverage described. Unless stated otherwise, the limit of insurance for each coverage in GROUP TWO is in addition to any other limit of insurance applicable under this form. The limit of insurance applies to any one occurrence of insured loss or damage, irrespective if multiple "premises" suffer loss or damage. Any coverage(s) in GROUP TWO where an aggregate limit is shown on the "Policy Declarations" is subject to an annual policy aggregate limit.

Any Supplementary Coverage shown on the "Policy Declarations" as Not Covered will not be insured by this Form.

1. BY-LAWS

- a. Without increasing the limit of insurance and in the event of direct physical loss or direct physical damage to insured property under this form by an "accident", the Insurer will indemnify the Insured for:
 - i. loss occasioned by the demolition of any undamaged portion of the insured property;
 - ii. the cost of demolishing and clearing the site of any undamaged portion of the insured property;
 - iii. any increase in the cost of repairing, replacing, constructing or reconstructing the insured property on the same site or on an adjacent site, of like height, floor area, style and like occupancy; resulting from the enforcement of the minimum requirements of any by-law, regulation, or ordinance of law which
 - (a) regulates zoning or the demolition, repair or construction of damaged buildings or structures; and
 - (b) is in force at the time of such loss or damage.
- b. By-Laws coverage does not insure against:
 - i. the enforcement of any by-law, regulation, ordinance or law which prohibits the Insured from rebuilding or repairing on the same site or an adjacent site or prohibits continuance of like occupancy;
 - ii. the increase in loss resulting from a "hazardous substance";
 - iii. additional expenses incurred for clean up, storage, repair, replacement or disposal of damaged, contaminated or polluted property by a "hazardous substance"; or
 - iv. additional expenses relating to the removal of asbestos in the undamaged portion of the insured property.

- v. the enforcement of any by-law, regulation, ordinance or law that could have been enforced in absence of a loss.
- c. In the event that the limit of insurance on the insured property is exhausted, by-laws coverage will continue to apply up to the limit of insurance shown on the "Policy Declarations" for this coverage, in any one occurrence.

2. CATCH ALL CLAUSE

- a. This coverage provides an additional limit of insurance in the event that the limit of insurance under any other GROUP TWO coverage is insufficient to provide full indemnity, after the application of the deductible, for any covered loss or damage that results from "one accident". The Insurer will pay the lesser of:
 - i. the difference between the loss payable and the amount required to fully indemnify the Insured after the application of the deductible; or
 - ii. the limit of insurance shown on the "Policy Declarations" for this coverage.
- b. The liability of the Insurer in respect of this coverage during any one policy period will not exceed the aggregate shown on the "Policy Declarations" for this coverage, irrespective if multiple locations are impacted in one event.
- c. Notwithstanding V. 8. REINSTATEMENT in this form, following a loss under this coverage, the limit of insurance for this coverage will be reduced by the amount payable.
- d. In the event that claims are made under more than one GROUP TWO coverage for a single occurrence, allocation of payment will be determined by the Insured.

3. DATA COVERAGE

- a. If, as a result of an "accident" to an "object", "data" is lost or damaged, the Insurer will pay the cost of gathering or reproducing the "data". However, in no event will the Insurer pay more than the limit of insurance shown on the "Policy Declarations" for Data Coverage.
 - b. If the "data" is not replaced or reproduced, the value of the "data" is based on the cost of replacing blank "media".
 - c. This coverage 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.
- For this coverage, "accident" to an "object" includes an "accident" to equipment of an off site "data" and "media" storage service provider, provided the equipment damaged by an "accident" is:
- i. of a type described in the definition of "object",
 - ii. located within the "territorial limits".

4. DATA PROCESSING EQUIPMENT AND MEDIA AT A RESIDENCE

- a. This form insures data processing equipment and "media" that is damaged by an "accident" while at any residence of the Insured, or that of any officer or employee of the Insured, anywhere in the "territorial limits".
- b. This coverage does not apply to property temporarily away from the "premises" or in transit.

5. DATA PROCESSING EQUIPMENT AND MEDIA – OFF PREMISES

- a. This form insures data processing equipment and "media" that is damaged as a result of an "accident", while temporarily away from the "premises", including in transit, anywhere in the "territorial limits".
- b. This coverage does not apply to property while at a location owned, leased or controlled in whole or in part by the Insured.

6. DEBRIS REMOVAL

- a.
 - i. This form insures expenses incurred in the removal from the "premises" of debris of the insured property occasioned by loss or damage to such property due to an "accident".
 - ii. The amount payable under this coverage:
 - (a) will not increase the limits of insurance shown on the "Policy Declarations", and
 - (b) will not exceed 25% of the sum of:
 - (1) the total amount payable for the direct physical loss of or damage to the property insured, and
 - (2) the amount of the applicable deductible.
 - iii. If in any "one accident" expenses for debris removal exceeds the limit set out in IV. B. 6. a. ii. (b) or, if exhausted, the limit of insurance for such property, an additional limit, up to the amount shown on the "Policy Declarations" for Debris Removal, is payable.
- b. Debris removal coverage does not apply to costs or expenses:
 - i. to clean up "hazardous substance" or ammonia;
 - ii. to remove any foundation other than damaged portions; or
 - iii. for testing, monitoring, evaluating or assessing or in any way respond to the effects of "hazardous substance" or ammonia.

7. ENVIRONMENTAL UPGRADE

- a. In the event of direct physical loss of or damage to insured property as a direct result of an "accident", this form insures the increase in direct costs incurred to repair or replace the damaged insured property with property of like kind and quality which improves energy efficiency or is better for the environment.
- b. The Insurer will pay the least of:
 - i. 25% of the sum of:
 - (a) the total amount of payable for the direct physical loss of or damage to the insured property, and
 - (b) the amount of the applicable deductible;
 - ii. the amount actually expended by the Insured; or
 - iii. the limit of insurance shown on the "Policy Declarations" for this coverage.

- c. The liability of the Insurer in respect of this coverage during any one policy period will not exceed, the aggregate shown on the "Policy Declarations" for this coverage, irrespective if multiple locations are impacted in one event.
- d. Notwithstanding V. 8. REINSTATEMENT in this form, following a loss under this coverage, the limit of insurance for this coverage will be reduced by the amount payable.
- e. This coverage does not apply to:
 - i. any increase in the cost of repair or replacement of insured property occasioned by a restriction or prohibition in any by-law, regulation, ordinance of law; or
 - ii. any property valued or insured on an Actual Cash Value basis; or
 - iii. stock, raw materials, finished goods, merchandise, production machinery and equipment, electronic data processing equipment not used for the functional support of real property, processing water, moulds and dies, personal property of others which the Insured is obligated to insure or for which the Insured is legally liable, or personal property of directors, officers and employees.

8. ERRORS AND OMISSIONS

- a. This form insures loss of or damage to insured property caused directly by an "accident" to an "object" at a location owned or occupied by the Insured that is not covered by this form solely due to error or unintentional omission by the Insured of:
 - i. an unreported location at the commencement of the current policy period;
 - ii. the description of a location; or
 - iii. an incorrect deletion of an insured location, but only to the extent such loss or damage would have been covered under this form in the absence of such error or omission.
- b. This coverage only applies if:
 - i. the Insured report and correct such error or omission as soon as possible when discovered, and
 - ii. the Insured pay any additional premium that may be due.
- c. This coverage does not apply if there is coverage available under IV. B. 13. NEWLY ACQUIRED LOCATION.

9. FLUID ESCAPE

Subject to exclusion III. h. this form insures loss of or damage to insured property caused by any fluid that has escaped from any "object" directly as a result of an "accident".

10. EXPEDITING EXPENSES

In the event of an "accident" to an "object", this form insures the reasonable additional costs incurred, including overtime and the extra cost of express or other rapid means of transportation:

- a. for temporary repairs; or
- b. for expediting the permanent repair or replacement of insured property that is lost or damaged.

This coverage does not include costs related to any "objects" installed on a temporary basis.

11. EXTRA EXPENSE

- a. This form insures the "extra expense" incurred by loss or damage to insured property at the "premises" resulting from an "accident", for the period of time required with the exercise of due diligence and dispatch, to restore normal business operations, and/or from interruption to the supply of "utility services" to the "premises" caused by an "accident" to equipment of a "utility property" provided such equipment is:
 - i. not owned nor operated by the Insured;
 - ii. of a type which satisfies the definition of "object";
 - iii. used to supply "utility services" to the "premises"; and
 - iv. located within the number of kilometres as shown on the "Policy Declarations" from the "premises".
- b. In no event, will the Insurer be liable for:
 - i. loss of income;
 - ii. "extra expense" in excess of that necessary to continue as nearly as practicable the normal conduct of the Insured's business;
 - iii. the cost of repairing or replacing any property that has been damaged or destroyed by an insured loss;
 - iv. costs or expenses due to fines or damages for breach of contract, for late or non-completion of orders, or for any penalties of whatever nature; or
 - v. "extra expense" resulting from any lease, license or order that is suspended, lapsed or cancelled.
- c. The amount of the actual cash value of substitute or temporary property remaining after resumption of normal operations will be deducted from the payment of any loss under this coverage.

12. INSPECTION AND APPROVAL COSTS

- a. This form insures the direct cost of inspections and regulatory approvals that are required as a direct result of an "accident" to repair, rebuild or reconstruct insured property in accordance with the Basis of Settlement clause contained in this form.
- b. This supplementary coverage does not insure:
 - i. fines or penalties;
 - ii. costs or expenses for any testing, monitoring, evaluating or assessing or in any way respond to the effects of "hazardous substance" or ammonia;
 - iii. any increase in the cost of repair or replacement of insured property occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law; or
 - iv. increased costs due to loss of market, loss of use or occupancy that may result from delays in obtaining or receiving required inspections or approvals.

13. NEWLY ACQUIRED LOCATION

- a. This form insures loss of or damage to insured property caused directly by an "accident" at any location that is:
 - i. acquired by the Insured after the beginning of the current policy period;
 - ii. owned, leased, occupied or controlled by the Insured; and
 - iii. within the "territorial limits".
- b. For the purposes of any other supplementary coverage insured by this form, such newly acquired location is deemed "premises".
- c. This coverage will cease on the earliest of:
 - i. 90 days from the date of acquisition of such property;
 - ii. the date values for such property are reported to the Insurer; or
 - iii. the expiration date of this policy.
- d. Premium for coverage on newly acquired property is payable from the date of the acquisition of such property.

14. PROFESSIONAL FEES

This form insures the reasonable fees authorized by the Insurer payable to the Insured's auditors, accountants, lawyers, architects, engineers, or other consultants, for producing particulars of details of the Insured's loss or losses in order to arrive at the loss payable under this form in the event of a claim. There is no coverage for fees payable to:

- a. the Insured's own employees;
- b. the Insured's insurance broker;
- c. public adjusters; or
- d. any claims advocate hired to negotiate settlement on behalf of the Insured.

15. STOCK SPOILAGE

- a. This form insures damage to "perishable goods", including its packaging due to "spoilage" caused directly by change of temperature, humidity or pressure resulting:
 - i. solely from an "accident" at the "premises";
 - ii. from interruption to the supply of "utility services" to the "premises" caused by an "accident" to equipment of a "utility property" provided such equipment is:
 - (a) not owned nor operated by the Insured;
 - (b) of a type which satisfies the definition of "object";
 - (c) used to supply "utility services" to the "premises"; and
 - (d) located within the number of kilometres as shown on the "Policy Declarations" from the "premises".
- b. The Insurer will pay, subject to the limit of insurance for this coverage:
 - i. if the "perishable goods" are replaced by the Insured, the actual cost incurred by the Insured;
 - ii. if the "perishable goods" are not replaced, the actual cash value of the property.

V. SPECIAL CONDITIONS

1. BASIS OF VALUATION

As referred to in this form:

- a. Actual Cash Value: Various factors are considered in the determination of actual cash value and include, but are not be limited to, replacement cost less any depreciation and market value. In determining depreciation, consideration is given to the condition of the property immediately before the damage, the resale value, the normal life expectancy of the property and obsolescence.
- b. Replacement Cost means the cost of replacing, repairing, constructing or reconstructing (whichever is the least) the property on the same site with property of like kind and quality without deduction for depreciation.
- c. Replacement includes repair, construction or reconstruction with new or used property of like kind and quality.
- d. The value of the insured property will be determined as follows:
 - i. on unsold "stock": the actual cash value of the property at the time and place of loss or damage, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;
 - ii. on sold "stock": the selling price after allowance for discounts;
 - iii. on the property of others in the care, custody or control of the Insured for the purpose of performing work upon it: the amount for which the Insured is liable, but not exceeding the actual cash value at the time and place of loss or damage plus allowance for labour and materials expended to such time;
 - iv. on the property of others in the care, custody or control of the Insured that is not to be worked upon: the amount for which the Insured is liable, but not exceeding the actual cash value at the time and place of loss or damage;
 - v. on tenant's improvements:
 - (a) when physically lost or physically damaged by an insured "accident":
 - (1) if repaired or replaced with due diligence and dispatch: the cost to replace improvements on the same site, plus the cost of moving, temporary storage and restoration if repaired or replaced on another site;
 - (2) if not repaired or replaced with due diligence and dispatch: that portion of the original cost of the physically lost or physically damaged tenant's improvements which the unexpired term of the lease at the time of direct physical loss or direct physical damage bears to the period(s) from the date(s) such tenant's improvements were made to the expiration date of the lease; or
 - (3) if the landlord terminates a lease as a result of an insured "accident" and the lease calls for insurance proceeds to be paid to the landlord: the cost to repair or replace the damaged improvements, whichever is less.
 - (b) when not physically lost or physically damaged by an insured "accident": if, as a result of the building owner exercising the cancellation clause in a lease due to an insured "accident", the Insured's interest in improvements reverts to the landlord, the cost to replace improvements on the same site or another site.
 - (c) The Insurer will not be liable for any loss of leasehold interest resulting from the Insured exercising the option to cancel a lease.

- (d) No lease renewal options will be considered in any loss settlement unless an offer to renew has been made to and accepted by the landlord, in writing, prior to the direct physical loss of or direct physical damage to tenant's improvements.
- vi. on business records, other than "valuable papers and records" and prepackaged software:
 - (a) the cost of blank "media" for reproducing "data"; and
 - (b) the costs of labour to transcribe or copy the "data" when there is a duplicate.
- vii. on "valuable papers and records":
 - (a) the cost of blank "media" for reproducing lost or damaged "data";
 - (b) the cost of gathering or reproducing "data"; and
 - (c) the costs of labour to transcribe or copy the "data" onto the "media".
- viii. all other insured property under this form and for which no more specific conditions have been set out: the actual cash value at the time and place of loss or damage, but not exceeding what it would then cost to repair or replace with material of like kind and quality.

2. BASIS OF SETTLEMENT

If no more specific conditions have been set out in this form, the basis of settlement will apply as follows:

- a. The Insurer will pay for loss of or damage to insured property 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 all other insured property, the lesser of the cost at the time of the "accident" to:
 - (a) repair; or
 - (b) replace with similar property of like kind, capacity, size, quality and function.
- b. The Insurer will not pay for:
 - i. cost of repairing any part or parts of an "object" which is greater than the cost of repairing or replacing the entire "object";
 - ii. more than the cost for the Insured to replace the property with other property of like kind, capacity, size, quality and function
 - iii. more than the cost for the Insured to replace the damaged property at the same site; nor
 - iv. loss or damage to insured property which is useless or obsolete to the Insured.
- c. If the Insured does not repair or replace the damaged property within 24 months after the date of the "accident" then the Insurer will only pay for the actual cash value of the damaged property.

3. DEDUCTIBLE CLAUSE

In any "one accident" the Insurer is liable for the amount by which the loss or damage caused by an "accident" exceeds the amount of the deductible shown on the "Policy Declarations".

If two or more "objects" are involved in "one accident", the total amount to be deducted will be the largest deductible amount shown for any of said "objects".

4. DISPUTED LOSS AGREEMENT

- a. When both a commercial property insurance policy and this equipment breakdown insurance policy:
 - i. are in effect and
 - ii. loss of or damage to insured property is insured by both policies and
 - iii. a dispute arises between the insurers as to which insurer is liable or as to the amount of the loss to be paid, if any, by each insurer under its own policies, then the Agreement Respecting Disputed Losses Between Property Insurance and Boiler & Machinery Insurance Policies of the Insurance Bureau of Canada (IBC) will apply, provided the commercial property insurer(s) are signatories to the Agreement, or have agreed in writing to be bound by its contents.
- b. If the Agreement Respecting Disputed Losses Between Property Insurance and Boiler & Machinery Insurance Policies applies, then the Agreement supersedes and replaces any master or individual insurers Joint Loss Agreement previously issued.

5. MORTGAGE INTEREST

- a. If a Mortgagee is named in the policy for any covered "premises", any loss to the property at the "premises" will be paid jointly to the Insured and the Mortgagee as their interests may appear.
- b. While the Insurer has the right to terminate the policy, if a Mortgagee is named, the Insurer will also mail a copy of the notice of termination to the Mortgagee, at the address shown for the Mortgagee on the "Policy Declarations", in accordance with the Termination condition contained in the Policy Conditions forming part of this policy.
- c. Suspension of coverage on any "object", in accordance with the Suspension condition, will suspend all coverage including the Mortgagee's interest. The Insurer will provide the Mortgagee with a copy of the suspension notice at the address shown for the Mortgagee on the "Policy Declarations".

6. NOTICE OF ACCIDENT AND ADJUSTMENT

In the event of an "accident" that may be covered under this form and in addition to the requirements stated in the Policy Conditions Form, Statutory Condition 8 - WHO MAY GIVE NOTICE AND PROOF, for all provinces and territories other than the Province of Quebec and General Condition 6 - NOTICE OF LOSS AND LOSS INFORMATION, for the Province of Quebec, the Insured will:

- a. give notice to the Insurer or any of its authorized agents as soon as possible. Any delay in notifying the Insurer may affect the amount of loss payable under the policy;
- b. provide the Insurer with reasonable time and opportunity to examine the property and the "premises" of the Insured before repairs are undertaken or physical evidence of the "accident" is removed, except for protection or salvage of property from further damage;
- c. provide proof of loss to the Insurer in such form as may be required;
- d. render every assistance in facilitating the investigation and adjustment of any claim, submitting to examination under oath and interrogation by any representative of the Insurer; and
- e. not incur any expense, other than at the Insured's own cost, except as otherwise expressly permitted in this policy.

7. SUSPENSION

Upon the discovery of an "object" in or exposed to an unsafe, deteriorated or dangerous condition, any representative of the Insurer may immediately suspend insurance against loss due to an "accident" to said "object" by written notice mailed or delivered to the Insured at the address of the Insured, or at the location of the "object". Insurance so suspended may be reinstated by the Insurer, by written notice given to the Insured. The Insured will be allowed the unearned portion of the premium paid for such suspended insurance, prorated for the period of suspension.

8. REINSTATEMENT

Loss under any item of this insurance will not reduce the applicable limit of insurance.

VI. DEFINITIONS

Wherever used in this form and endorsements attached to this form:

1. "accident" means a sudden and unforeseen and unexpected physical breakdown to the "object", or any part of the "object", which necessitates repair or replacement of the "object" or any part of the "object", provided the "object" has been completely installed, tested, and contractually accepted by the Insured. However accident does not mean nor include:
 - a. depletion, deterioration, corrosion, surface cracking or erosion of material;
 - b. wear and tear;
 - c. the cracking of any part of any turbine exposed to hot gases or to the products of combustion;
 - d. leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
 - e. the functioning of any safety device or protective device;
 - f. the breakdown of any structure or foundation supporting the "object" or any part of the "object";
 - g. the breakdown of an "object" while undergoing testing whether electrical, hydrostatic, pneumatic, gas pressure or performance test; or
 - h. impact by vehicle.
2. "clean up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", "fungi" and "spores, including testing which is integral to the aforementioned processes.
3. "data" means representations of information or concepts, in electronic, digital, or binary form.
4. "extra expense" means the necessary additional cost to conduct the Insured's business over and above the cost that normally would have been incurred to conduct the business during the same period had no insured loss occurred. This additional cost will include the expense of obtaining and using other property or facilities, or other similar necessary emergency expenses.
5. "fungi" includes, but is not limited to:
 - a. any form or type of mould, yeast, mushroom or mildew, whether or not allergenic, pathogenic or toxigenic; and
 - b. any substance, vapour or gas produced by or emitted or arising from any fungi or "spores" or resultant allergens, mycotoxins or pathogens.
6. "hazardous substances" means:
 - a. any "pollutant", contaminant or other substance, other than ammonia as insured under IV.A.1. Ammonia Contamination, which has been declared to be hazardous to health or the environment by a government agency;
 - b. any "fungi" or "spores".
7. "media" means:
 - a. any material on which data is recorded or stored, and
 - b. program and/or instruction vehicles used in the Insured's data processing operations.
8. "object" means any equipment or apparatus described below, subject to the exclusions specified herein, only while the object is located on the "premises" of the insured specified on the "Policy Declarations" and is in use or connected ready for use any:
 - a. i. ASME (American Society of Mechanical Engineers) approved Boiler or pressure vessels which are normally subject to vacuum or internal pressure other than static pressure of contents including:
 - (a) boiler;
 - (b) condensate return tank;
 - (c) fired pressure vessel;
 - (d) fibreglass reinforced plastic vessel, or metal unfired vessels,
 - (e) refrigeration or air conditioning vessels and piping; or
 - (f) metal piping and its accessories including:
 - (1) feed water piping between any boiler and its feed pumps or injectors;
 - (2) boiler condensate return piping;
 - (3) chilled water piping connected to and forming part of a refrigeration or air conditioning system;
 - (4) arrangement of piping used in conjunction with hot fluid heating system, together with valves, radiators and fittings connected to such system, provided such systems are not encased or requiring excavation;
 - (5) any unfired pressure vessels which is used for the storage of gas or liquid and which is periodically filled, moved, emptied and refilled in the course of its normal service, will be considered as connected ready for use within the terms of the policy;
 - (6) mechanical or electrical equipment mounted on or forming part thereof used solely for the purposes of monitoring or controlling such object.
 - ii. Mechanical, electrical machine or apparatus which generates, transmits or utilizes mechanical or electrical power including electronic equipment meaning;

- (a) any data processing, calculating or computing equipment, or any electronic machine, device or instrument;
 - (b) any x-ray machine, magnetic resonance imaging (MRI), computed tomography (CT scan), electronic microscope, laser, particle accelerator, beta gauge, spectrograph including equipment used for research, diagnostic, treatment, experimental medical or scientific purposes or any equipment or apparatus utilizing radio-active materials; or
 - (c) any equipment used for the generation, control, transmission, reception, reproduction, playback or any other use of television, radio, or telecommunications signals.
- b. "Objects" described in 8.a.i. and 8.a.ii. do not mean or include any:
- i. refractory or insulating material, non-metallic lining or covering, boiler setting, or any part of a boiler or fired pressure vessel which does not contain steam, water or other heat transfer medium;
 - ii. oven, stove, furnace, incinerator or kiln but not excluding any electrical or mechanical device mounted on or forming part of, and used solely for the purpose of controlling or operating such equipment;
 - iii. sewer, sprinkler system, domestic water supply, or waste disposal piping;
 - iv. buried piping or electrical cables which are not contained within a duct, tunnel or raceway;
 - v. part of a vehicle, aircraft, structure or floating vessel;
 - vi. elevator or any part of an elevator, escalator, conveyor, crane, hoist, power shovel, dragline or excavator, but not excluding any electrical or mechanical device mounted on or forming part of, and used solely for the purpose of controlling or operating such equipment; or
 - vii. electrical trailing cable, induction furnace coil or electrical equipment beyond the secondary bus of an arc furnace transformer;
9. "one accident" means all resultant or concomitant "accident(s)" whether to one "object" or more than one "object" or part of an "object".
10. "perishable goods" means any insured property subject to deterioration or impairment as a result of a change of conditions, including but not limited to temperature, humidity or pressure.
11. "Policy Declarations" means the policy declarations applicable to this policy for the current policy period, including any supplementary pages or schedules.
12. "pollutant" 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.
13. "premises" means:
- a. the entire area within the property lines at the location(s) described on the "Policy Declarations";
 - b. areas under adjoining sidewalks and driveways.
14. "spoilage" means any detrimental change in state. This includes but is not limited to thawing of frozen goods, warming of refrigerated goods, freezing of fresh goods, solidification of liquid or molten material and chemical reactions to material in process.
15. "spores" includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".
16. "surface water" means water or natural precipitation temporarily diffused over the surface of the ground.
17. "territorial limits" means Canada and the continental United States of America.
18. "utility property" means communication equipment, satellite receivers, generating plants, transformer stations, switching stations, sub-stations, transformers, pumping stations, sewerage or other apparatus that supplies "utility services" to the "premises".
19. "utility services" means communications, electricity, gas, refrigeration, steam, water or outgoing sewerage service delivered to the "premises" through the use of "utility property".

I. INDEMNITY AGREEMENT

The Insurer will indemnify the Insured for the actual loss of "business income" sustained by the Insured during the "indemnity period" as shown on the "Policy Declarations" directly resulting from the necessary interruption of the "business" caused by direct physical loss of or direct physical damage to building(s), structure(s), machinery, equipment or stock belonging to:

1. the Insured;
 2. others for which the Insured is obligated to insure, or for which the Insured is legally liable,
- and such physical loss of or physical damage is directly caused by an "accident" to an "object" occurring during the policy period at the "premises".

II. MEASURE OF RECOVERY

Recovery under this form is limited to the actual loss of "business income" sustained by the Insured during the "indemnity period" due to:

1. Reduction of "revenue", being the amount obtained by multiplying the "revenue shortfall" by the "business income percentage"; and
2. Additional increase in cost of operations, being the necessary additional cost incurred for the sole purpose of avoiding or diminishing "revenue shortfall" as a consequence of an "accident" to an "object". Additional increase in cost of operations payable under this form will not exceed the amount obtained by multiplying the amount of the avoided "revenue shortfall" by the "business income percentage". This additional cost will include:
 - a. the expense of obtaining and using other property or facilities of other concerns or other similar necessary emergency expenses;
 - b. the expense of obtaining property for temporary use that is necessarily required for the conduct of the Insured's "business".
3. The increase in actual loss of "business income" resulting from the enforcement of any by-law, regulation, ordinance or law which:
 - a. regulates zoning or the demolition, repair or construction of damaged buildings or structures; and
 - b. is in force at the time of the "accident".

less the amount of:

1. The actual cash value of substitute or temporary property remaining after resumption of normal operations.
2. Those expenses that do not necessarily continue during the "indemnity period". Any of the Insured's ordinary "business" expenses will be considered necessary if:
 - a. such expenses would have been included in the Insured's "business income" before the loss, and
 - b. such expenses are required so that the Insured's "business" can return to operations with the same quality of service as before the loss.

III. EXCLUSIONS

The terms, conditions, exclusions and limitations of the equipment breakdown form(s) at the location(s) that suffered a loss of "business income" as a direct result of an "accident", as shown on the "policy declarations" and the 910001 PROPERTY, BUSINESS INCOME, INLAND MARINE, CRIME AND EQUIPMENT BREAKDOWN COMMON CONDITIONS AND EXCLUSIONS FORM apply to this insurance. In addition, the Insurer is not liable for any loss of "business income" or additional increased cost of operations arising from the following:

1. **Idle period**
For any time during which "business" would not or could not have been carried on if the "accident" had not occurred;
2. **Fines and damages**
Due to fines or damages for:
 - a. breach of contract;
 - b. late or non completed orders; or
 - c. penalties of any kind;except as provided in IV. SUPPLEMENTARY COVERAGES;
3. **Cancellation of contract**
Due to the suspension, lapse or cancellation of a contract following an "accident" extending beyond the time "business" could have resumed if the contract had not lapsed, been suspended or cancelled.
4. **By-laws and zoning**
Resulting from the enforcement of any by-law, regulation, ordinance or law that:
 - a. could have been enforced in absence of an "accident"; or
 - b. prohibits the Insured from rebuilding or repairing on the same site or an adjacent site or prohibits continuance of like occupancy;

5. Consequential or remote loss

Any other consequential or remote loss.

6. Strikes and labour disturbances

Any increase of loss caused by delays or loss of time due to the presence of strikers or other persons or to labour disturbances on or about the "premises" interfering with the rebuilding, repairing, or replacing the property lost or damaged 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.

IV. SUPPLEMENTARY COVERAGES

A. GROUP ONE

The limit of insurance applicable to loss, costs or expenses covered by any or all coverages described in GROUP ONE is the blanket limit shown on the "Policy Declarations". The limit of insurance applies to any one occurrence of insured loss or damage, irrespective if multiple "premises" suffer loss or damage. The blanket limit of insurance is in addition to amounts payable under II. MEASURE OF RECOVERY.

Any Supplementary Coverage shown on the "Policy Declarations" as Not Covered will not be insured by this Form

1. ACCOUNTANTS' FEES

This form insures the reasonable charges payable by the Insured to their professional accountants for producing particulars or details or other proofs, information or evidence as may be required by the Insurer for the purpose of investigating or verifying any claim under this form and reporting that such particulars or details are in accordance with the Insured's accounting records. There is no coverage for fees incurred for accounting services that are required in the normal course of the Insured's "business".

2. FINES AND PENALTIES

This form insures the Insured's legal liability for fines, damages or penalties due to breach of contract for late or non-completion of orders, if such breach of contract is a consequence of an "accident" that occurs at the "premises".

3. LEASEHOLD INTEREST

- a. This form insures additional leasing costs incurred by the Insured if, as a result of an "accident", the landlord terminates the "premises" lease in accordance with the conditions of that lease.
- b. Recovery is limited to the difference between current leasing costs at the "premises" and higher leasing costs at another location that are actually incurred by the Insured. There is no coverage for additional leasing costs that result from the Insured exercising an option to cancel the "premises" lease.

4. NEWLY ACQUIRED LOCATIONS

- a. This form insures the actual loss of "business income" sustained by the Insured during the "indemnity period" resulting from the necessary interruption of the Insured's business activities occurring at any location that is:
 - i. acquired by the Insured after the beginning of the current policy period,
 - ii. owned, leased, occupied or controlled by the Insured, and
 - iii. within the "territorial limits",if the interruption is a direct result of an "accident" at such newly acquired location.
- b. This coverage will cease on the earliest of:
 - i. 90 days from the date of acquisition of such location;
 - ii. the date such location is reported to the Insurer; or
 - iii. the expiration date of this policy.
- c. Premium for this coverage is payable from the date of the acquisition of such newly acquired location.

B. GROUP TWO

Coverages listed in GROUP TWO are subject to the limit of insurance shown on the "Policy Declarations" for the particular coverage described. The limit of insurance for each coverage in GROUP TWO is in addition to any other limit of insurance applicable under this form.

Any Supplementary Coverage shown on the "Policy Declarations" as Not Covered will not be insured by this Form

1. CONTINGENT BUSINESS INTERRUPTION

This form insures the loss of "business income" subject to the limit shown on the "Policy Declarations" sustained by the Insured during the "indemnity period", in any one occurrence, resulting from the necessary interruption of the "business" occurring at the "premises" in consequence of physical loss or physical damage caused directly by an "accident", to property of the type as shown on the Equipment Breakdown insurance form(s) this form is attached to, at a "contributing business" located within the "territorial limits" during the policy period.

2. INTERNET SERVICE PROVIDER

- a. This form insures the actual loss of "business income" subject to the limit shown on the "Policy Declarations" sustained by the Insured during the "indemnity period" due to the necessary interruption of or interference with the "business" at the "premises" during the term of this policy when caused by an "accident" to the electronic data processing equipment owned by a provider of internet services to the Insured.
- b. The Insurer will not be liable for any loss of "business income":
 - i. during the first 24 consecutive hours of such "accident";
 - ii. if the loss is due to fines or penalties of whatever nature.

3. UTILITIES SERVICE INTERRUPTION

- a. This form insures the actual loss of "business income" sustained by the Insured during the "indemnity period" as a result of physical loss of or physical damage to "utility property" located within the number of kilometres as shown on the "Policy Declarations" from the "premises", provided such physical loss or physical damage is caused directly by an "accident" to equipment of a "utility property". However, such equipment of the "utility property" must:
 - i. not be owned nor operated by the Insured;
 - ii. be of a type which satisfies the definition of "object"; and
 - iii. be used to supply "utility services" to the "premises".
- b. There is no coverage for loss of "business income":
 - i. due to the interruption of "utility services" for a duration of less than 24 consecutive hours;
 - ii. if the interruption of "utility services" is caused by the failure of the Insured to comply with the terms and conditions of any terms or contracts the Insured has for the supply of "utility services".

C. GROUP THREE

Coverages listed in GROUP THREE are subject to time, limit and/or distance limitations. If any limit of insurance is shown on the "Policy Declarations" for the particular coverage described, it will apply to any one occurrence of insured loss or damage, irrespective if multiple "premises" suffer loss or damage.

Any Supplementary Coverage shown on the "Policy Declarations" as Not Covered will not be insured by this Form.

1. MORTGAGE RATE GUARANTEE

- a. This form insures additional mortgage costs incurred by the Insured, subject to the limit of insurance on the "Policy Declarations", if, as the result of an "accident" to an insured building, the Insured is required to close an existing mortgage, requiring a new mortgage at a higher interest rate.
- b. Monthly payments will be made for the difference in cost of the outstanding mortgage balance, between the current mortgage rate on the date of the loss and the new higher mortgage rate.
- c. Coverage ceases at the earliest of:
 - i. expiry of the mortgage term that was in force at the time of loss;
 - ii. the termination of the Insured's interest; or
 - iii. 60 months from the date of loss.

2. ORDINARY PAYROLL EXPENSES

- a. At the option of the Insured, the Insurer will be liable for "ordinary payroll expenses" incurred by the Insured which must necessarily continue after an "accident".
- b. Coverage is limited to the shorter of:
 - i. the time period shown on the "Policy Declarations"; or
 - ii. the "indemnity period".

3. RESTRICTED ACCESS

- a. This form insures the actual loss of "business income" sustained by the Insured caused by the interruption of the "business" at the "premises", subject to the limit shown on the "Policy Declarations", when ingress to or egress from the "premises" is restricted in whole or in part by physical loss or physical damage to any property within a 500 meter radius of the "premises" and such physical loss or physical damage is caused directly by an "accident";
- b. There is no coverage for loss of "business income" during the first 48 consecutive hours of such interruption.
- c. This coverage does not apply to loss of "business income" caused by or arising from, directly or indirectly, any interruption of "utility services".
- d. This coverage is limited to the time period shown on the "Policy Declarations".

V. SPECIAL CONDITIONS

1. ALTERNATE TRADING

If, during the "indemnity period", goods are sold or services are rendered for the benefit of the "business" elsewhere than at the "premises" by or on behalf of the Insured, the money paid or payable in respect of such sales or service will be brought into account in arriving at the "revenue" during the "indemnity period".

2. COMMENCEMENT OF LIABILITY

The commencement of the Insurer's liability will be the latest of:

- a. the time of the "accident"; or
- b. 24 hours before the notice of "accident" is received.

Upon receipt of satisfactory evidence from the Insured that a delay in reporting has not prejudiced the Insurer in any way, this clause will be waived.

3. MULTIPLE LOCATIONS OR DIVISIONS

If the Insured operates multiple locations that contribute to the "revenue" of the "business", calculation of "revenue shortfall" will be based on the operations of the "business" as a whole and not strictly on the "revenue shortfall" of the location that sustains an "accident" so long as the "revenue shortfall" arises from an "accident" at the "premises".

4. OBLIGATION TO MINIMIZE LOSS

In the event of an "accident" in consequence of which a claim is or may be made under this form, the Insured will cooperate with the Insurer to do all things that are reasonably practicable to minimize interruption of or interference with the "business" in order to avoid or diminish the loss payable.

5. PROPERTY DAMAGE PROVISION

It is a condition precedent to any payment under II. Measure of Recovery that, at the time of the occurrence of the "accident", there is in force Equipment Breakdown insurance covering the interest of the Insured in the property at the "premises" against such "accident" and that payment has been made or liability admitted under such insurance. However, this provision does not apply where no payment is made or liability admitted under such insurance solely owing to the application of a deductible.

6. WAITING PERIOD

If a waiting period is shown on the "Policy Declarations", the "Indemnity Period" will not begin until the end of such specified waiting period.

VI. DEFINITIONS

Whenever used in this form and endorsements attached to this form:

1. "accident" means a sudden and unforeseen and unexpected physical breakdown to the "object", or any part of the "object", which necessitates repair or replacement of the "object" or any part of the "object", provided the "object" has been completely installed, tested, and contractually accepted by the Insured. However accident does not mean nor include:
 - a. depletion, deterioration, corrosion, surface cracking or erosion of material;
 - b. wear and tear;
 - c. the cracking of any part of any turbine exposed to hot gases or to the products of combustion;
 - d. leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
 - e. the functioning of any safety device or protective device;
 - f. the breakdown of any structure or foundation supporting the "object" or any part of the "object";
 - g. the breakdown of an "object" while undergoing testing whether electrical, hydrostatic, pneumatic, gas pressure or performance test; or
 - h. impact by vehicle.
2. "business" means the operations of the Insured as shown on the "Policy Declarations".
3. "business Income" means the amount by which:
 - a. the sum of:
 - i. the "revenue", plus
 - ii. the amounts of closing stock and work in progress exceeds
 - b. the sum of:
 - i. the amounts of opening stock and work in progress, plus
 - ii. the amount of the "variable operating expenses".
4. "business income percentage" means the percentage obtained by dividing the "business income" by the "revenue" generated in the 12 month period immediately preceding the date of the "accident". Adjustments will be made:
 - a. as may be necessary to provide for the trend of the "business"; and
 - b. for variations in the "business" or other circumstances which would have affected the "business income" had the "accident" not occurred, so that the adjusted figures will represent, as nearly as reasonably practicable, the results which, but for the "accident", would have been obtained during the comparable period after the "accident".
5. "contributing business" is an enterprise which is not owned, rented or controlled in whole or in part by the Insured, and:
 - a. provides products, materials or services to the Insured or anyone else on the Insured's behalf;
 - b. receives products, materials or services that the Insured produces or sells; or
 - c. is within a 500 meter radius of the "premises" and which attracts "revenue"."Contributing business" does not mean an enterprise that, directly or indirectly, provides to or receives from the Insured "utility services".
6. "expected revenue" means the "revenue" in the financial year immediately prior to the date of the "accident" during the period that corresponding with the "indemnity period". This "revenue" will be adjusted to represent as closely as possible the results which, but for the "accident", would have been obtained during the comparable period after the "accident". Adjustments will be made:
 - a. as may be necessary to provide for the trend of the "business"; and
 - b. for variations in the "business" or other circumstances which would have affected the "business income" had the "accident" not occurred, so that the adjusted figures will represent, as nearly as reasonably practicable, the results which, but for the "accident", would have been obtained during the comparable period after the "accident".
7. "indemnity period" means the period beginning with the commencement of the Insurer's liability as described in IV. SPECIAL CONDITIONS 2. COMMENCEMENT OF LIABILITY, and ending not later than the number of months shown on the "Policy Declarations", during which the results of the "business" has been affected in consequence of the "accident", irrespective if a waiting period applies.
8. "object" means any equipment or apparatus described below, subject to the exclusions specified herein, only while the object is located on the "premises" of the insured specified on the "Policy Declarations" and is in use or connected ready for use any:
 - a. i. ASME (American Society of Mechanical Engineers) approved Boiler or pressure vessels which are normally subject to vacuum or internal pressure other than static pressure of contents including:
 - (a) boiler;
 - (b) condensate return tank;
 - (c) fired pressure vessel;
 - (d) fibreglass reinforced plastic vessel, or metal unfired vessels,
 - (e) refrigeration or air conditioning vessels and piping; or
 - (f) metal piping and its accessories including:
 - (1) feed water piping between any boiler and its feed pumps or injectors;
 - (2) boiler condensate return piping;
 - (3) chilled water piping connected to and forming part of a refrigeration or air conditioning system;
 - (4) arrangement of piping used in conjunction with fluid heating system, together with valves, radiators and fittings connected to such system, provided such systems are not encased or requiring excavation;
 - (5) any unfired pressure vessels which is used for the storage of gas or liquid and which is periodically filled, moved, emptied and refilled in the course of its normal service, will be considered as connected ready for use within the terms of the policy;

- (6) mechanical or electrical equipment mounted on or forming part thereof used solely for the purposes of monitoring or controlling such object.
- ii. Mechanical, electrical machine or apparatus which generates, transmits or utilizes mechanical or electrical power including electronic equipment meaning:
- (a) any data processing, calculating or computing equipment, or any electronic machine, device or instrument;
 - (b) any x-ray machine, magnetic resonance imaging (MRI), computed tomography (CT scan), electronic microscope, laser, particle accelerator, beta gauge, spectrograph including equipment used for research, diagnostic, treatment, experimental medical or scientific purposes or any equipment or apparatus utilizing radio-active materials: or
 - (c) any equipment used for the generation, control, transmission, reception, reproduction, playback or any other use of television, radio, or telecommunications signals.
- b. "Objects" described in 8.a.i. and 8.a.ii. do not mean or include any:
- i. refractory or insulating material, non-metallic lining or covering, boiler setting, or any part of a boiler or fired pressure vessel which does not contain steam, water or other heat transfer medium;
 - ii. oven, stove, furnace, incinerator or kiln but not excluding any electrical or mechanical device mounted on or forming part of, and used solely for the purpose of controlling or operating such equipment;
 - iii. sewer, sprinkler system, domestic water supply, or waste disposal piping;
 - iv. buried piping or electrical cables which are not contained within a duct, tunnel or raceway;
 - v. part of a vehicle, aircraft, structure or floating vessel;
 - vi. elevator or any part of an elevator, escalator, conveyor, crane, hoist, power shovel, dragline or excavator, but not excluding any electrical or mechanical device mounted on or forming part of, and used solely for the purpose of controlling or operating such equipment; or
 - vii. electrical trailing cable, induction furnace coil or electrical equipment beyond the secondary bus of an arc furnace transformer.
9. "ordinary payroll expenses" means the entire payroll expense prior to the date of loss for all employees of the Insured, other than salaries to officers, executives and other integral and key employees whose services would not be dispensed with in the event of an "accident".
10. "Policy Declarations" means the policy declarations applicable to this policy for the current policy period, including any supplementary pages or schedules.
11. "premises" means:
- a. the entire area within the property lines at the location(s) described on the "Policy Declarations";
 - b. areas under adjoining sidewalks and driveways.
12. "revenue" means the money paid or payable to the Insured for:
- a. goods sold and delivered and for services rendered in course of the "business" after allowing for returns and discounts; and
 - b. gross rental income for real estate leased or rented to others.
13. "revenue shortfall" means the amount by which the "revenue" during the "indemnity period" falls short of "expected revenue".
14. "territorial limits" means Canada and the continental United States of America.
15. "utility property" means communication equipment, satellite receivers, generating plants, transformer stations, switching stations, sub-stations, transformers, pumping stations, sewerage or other apparatus that supply "utility services" to the "premises".
16. "utility services" means communications, electricity, gas, refrigeration, steam, water or outgoing sewerage service delivered to the "premises" through the use of "utility property".
17. "variable operating expenses" means:
- a. "ordinary payroll expenses";
 - b. credit and debit card fees;
 - c. all purchases (less discounts received);
 - d. packing materials;
 - e. delivery and freight (other than by own vehicles); and
 - f. any items shown on the "Policy Declarations" as Additional Variable Operating Expenses.

STATED AMOUNT ENDORSEMENT
911304-03

This endorsement modifies the insurance provided under the property form covering insured property.

1. This endorsement applies:
 - a. separately to each location for which Stated Amount Endorsement is shown on the "Policy Declarations", and
 - b. if a "statement of values" has been filed with the Insurer for the current policy period.
2. The Co-insurance Clause is waived, provided that the limit of insurance for each item of insured property is not less than the value for that item shown on the "Statement of Values".
3. The Co-insurance Clause will apply if the Insured fails to file a new "Statement of Values":
 - a. Within 60 days of the effective date of each policy period; or
 - b. Within the number of days shown for this endorsement on the "Policy Declarations".

Definition:

"Statement of values" means a listing of all insured property to which this endorsement is applicable in a form acceptable to the Insurer, that:

- a. Shows the value for each item of insured property that is listed; and
- b. includes an attestation, signed and dated by the Insured, that the values shown are the current values of the insured property as described in V-SPECIAL CONDITIONS-1., Basis of Valuation.

All other terms, conditions, limitations and exclusions of the policy are unchanged.

SPECIMEN

I. INDEMNITY AGREEMENT

The Insurer will indemnify the Insured for the actual loss of "business income" sustained by the Insured during the "indemnity period" as shown on the "Policy Declarations" directly resulting from the necessary interruption of the "business" from "damage" occurring during the policy period.

II. MEASURE OF RECOVERY

Recovery under this form is limited to the actual loss of "business income" sustained by the Insured during the "indemnity period" due to:

1. Reduction of "revenue", being the amount obtained by multiplying the "revenue shortfall" by the "business income percentage"; and
2. Additional increase in cost of operations, being the necessary additional cost incurred for the sole purpose of avoiding or diminishing "revenue shortfall" as a consequence of "damage". Additional increase in cost of operations payable under this form will not exceed the amount obtained by multiplying the amount of the avoided "revenue shortfall" by the "business income percentage". This additional cost will include:
 - a. the cost of obtaining and using other property or facilities of other concerns or other similar necessary emergency expenses;
 - b. the cost of obtaining property for temporary use that is necessarily required for the conduct of the Insured's "business".
3. The increase in actual loss of "business income" resulting from the enforcement of any by-law, regulation, ordinance or law which:
 - a. regulates zoning or the demolition, repair or construction of damaged buildings or structures; and
 - b. is in force at the time of "damage".

less the amount of:

1. The actual cash value of substitute or temporary "building" or "equipment" remaining after resumption of normal operations.
2. Those expenses that do not necessarily continue during the "indemnity period". Any of the Insured's ordinary "business" expenses will be considered necessary if:
 - a. such expenses would have been included in the Insured's "business income" before the loss, and
 - b. such expenses are required so that the Insured's "business" can return to operations with the same quality of service as before the loss.

III. EXCLUSIONS

The terms, conditions, exclusions and limitations of the property insurance form(s) at the location(s) that suffered a loss of "business income" from "damage", as shown on the "policy declarations" and the 910001 PROPERTY, BUSINESS INCOME, INLAND MARINE, CRIME AND EQUIPMENT BREAKDOWN COMMON CONDITIONS AND EXCLUSIONS FORM apply to this insurance. In addition, the Insurer is not liable for any loss of "business income" or additional increased cost of operations arising from the following:

1. **Idle period**
For any time during which "business" would not or could not have been carried on if "damage" had not occurred.
2. **Fines and damages**
Due to fines or damages for:
 - a. breach of contract;
 - b. late or non completed orders; or
 - c. penalties of any kind;except as provided in III. SUPPLEMENTARY COVERAGES.
3. **Cancellation of contract**
Due to the suspension, lapse or cancellation of a contract, lease, or license following "damage" extending beyond the time "business" could have resumed if the contract had not lapsed, been suspended or cancelled.
4. **By-laws and zoning**
Resulting from the enforcement of any by-law, regulation, ordinance or law that:
 - a. could have been enforced in the absence of "damage" at the "premises"; or
 - b. prohibits the Insured from rebuilding or repairing on the same site or on an adjacent site or prohibits continuance of like occupancy.
5. **Consequential or remote loss**
Any other consequential or remote loss.

6. Strikes and labour disturbances

Any increase of loss caused by delays or loss of time due to the presence of strikers or other persons or to labour disturbances on or about the "premises" interfering with the rebuilding, repairing, or replacing the property lost or damaged 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.

IV. SUPPLEMENTARY COVERAGES

A. GROUP ONE

The limit of insurance applicable to loss, costs or expenses covered by any or all coverages described in GROUP ONE is the blanket limit shown on the "Policy Declarations". The limit of insurance applies to any one occurrence of insured loss or damage, irrespective if multiple "premises" suffer loss or damage. The blanket limit of insurance is in addition to amounts payable under II. MEASURE OF RECOVERY.

Any Supplementary Coverage shown on the "Policy Declarations" as Not Covered will not be insured by this Form

1. ACCOUNTANTS' FEES

This form insures the reasonable charges payable by the Insured to their professional accountants for producing particulars or details or other proofs, information or evidence as may be required by the Insurer for the purpose of investigating or verifying any claim under this form and reporting that such particulars or details are in accordance with the Insured's accounting records. There is no coverage for fees incurred for accounting services that are required in the normal course of the Insured's "business".

2. FINES AND PENALTIES

This form insures the Insured's legal liability for fines or penalties due to breach of contract for late or non-completion of orders, if such breach of contract is a consequence of "damage" at the "premises".

3. LEASEHOLD INTEREST

- a. This form insures additional leasing costs incurred by the Insured if, as a result of "damage", the landlord terminates the "premises" lease in accordance with the conditions of that lease.
- b. Recovery is limited to the difference between current leasing costs at the "premises" and higher leasing costs at another location that are actually incurred by the Insured. There is no coverage for additional leasing costs that result from the Insured exercising an option to cancel a "premises" lease.

4. NEWLY ACQUIRED LOCATIONS

- a. This form insures the actual loss of "business income" sustained by the Insured during the "indemnity period" resulting from the necessary interruption of Insured's business activities occurring at any location that is a "newly acquired location" caused by direct physical loss or direct physical damage.
- b. This coverage will cease on the earliest of:
 - i. 90 days from the date of acquisition of each "newly acquired location";
 - ii. the date such location is reported to the Insurer; or
 - iii. the expiration date of this policy.
- c. Premium for this coverage is payable from the date of the acquisition of such newly acquired location.

B. GROUP TWO

Coverages listed in GROUP TWO are subject to the limit of insurance shown on the "Policy Declarations" for the particular coverage described. The limit of insurance for each coverage in GROUP TWO is in addition to any other limit of insurance applicable under this form.

Any Supplementary Coverage shown on the "Policy Declarations" as Not Covered will not be insured by this Form

1. CONTINGENT BUSINESS INTERRUPTION

This form insures the loss of "business income" subject to the limit shown on the "Policy Declarations" sustained by the Insured during the "indemnity period", in any one occurrence, resulting from the necessary interruption of the "business" in consequence of physical loss or physical damage, directly caused by an insured peril, to property, except of the type that is Excluded Property, as shown on the property insurance form(s) this form is attached to, at a "contributing business" located within the "territorial limits" during the policy period.

2. UTILITIES SERVICE INTERRUPTION

This form insures the loss of "business income" subject to the limit shown on the "Policy Declarations" sustained by the Insured during the "indemnity period", in any one occurrence, in consequence of direct physical loss of or direct physical damage to "utility property" located within the number of kilometres as shown on the "Policy Declarations" from the "premises", provided such physical loss or physical damage is caused directly by an insured peril. There is no coverage for loss of "business income" due to:

- a. the interruption of "utility services" for a duration of less than 24 consecutive hours;
- b. loss of or damage to above ground electrical and telephone transmission lines or distribution lines or their supporting structures located away from the "premises";
- c. an intermittent signal;
- d. lack of sufficient capacity; or
- e. an intentional reduction in supply.

C. GROUP THREE

Coverages listed in GROUP THREE are subject to time, limit and/or distance limitations. If any limit of insurance is shown on the "Policy Declarations" for the particular coverage described, it will apply to any one occurrence of insured loss or damage, irrespective if multiple "premises" suffer loss or damage.

Any Supplementary Coverage shown on the "Policy Declarations" as Not Covered will not be insured by this Form

1. MORTGAGE RATE GUARANTEE

- a. This form insures additional mortgage costs incurred by the Insured, subject to the limit shown on the "Policy Declarations", if, as the result of "damage" to an insured "building", the Insured is required to close an existing mortgage, requiring a new mortgage at a higher interest rate.
- b. Monthly payments will be made for the difference in cost of the outstanding mortgage balance, between the current mortgage rate on the date of the loss and the new higher mortgage rate.
- c. Coverage ceases at the earliest of:
 - i. expiry of the mortgage term that was in force at the time of loss;
 - ii. the termination of the Insured's interest; or
 - iii. 60 months from the date of loss.

2. ORDINARY PAYROLL EXPENSES

- a. At the option of the Insured, the Insurer will be liable for "ordinary payroll expenses" incurred by the Insured which must necessarily continue after "damage".
- b. Coverage is limited to the shorter of:
 - i. the time period shown on the "Policy Declarations"; or
 - ii. the "indemnity period".

3. RESTRICTED ACCESS

- a. This form insures the actual loss of "business income" sustained by the Insured caused by the interruption of the "business" at the "premises", subject to the limit shown on the "Policy Declarations", when ingress to or egress from the "premises" is restricted in whole or in part by direct physical loss or direct physical damage to any property within a 500 meter radius of the "premises" and such physical loss or physical damage is directly caused by an insured peril;
- b. There is no coverage for loss of "business income" during the first 48 consecutive hours of such interruption.
- c. This coverage does not apply to loss of "business income" caused by or arising from, directly or indirectly, any interruption of "utility services".
- d. This coverage is limited to the time period shown on the "Policy Declarations".

V. SPECIAL CONDITIONS

1. ALTERNATE TRADING

If, during the "indemnity period", goods are sold or services are rendered for the benefit of the "business" elsewhere than at the "premises" by or on behalf of the Insured, the money paid or payable in respect of such sales or service will be brought into account in arriving at the "revenue" during the "indemnity period".

2. MULTIPLE LOCATIONS

If the Insured operates multiple locations that contribute to the "revenue" of the "business", calculation of "revenue shortfall" will be based on the operations of the "business" as a whole and not strictly on the "revenue shortfall" of the location that sustains "damage" so long as the "revenue shortfall" arises from damage at the "premises".

3. OBLIGATION TO MINIMIZE LOSS

In the event of "damage" in consequence of which a claim is or may be made under this form, the Insured will cooperate with the Insurer to do all things that are reasonably practicable to minimize interruption of or interference with the "business" in order to avoid or diminish the loss payable.

4. PROPERTY DAMAGE PROVISION

It is a condition precedent to any payment under II. Measure of Recovery that, at the time of the occurrence of the "damage", there is in force commercial property insurance covering the interest of the Insured in the property at the "premises" against such "damage" and that payment has been made or liability admitted under such insurance. However, this provision does not apply where no payment is made or liability admitted under such insurance solely owing to the application of a deductible.

VI. DEFINITIONS

Whenever used in this form and endorsements attached to this form:

1. "building" means the building(s) described on the "Policy Declarations" and includes:
 - a. fixed structures pertaining to the building and located on the "premises";
 - b. additions and extensions communicating and in contact with the building;
 - c. permanent fittings and fixtures attached to and forming part of the building including:
 - i. elevating devices;
 - ii. utility equipment both above and below ground on the "premises" which the insured owns or is legally liable for; and
 - iii. domestic appliances installed in dwelling units and
 - d. materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to the building or for building services; and
 - e. growing plants, trees, shrubs or flowers inside the building used for decorative purposes when the Insured is the owner of the building.
2. "business" means the operations of the Insured as shown on the "Policy Declarations".
3. "business income" means the amount by which:
 - a. the sum of:
 - i. the "revenue", plus

- ii. the amounts of closing stock and work in progress exceeds
- b. the sum of:
 - i. the amounts of opening stock and work in progress, plus
 - ii. the amount of the "variable operating expenses".
- 4. "business income percentage" means the percentage obtained by dividing the "business income" by the "revenue" generated in the 12 month period immediately preceding to the date of the "damage". Adjustments will be made:
 - a. as may be necessary to provide for the trend of the "business"; and
 - b. for variations in the "business" or other circumstances which would have affected the "business income" had the "damage" not occurred, so that the adjusted figures will represent, as nearly as reasonably practicable, the results which, but for the "damage", would have been obtained during the comparable period after the "damage".
- 5. "condominium corporation" means a corporation constituted under provincial or territorial legislation relating to condominiums or co-ownership by declaration. It refers to a strata corporation in British Columbia and to a divided co-ownership syndicate in Quebec.
- 6. "contractors equipment" means:
 - a. mobile machinery, cranes and derricks whether or not attached to a licensed automobile;
 - b. portable equipment, hand and powered tools;
 - c. if reusable and not otherwise insured, scaffolding, falsework, forms, hoardings and portable structures;
 - d. accessories and spare parts for VI. 6. a. and b.; and
 - e. construction trailers not used for the transportation of materials or equipment described in 6. a., b., c. and d.
- 7. "contributing business" is an enterprise which is not owned, rented or controlled in whole or in part by the Insured, and:
 - a. provides products, materials or services to the Insured or anyone else on the Insured's behalf;
 - b. receives products, materials or services that the Insured produces or sells; or
 - c. is within a 500 meter radius of the "premises" and which attracts "revenue"."Contributing business" does not mean an enterprise that, directly or indirectly, provides to or receives from the Insured "utility services".
- 8. "damage" means the direct physical loss of or direct physical damage to property at the "premises" caused by an insured peril.
- 9. "equipment" means:
 - a. generally all contents usual to the business of the Insured including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances other than "building" or "stock". "Contractors' equipment" is not deemed to be "equipment" within the meaning of this definition except "contractors' equipment" used only at the "premises";
 - b. similar property belonging to others and which the Insured is obliged to insure or for which the Insured is legally liable;
 - c. outside communication towers, antennae (including satellite receivers) and equipment attached to them, street clocks and exterior signs, provided the "building" is not otherwise insured by this form; and which the insured owns or is legally liable for;
 - d. tenants' improvements which are defined as "building" improvements, alterations and betterments made at the expense of the Insured to a "building" occupied by the Insured and which are not otherwise insured, provided the Insured is not the owner of such "building". If the Insured purchased the use interest in tenants' improvements made by a predecessor tenant, this form applies as though such tenants' improvements had been made at the expense of the Insured;
 - e. "unit improvements and betterments".
- 10. "expected revenue" means the "revenue" in the financial year immediately prior to the date of the "damage" during the period that corresponds with the "indemnity period". This "revenue" will be adjusted to represent as closely as possible the results which, but for the "damage", would have been obtained during the comparable period after the "damage". Adjustments will be made:
 - a. as may be necessary to provide for the trend of the "business"; and
 - b. for variations in the "business" or other circumstances which would have affected the "business income" had the "damage" not occurred, so that the adjusted figures will represent, as nearly as reasonably practicable, the results which, but for the "damage", would have been obtained during the comparable period after the "damage".
- 11. "indemnity period" means the period beginning with the occurrence of the "damage" and ending not later than the number of months shown on the "Policy Declarations", during which the results of the "business" will be affected in consequence of the "damage", irrespective if a waiting period applies.
- 12. "newly acquired location(s)" means locations:
 - a. acquired by the Insured after the beginning of the current policy period, for the first 90 days after the acquisition;
 - b. owned, leased, occupied or controlled by the Insured; and
 - c. within Canada.

13. "ordinary payroll expenses" means the entire payroll expense prior to the date of loss for all employees of the Insured, other than salaries to officers, executives and other integral and key employees whose services would not be dispensed with in the event of "damage".
14. "Policy Declarations" means the policy declarations applicable to this policy for the current policy period, including any supplementary pages or schedules.
15. "premises" means:
- the entire area within the property lines at the location(s) described on the "Policy Declarations";
 - areas under adjoining sidewalks and driveways; and
 - in or on vehicles within 100 metres of such locations.
- But does not include "newly acquired locations".
16. "revenue" means the money paid or payable to the Insured for:
- goods sold and delivered and for services rendered in course of the "business" after allowing for returns and discounts; and
 - gross rental income for real estate leased or rented to others.
17. "revenue shortfall" means the amount by which the "revenue" during the "indemnity period" falls short of "expected revenue".
18. "unit" means the condominium unit as defined in the declaration, description or by-laws of the "condominium corporation" or provincial or territorial legislation relating to "condominium corporations". It refers to a strata lot in British Columbia and to a private portion in Quebec.
19. "unit improvements and betterments" means:
- components of the "unit" in which the Insured has a financial interest and which are ~~not required to be~~ insured by the "condominium corporation"; or
 - construction, upgrades or other changes made to the "unit" by the Insured or completed at the Insured's expense that increase the value of the "unit".
20. "utility property" means communication equipment, satellite receivers, generating plants, transformer stations, switching stations, sub-stations, transformers, pumping stations, sewerage or other apparatus that supply "utility services" at the "premises".
21. "utility services" means communications, electricity, gas, refrigeration, ~~steam, water or~~ outgoing sewerage service delivered to the "premises" through the use of "utility property".
22. "variable operating expenses" means:
- "ordinary payroll expenses";
 - credit and debit card fees;
 - all purchases (less discounts received);
 - packing materials;
 - delivery and freight (other than by own vehicles); and
 - any item shown on the "Policy Declarations" as Additional Variable Operating Expenses.

I. INDEMNITY AGREEMENT

1. The Insurer, subject to the terms, exclusions, conditions and definitions of this form, will indemnify the Insured in each "occurrence" the least of the following:
 - a. the value of the lost or damaged property as determined in V. SPECIAL CONDITIONS;
 - b. the limit of insurance shown on the "Policy Declarations" for the coverage.
2. If any loss or damage is insured under more than one coverage, the most the Insurer will pay for such loss or damage will not exceed the largest limit of insurance applicable under any one of those Coverages.

II. COVERAGES

The coverage(s) apply only if a limit of insurance for the applicable coverage is shown on the "Policy Declarations"; and

A. EMPLOYEE DISHONESTY

1. Loss is directly resulting from a fraudulent or dishonest act, committed by an "employee" acting alone or in collusion with others, that:
 - a. deprives the Insured of "money", "securities" or other property, and
 - b. gives unearned financial benefit to:
 - i. any "employee"; or
 - ii. any other person or organization.

2. EXCLUSIONS

Coverage A. does not apply to:

a. Client or customer property

Any fraudulent or dishonest act committed by an "employee" on the premises of any person or organization that has engaged the services of the Insured, whether or not the Insured is liable. This exclusion does not apply to coverage provided in IV. SUPPLEMENTARY COVERAGES.

b. Employee cancelled under prior insurance

Any "employee" of the Insured or predecessor in interest, for whom dishonesty insurance was cancelled and not reinstated since the last such cancellation.

c. Inventory shortages

- i. Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
 - (a) an inventory computation; or
 - (b) a profit and loss computation.
- ii. However, where the Insured has established wholly apart from such computations, that the Insured has sustained a loss, then such inventory records and actual physical count of inventory may be used in support of the amount of loss claimed.

d. Acts committed by the Insured or partners

See exclusion III. 1. of this form. This exclusion does not apply to coverage provided in IV. SUPPLEMENTARY COVERAGES.

e. Confidential or personal information

See exclusion III. 2. of this form.

f. Indirect loss

See exclusion III. 3. of this form.

g. Legal expenses

See exclusion III. 4. of this form.

h. Nuclear incident and radioactive contamination

See exclusion III. 5. of this form.

i. Terrorism

See exclusion III. 6. of this form.

j. War, invasion, act of foreign enemy

See exclusion III. 7. of this form.

B. MONEY, SECURITIES AND OTHER PROPERTY

1. a. Loss of or damage to "money" or "securities" is directly resulting from its actual destruction, disappearance or wrongful abstraction while:
 - i. within the "premises" or any bank or similar place of safe deposit;
 - ii. being carried by or while within the living quarters in the home of a "messenger"; or
 - iii. in the custody of an armoured motor vehicle company;
- b. loss of or damage to other property is by "safe burglary" or "robbery" or attempted "safe burglary" or "robbery" while within the "premises";

- c. loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the "premises" is caused by "theft" or attempted "theft" or by unlawful entry into or attempted entry into such container;
- d. damage to the "premises" is caused by such "safe burglary", "robbery" or "theft", or caused by the unlawful entry into or the attempted entry into the "premises", provided that with respect to damage to the "premises" the Insured is the owner of the "premises" or is liable for such damage; or
- e. loss of or damage to other property, while outside the "premises", is caused by:
 - i. "robbery" or attempted "robbery" of a "messenger", an armoured motor vehicle company; or
 - ii. "theft" while within the living quarters in the home of a "messenger".

2. EXCLUSIONS

Coverage B. does not apply to:

a. Accounting or arithmetical errors or omissions

Loss resulting from accounting or arithmetical errors or omissions.

b. Acts committed by an employee, director, trustee or authorized representative

Loss or damage resulting from any fraudulent, dishonest or criminal act committed by an "employee", a director, trustee or authorized representative of any Insured whether acting alone or in collusion with other persons. This exclusion does not apply to loss or damage resulting from "safe burglary" or "robbery" or attempted "safe burglary" or "robbery".

c. Data problem

Subject to II. B. 2. c. i. and ii. loss of or damage to "money" or "securities" caused directly or indirectly by a "data problem". 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.

- i. If loss or damage caused by a "data problem" results in the happening of further loss of or damage to "money" or "securities" that is directly caused by a "specified peril" or by the escape of water from any tank, apparatus or pipe, this exclusion will not apply to such resulting loss or damage. This exception only applies to the extent that such loss would otherwise be insured under this form.
- ii. If a "data problem" is the direct result of a "specified peril", or by the escape of water from any tank, apparatus or pipe, within the "premises" or within any bank or similar place of safe deposit, outside the "premises" while conveyed by or within the living quarters in the home of any "messenger" or while in the custody of an armoured motor vehicle company, this exclusion will not apply. This exception only applies to the extent that such loss would otherwise be insured under this form.

d. Exchanges or purchases

Loss or damage resulting from giving or surrendering "money" or "securities" in any exchange or purchase.

e. Fire

Loss or damage resulting from fire, however caused. This exclusion does not apply to loss of or damage to:

- i. "money" or "securities"; or
- ii. a safe or vault.

f. Money operated devices

Loss of or damage to "money" contained in any "money" operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

g. Records

Loss of or damage to manuscripts, books of account or records, except for blank value.

h. Unauthorized transfer of money, securities or property

Loss of or damage to "money", "securities" or other property by unauthorized electronic transfer.

i. Acts committed by the Insured or partners

See exclusion III. 1. of this form.

j. Confidential or personal information

See exclusion III. 2. of this form.

k. Indirect loss

See exclusion III. 3. of this form.

l. Legal expenses

See exclusion III. 4. of this form.

m. Nuclear incident and radioactive contamination

See exclusion III. 5. of this form.

n. Terrorism

See exclusion III. 6. of this form.

o. War, invasion, act of foreign enemy

See exclusion III. 7. of this form.

C. COUNTERFEIT CURRENCY AND MONEY ORDERS

1. Loss or damage is directly resulting from the Insured having accepted in good faith, in exchange for property, "money" or services:
 - a. counterfeit Canadian or United States currency that is acquired during the regular course of business; or
 - b. a bank draft or money order issued or purporting to have been issued by any financial institution, post office or express company that is not paid upon presentation.

2. EXCLUSIONS

Coverage C. does not apply to:

a. Acts committed by an employee, director, trustee or authorized representative

Loss or damage resulting from any fraudulent, dishonest or criminal act committed by an "employee" a director, trustee or authorized representative of any Insured whether acting alone or in collusion with other persons.

b. Acts committed by the Insured or partners

See exclusion III. 1. of this form.

c. Confidential or personal information

See exclusion III. 2. of this form.

d. Indirect loss

See exclusion III. 3. of this form.

e. Legal expenses

See exclusion III. 4. of this form.

f. Nuclear incident and radioactive contamination

See exclusion III. 5. of this form.

g. Terrorism

See exclusion III. 6. of this form.

h. War, invasion, act of foreign enemy

See exclusion III 7. of this form.

D. FORGERY, ALTERATION, CREDIT CARD AND AUTOMATED TELLER CARD

1. Loss is directly resulting from:
 - a. forgery or alteration of any cheque, draft, promissory note, or similar written promise, order or direction to pay a sum of "money" that is or is purported to have been:
 - i. made or drawn by or drawn upon the Insured; or
 - ii. made or drawn by one acting as an agent of the Insured.
 - b. forgery or alteration of any written instrument required in conjunction with any credit card issued to;
 - (a) the Insured;
 - (b) any partner, officer or "employee" of the Insured;
 - (c) the Insured's spouse; or
 - (d) any child residing permanently in the residence of the Insured, provided the Insured has complied fully with the credit card agreement.
 - c. the "theft" of the Insured's automated teller card provided the Insured has complied fully with all of the conditions under which the card was issued.
2. The Insurer will pay, in addition to the limit of insurance for this coverage and without applying any deductible, reasonable legal expenses incurred by the Insured, with the Insurer's prior written consent, to defend any action arising from the Insured's refusal to make a payment that would have been covered by:
 - a. II. D. 1. a., but only if the Insured's refusal to pay such insured instrument is on the basis that it has been forged or altered.
 - b. II. D 1. b., but only if the Insured's refusal to pay such insured instrument is on the basis that it has been forged or altered.

3. EXCLUSIONS

Coverage D. does not apply to:

a. Acts committed by the Insured or partners

See exclusion III 1. of this form.

b. Confidential or personal information

See exclusion III 2. of this form.

c. Indirect loss

See exclusion III 3. of this form.

d. Legal expenses

See exclusion III 4. of this form.

e. Nuclear incident and radioactive contamination

See exclusion III 5. of this form.

f. Terrorism

See exclusion III 6. of this form.

g. War, invasion, act of foreign enemy

See exclusion III 7. of this form.

E. ELECTRONIC FRAUD AND FUNDS TRANSFER FRAUD

1. Loss or damage is directly resulting from:

- a. the use of any electronic device to fraudulently transfer "money", "securities", or other property from inside the "premises" or any bank or similar place of safe deposit to:
 - i. a person (other than a "messenger") outside the "premises" or such bank or similar place of safe deposit; or
 - ii. a place outside the "premises".
- b. "fraudulent instructions" directing a financial institution to transfer, pay or deliver "money" or "securities" from the Insured's "transfer account".

2. EXCLUSIONS

Coverage E. does not apply to:

a. Acts committed by an employee or authorized representative

Loss or damage caused by an "employee", or authorized representative of any Insured acting alone or in collusion with other persons.

b. Card transactions

Loss resulting from the use of credit, debit, charge, access or convenience card, "cash card" or the information contained on such cards.

c. Forgery or alterations

Loss that is insured under Coverage D.

d. Acts committed by the Insured or partners

See exclusion III 1. of this form.

e. Confidential or personal information

See exclusion III 2. of this form.

f. Indirect loss

See exclusion III 3. of this form.

g. Legal expenses

See exclusion III 4. of this form.

h. Nuclear incident and radioactive contamination

See exclusion III 5. of this form.

i. Terrorism

See exclusion III 6. of this form.

j. War, invasion, act of foreign enemy

See exclusion III 7. of this form.

F. PROPERTY IN SAFE DEPOSIT BOXES – BURGLARY AND ROBBERY

1. Loss or damage is directly resulting from:

- a. "burglary" or attempted "burglary", vandalism or malicious acts to property other than "money" and "securities" from within the Insured's safe deposit box in a vault within the bank or similar place of safe depository; or
- b. by "robbery" or attempted "robbery", vandalism or malicious acts to property other than "money" and "securities" from within:
 - i. that part of the bank or similar place of safe depository in the safe deposit vault reserved for customers;
 - ii. the banking enclosure reserved for the use of the bank's officers and employees, provided at least one such person is at work in such banking enclosure; or
 - iii. the bank or similar place of safe depository while such property is being conveyed between the entrance to the bank or similar place of safe depository and the vault.

2. EXCLUSIONS

Coverage F. does not apply to:

a. Acts committed by an employee, director, trustee or authorized representative

Loss or damage resulting from any dishonest or criminal act committed by an "employee", or a director, trustee or authorized representative of any Insured whether acting alone or in collusion with other persons.

b. Acts committed by the Insured or partners

See III exclusion 1. of this form.

c. Confidential or personal information

See exclusion III 2. of this form.

d. Indirect loss

See exclusion III 3. of this form.

e. Legal expenses

See exclusion III 4. of this form.

f. Nuclear incident and radioactive contamination

See exclusion III 5. of this form.

g. Terrorism

See exclusion III 6. of this form.

h. War, invasion, act of foreign enemy

See exclusion III 7. of this form.

G. INCOMING CHEQUE FORGERY

1. Loss is directly resulting from forgery or alteration of any:
 - a. cheque or draft drawn upon itself by any bank;
 - b. cheque or draft drawn upon itself by any corporation;
 - c. cheque or written order or direction to pay a sum certain in "money", drawn by any public body upon itself; or
 - d. any warrant drawn by any public body,which the Insured has received in payment or purported payment for:
 - i. personal property sold and delivered; or
 - ii. services rendered,but excluding all loss caused by forgery or alteration of any instrument received by the Insured in purported payment for property previously sold and delivered on any installment or deferred payment plan.
2. The liability of the Insurer on account of any instrument covered under this coverage will be 100% of the Insured's pecuniary interest in the instrument not to exceed the limit of insurance for Coverage G.
The pecuniary interest is to be determined by:
 - a. the amount paid or purporting to have been paid to the Insured for the property;
 - b. the amount paid or purporting to have been paid to the Insured for the services rendered; and
 - c. the amount of cash, if any, delivered against such instrument over and above a. and b.

3. EXCLUSIONS

Coverage G. does not apply to:

- a. **Acts committed by the Insured or partners**
See exclusion III 1. of this form.
- b. **Confidential or personal information**
See exclusion III 2. of this form.
- c. **Indirect loss**
See exclusion III 3. of this form.
- d. **Legal expenses**
See exclusion III 4. of this form.
- e. **Nuclear incident and radioactive contamination**
See exclusion III 5. of this form.
- f. **Terrorism**
See exclusion III 6. of this form.
- g. **War, invasion, act of foreign enemy**
See exclusion III 7. of this form.

III. EXCLUSIONS APPLICABLE TO ALL COVERAGES

This form does not apply to:

1. **Acts committed by the Insured or partners**
Loss or damage resulting from any fraudulent, dishonest or criminal act committed by:
 - a. the Insured; or
 - b. any of the Insured's partners;whether acting alone or in collusion with other persons.
2. **Confidential or personal information**
Loss or damage resulting from:
 - a. the disclosure of the Insured's or any other person's or organization's confidential or personal information including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information; or
 - b. the use of another person's or organization's confidential or personal information including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or other type of non-public information.

3. Indirect loss

Loss that is an indirect result of any act or "occurrence" covered by this form including, but not limited to, loss resulting from:

- a. the Insured's inability to realize income that the Insured would have realized had there been no loss.
- b. payment of damages of any type for which the Insured is legally liable, but the Insurer will pay compensatory damages arising directly from a loss covered under this form.
- c. payment of costs, fees or other expenses incurred by the Insured in establishing the existence of, or the amount of loss covered under this form except as provided in IV. SUPPLEMENTARY COVERAGES.

4. Legal expenses

Expenses related to any legal action, except when covered under Coverage D.

5. Nuclear incident and radioactive contamination

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;
- b. by contamination by radioactive material.

This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.

6. Terrorism

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

7. War, invasion, act of foreign enemy

Loss or damage caused directly or indirectly 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.

IV. SUPPLEMENTARY COVERAGES

Coverage is provided only for those of the following Supplementary Coverages for which a limit of insurance is shown on the "Policy Declarations". The limit of insurance shown for each Supplementary Coverage, except IV. 1. CLIENT OR CUSTOMER PROPERTY, is in addition to any other limit of insurance applicable to this form.

1. CLIENT OR CUSTOMER PROPERTY

- a. If the policy includes Coverage II. A. EMPLOYEE DISHONESTY, that coverage is extended to cover any direct loss or losses which any person or organization, having engaged the services of the Insured, has sustained due to loss of "money", "securities" or other property:
 - i. belonging to such person or organization;
 - ii. in which such person or organization has a pecuniary interest; or
 - iii. held in any capacity by such person or organization, whether legally liable or not; resulting directly from any fraudulent or dishonest act committed by the Insured or any of the Insured's partners or committed by an "employee", acting alone or in collusion with others, during the period of the performance of such services.
- b. The Insurer will not be liable for more than the limit of insurance shown on the "Policy Declarations" for this coverage, but such limit is inclusive of, not in addition to, the limit of insurance for Coverage II. A.

2. MEDICAL EXPENSE INCURRED FROM ROBBERY

- a. This form insures each "custodian" or "messenger" who sustains bodily injury during and as a result of "robbery" or attempted "robbery".
- b. The Insurer will pay reasonable expenses for:
 - i. first aid at the time of an "occurrence";
 - ii. necessary medical, surgical, x-ray and dental services, including prosthetic devices;
 - iii. necessary ambulance, hospital, and professional nursing services; and
 - iv. in the event of death resulting from such injury, the reasonable funeral expense;all incurred within 12 consecutive months from the date such injury is sustained, provided such expense is not payable under any workers' compensation, disability benefits or unemployment or employment compensation law or any similar law or the expense payment is prohibited by such law.
- c. The Insurer will not be liable for more than the limit of insurance shown on the "Policy Declarations" per person.
- d. The limit of the Insurer's liability for this coverage will not exceed the annual aggregate shown on the "Policy Declarations" for this coverage.

3. PROFESSIONAL FEES

- a. The Insurer agrees to indemnify the Insured for reasonable expenses incurred by the Insured for services of their professional auditors, accountants, investigators or other consultants for producing particulars or details or other proofs, information or evidence as may be required by the Insurer for the purpose of investigating or verifying any claim under this form.
- b. There is no coverage for fees or expenses payable to public adjusters.
- c. The Insurer will pay up to the limit of insurance shown on the "Policy Declarations" for this coverage.

V. SPECIAL CONDITIONS

A. CONDITIONS APPLICABLE TO ALL COVERAGES

1. ADDITIONAL PREMISES OR EMPLOYEES

If, while this insurance is in force, the Insured establishes any additional "premises" or hires additional "employees", other than through "consolidation or merger", such "premises" and "employees" will automatically be covered under this insurance. Notice to the Insurer 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 on the "Policy Declarations".

The limit of insurance provided by this condition to such additional "premises" will not exceed the lowest limit of insurance provided under this form to existing insured location(s).

2. CONSOLIDATION – MERGER

- a. If through "consolidation or merger":
 - i. any additional persons become "employees"; or
 - ii. the Insured acquires the use and control of any additional "premises",any coverage provided under this form for "employees" or "premises" also applies to such additional "employees" or such additional "premises".
- b. The insurance provided to such additional "employees" or such additional "premises" will cease on the earliest of:
 - i. 90 days from the date of "consolidation or merger";
 - ii. the date such additional "employees" or such additional "premises" are reported to the Insurer; or
 - iii. the expiration date of this insurance.
- c. Premium for this coverage is payable from the date of "consolidation or merger".
- d. The limit of insurance applicable to such additional "premises", during the coverage period described in V. A. 2. b. will not exceed the lowest limit of insurance provided under this form to existing insured location(s).

3. DEDUCTIBLE

If a deductible amount is shown on the "Policy Declarations", the Insurer will not pay for loss or damage in any one "occurrence" unless the amount of loss or damage exceeds the deductible amount shown on the "Policy Declarations". The Insurer will then pay the amount of loss or damage in excess of the deductible amount, up to the limit of insurance.

4. DUTIES IN THE EVENT OF LOSS

- a. The POLICY CONDITIONS form 910000, is amended as follows, but only with respect to loss or suspected loss under this Crime Form:
 - i. For a policy made or deemed to be made in the provinces of Alberta, British Columbia or Manitoba, the following condition is added to ADDITIONAL CONDITIONS:
Upon knowledge or discovery of loss or damage or of an occurrence which may give rise to a claim for loss the Insured will:
 - (a) if Coverage A. or if Coverage D. is subject to a deductible, give the Insurer notice of any loss whether or not the Insurer is liable for such loss, and if requested by the Insurer, file with the Insurer a brief statement giving the particulars concerning such loss;
 - (b) give immediate notice to the police when loss or damage is due or suspected to be due to vandalism, malicious act, burglary, "robbery", "theft" or attempted "theft". This does not apply if the Insured has a reason to believe that the loss is covered under Coverage A. or Coverage D.;
 - (c) if the loss or damage insured by this form involves "securities", take all reasonable means to prevent the negotiation, sale or retirement of such "securities";
 - (d) deliver the proof of loss, as per STATUTORY CONDITION 6. REQUIREMENT AFTER LOSS, to the Insurer within 4 months after the discovery of loss. Proof of loss under Coverage D. will include the instrument which is the basis of claim for such loss, or if that is not possible, an affidavit setting forth the amount and cause of loss;
 - (e) upon the Insurer's request, submit to examination by the Insurer, subscribe the same, under oath if required, and produce for the Insurer's examination pertinent records, all at such reasonable time and places as the Insurer will designate.
 - ii. For a policy made or deemed to be made in the Province of Quebec, the following additional GENERAL CONDITION applies:
Upon knowledge or discovery of loss or of an occurrence which may give rise to a claim for loss the Insured will:
 - (a) (1) give notice as soon as practicable to the Insurer or any of its authorized agents;
 - (2) if Coverage A. or if Coverage D. is subject to a deductible, give the Insurer notice of any loss whether or not the Insurer is liable for such loss, and if requested by the Insurer, file with the Insurer a brief statement giving the particulars concerning such loss;
 - (b) give immediate notice to the police when loss or damage is due or suspected to be due to vandalism, malicious act, burglary, "robbery", "theft" or attempted "theft". This does not apply if the Insured has a reason to believe that the loss is covered under Coverage A. or Coverage D.;
 - (c) if the loss or damage insured by this form involves "securities", take all reasonable means to prevent the negotiation, sale or retirement of such "securities";
 - (d) file detailed proof of loss, duly sworn to, with the Insurer within 4 months after the discovery of loss. Proof of loss under Coverage D. will include the instrument which is the basis of claim for such loss, or if that is not possible, an affidavit setting forth the amount and cause of loss;
 - (e) upon the Insurer's request, submit to examination by the Insurer, subscribe the same, under oath if required, and produce for the Insurer's examination pertinent records, all at such reasonable time and places as the Insurer will designate.
 - iii. For a policy made or deemed to be made in the all provinces and territories except the provinces of Alberta, British Columbia, Manitoba and Quebec, the following condition is added under the new heading of **ADDITIONAL CONDITIONS**:
Upon knowledge or discovery of loss or of an occurrence which may give rise to a claim for loss the Insured will:

- (a) (1) give notice as soon as practicable to the Insurer or any of its authorized agents;
 - (2). if Coverage A. or if Coverage D. is subject to a deductible, give the Insurer notice of any loss whether or not the Insurer is liable for such loss, and if requested by the Insurer, file with the Insurer a brief statement giving the particulars concerning such loss;
 - (b) give immediate notice to the police when loss or damage is due or suspected to be due to vandalism, malicious act, burglary, "robbery", "theft" or attempted "theft". This does not apply if the Insured has a reason to believe that the loss is covered under Coverage A. or Coverage D.;
 - (c) if the loss or damage insured by this form involves "securities", take all reasonable means to prevent the negotiation, sale or retirement of such "securities";
 - (d) file detailed proof of loss, duly sworn to, with the Insurer within 4 months after the discovery of loss. Proof of loss under Coverage D. will include the instrument which is the basis of claim for such loss, or if that is not possible, an affidavit setting forth the amount and cause of loss;
 - (e) upon the Insurer's request, submit to examination by the Insurer, subscribe the same, under oath if required, and produce for the Insurer's examination pertinent records, all at such reasonable time and places as the Insurer will designate.
- b. The PROPERTY, CRIME AND EQUIPMENT BREAKDOWN CONDITIONS form 910001, is amended as follows, but only with respect to loss or damage or suspected loss or damage under this Crime Form:
COMMON CONDITION I. 7. Notice to Police, is deleted.

5. LOSS COVERED UNDER THIS POLICY AND PRIOR INSURANCE ISSUED BY THE INSURER

If any loss is covered:

- a. partly by this insurance; and
- b. partly by any prior cancelled or terminated insurance that the Insurer had issued to the Insured or any predecessor in interest; the most the Insurer will pay is the larger of the amount recoverable under this insurance or the prior insurance.

6. LOSS COVERED UNDER PRIOR INSURER

- a. If the Insured, or any predecessor in interest sustained a loss during the period of any prior insurance that the Insured, or such predecessor would have recovered under that insurance except that the time within which to discover the loss had expired, the Insurer will pay for it under this form, provided:
 - i. this form became effective at the time of cancellation or termination of the prior insurance; and
 - ii. the loss would have been covered by this form had this form been in effect when the loss occurred.
- b. The limit of insurance under this condition is part of, not in addition to, the limit of insurance applying to the applicable coverage insured under this form and is limited to the lesser of the amount recoverable under:
 - i. this form as of the date such loss was first discovered; or
 - ii. the prior insurance had it remained in effect.

7. LOSS SUSTAINED

Subject to V. A. 6. the Insurer will pay for loss that the Insured has sustained through acts committed or events occurring during the policy period shown on the "Policy Declarations" and discovered by the Insured during the:

- a. policy period; or
- b. period of time provided in V. A. 8.

8. EXTENDED PERIOD TO DISCOVER LOSS

- a. The Insurer will pay for loss that the Insured sustained prior to the effective date of termination or cancellation of this form, which is discovered by the Insured no later than 12 consecutive months from the date of that termination or cancellation.
- b. However, this extended period to discover loss terminates immediately upon the effective date of any other insurance obtained by the Insured replacing in whole or in part the insurance afforded by this form, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

9. JOINT INSURED

- a. If more than one Insured is named on the "Policy Declarations", the first Named Insured will act for itself and for every other Insured for all purposes of this insurance. 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. If this insurance or any of its coverages is cancelled or terminated as to any Insured, loss sustained by that Insured is covered only if discovered by the Insured during the period of time provided in V. A. 8.
- e. The Insurer will not pay more for loss sustained by more than one Insured than the amount the Insurer would pay if the loss had been sustained by one Insured.

10. LEGAL ACTION AGAINST THE INSURER

- a. No one may bring a legal action against the Insurer under this form:
 - i. unless there has been full compliance with all the terms of this form, and
 - ii. not until 90 days after the required proof of loss has been filed with the Insurer.
- b. No legal action against the Insurer can be made under this form unless commenced within 2 years from the date when the Insured discovers the loss.
- c. If any limitation of time in V. 10. a. or b. is shorter than that permitted by statute, such limitation is amended to be the shortest permissible statutory limitation.

11. NON-CUMULATION OF LIMIT OF INSURANCE

Regardless of the number of years this insurance remains in force or the number of premiums paid, the limit of insurance shown on the "Policy Declarations" is not cumulative from year to year or period to period.

12. OTHER INSURANCE

With respect to the insurance provided under this form, Condition 8 – Other Insurance under I COMMON CONDITIONS APPLICABLE TO ALL PROVINCES AND TERRITORIES of the PROPERTY, CRIME AND EQUIPMENT BREAKDOWN CONDITIONS, form 910001, is deleted and replaced by the following:

a. Applicable to the Province of Quebec:

- i. If there is available to the Insured any other insurance or indemnity covering any loss insured by Coverage A. or Coverage D., each of the insurers under its respective contract is liable to the Insured for its rateable proportion of the loss, except that if such other insurance or indemnity is a bond or policy of fidelity insurance, any loss covered under both such fidelity insurance and Coverage D. will first be paid under Coverage D. Any loss covered under both Coverages A. and D. will first be paid under Coverage D. and the excess, if any, will be paid under Coverage A.
- ii. If, under any other coverage insured under this form, there is any other valid and collectible insurance which would apply in the absence of such coverage insured under this form, each of the insurers under its respective contract is liable to the Insured for its rateable proportion of the loss, provided the insurance will not apply to property:
 - (a) which is separately described and enumerated and specifically insured in whole or in part by any other insurance or
 - (b) otherwise insured unless such property is owned by the Insured.

b. Applicable to all other provinces and territories:

- i. If there is available to the Insured any other insurance or indemnity covering any loss insured by Coverage A. or Coverage D., the Insurer will be liable under this form only for that part of such loss which is in excess of the amount recoverable or recovered from such other insurance or indemnity, except that if such other insurance or indemnity is a bond or policy of fidelity insurance, any loss covered under both such fidelity insurance and Coverage D. will first be paid under Coverage D. Any loss covered under both Coverages A. and D. will first be paid under Coverage D. and the excess, if any, will be paid under Coverage A.
- ii. If, under any other coverage insured under this form, there is any other valid and collectible insurance which would apply in the absence of such coverage insured under this form, the insurance under this form will apply only as excess insurance over such other insurance, provided the insurance will not apply to property:
 - (a) which is separately described and enumerated and specifically insured in whole or in part by any other insurance or
 - (b) otherwise insured unless such property is owned by the Insured.

13. OWNERSHIP OF PROPERTY – INTERESTS COVERED

The property covered under this form is limited to property:

- a. owned or leased by the Insured;
- b. of others held by the Insured in any capacity whether or not the Insured is liable for the loss of or damage to such property; or
- c. of others for which the Insured is legally liable.

However, with respects to Coverage C. and Coverage F. this insurance applies only to the interest of the Insured in such property, including the Insured's liability to others, and does not apply to the interest of any other person or organization in any of said property unless included in the Insured's proof of loss, in which event such other person, upon the Insurer's request, will submit to examination by the Insurer, subscribe the same, under oath if required, and produce for the Insurer's examination all pertinent records, all at such reasonable times and places as the Insurer will designate, and will cooperate with the Insurer in all manners pertaining to loss or claims with respect to loss or damage of such property.

14. BOOKS AND RECORDS

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

15. RECOVERIES

a. Applicable to all Coverages, except Coverage G.

Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:

- i. to the Insured, until the Insured is reimbursed for any loss that the Insured sustained that exceeded the limit of insurance and the deductible amount, if any;
- ii. then to the Insurer, until the Insurer is reimbursed for the settlement made; and
- iii. then to the Insured, until the Insured is reimbursed for that part of the loss equal to the deductible amount, if any.

b. Applicable to Coverage G.

Any reimbursement or recovery, less the cost of obtaining them, whether recovered before or after settlement of loss covered by this insurance, will be paid 100% by the Insurer to the Insured, subject to the limit of insurance for Coverage G., and will be distributed as follows:

- i. to the Insured, until the Insured is reimbursed for any loss that the Insured sustained that exceeded the limit of insurance and the deductible amount, if any;
- ii. then to the Insurer, until the Insurer is reimbursed for the settlement made; and
- iii. then to the Insured, until the Insured is reimbursed for that part of the loss equal to the deductible amount, if any.

c. Applicable to all Coverages

Recoveries do not include any recovery:

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

16. TERRITORY

This policy insures acts committed or events occurring:

- a. with respect to Coverage A.:
 - i. within Canada and the United States of America (including its territories and possessions);
 - ii. anywhere in the world, for loss caused by any "employee" temporarily outside of the territory specified in V.16. a. i. for a period of not more than 90 days.
- b. with respect to Coverage B., Coverage C., Coverage E., Coverage F., and Coverage G.:

- within Canada and the United States of America (including its territories and possessions).
- c. with respect to Coverage D.:
anywhere in the world.

17. VALUATION – SETTLEMENT

Subject to the limits of insurance shown on the "Policy Declarations", in no event will the Insurer be liable, in respect to:

- a. loss of "money", for more than its face value. The Insurer may, at its option, pay for loss of "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 was discovered.
- b. loss of "securities", for more than the actual cash value of such "securities" at the close of business on the business day immediately preceding the day on which the loss was discovered. The Insurer may, at its option:
 - i. pay such actual cash value, in which event the Insured must assign to the Insurer all the Insured's rights, title and interest in and to those "securities"; or
 - ii. secure the replacement of the "securities" by arranging for the issuance of a Lost Securities Bond.
- c. loss of or damage to other property except as follows:
 - i. if the property is held by the Insured as a pledge, or as collateral for an advance or a loan, the Insurer will not be liable for more than the actual cash value of such property at the time of the loss or damage. However, for such property, the actual cash value will not exceed the value of the property as determined and recorded by the Insured when making the advance or loan, nor in the absence of such record, the unpaid portion of the advance or loan plus accrued interest at legal rates.
 - ii. for property of others for which the Insured is legally liable, excluding "securities" and property held by the Insured as a pledge or as collateral for an advance of a loan, the Insurer will not be liable for more than the lesser of:
 - (a) the actual cash value of such property, or
 - (b) the actual cost of repairing or replacing such property with property or material of like quality and value.
 - iii. for property of the Insured or property of others which the Insured is obliged to insure, excluding "securities" and property held by the Insured as a pledge or as collateral for an advance of a loan, the value of such property will be determined as follows:
 - (a) on unsold merchandise: the Insurer will not be liable for more than the actual cash value of the property at the time and place of loss or damage, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;
 - (b) on sold merchandise: the Insurer will not be liable for more than the selling price after allowance for discounts;
 - (c) on the property of others: the Insurer will not be liable for more than the actual cash value at the time and place of loss or damage plus allowance for labour and materials expended to such time;
 - (d) on business records and prepackaged software, the Insurer will not be liable for more than:
 - (1) the cost of blank "media" for reproducing "data"; and
 - (2) the costs of labour to transcribe or copy the "data" when there is a duplicate.
 - (e) on all other insured property: the Insurer will not be liable for more than the amount actually expended by the Insured to repair or replace such property, subject to the following provisions:
 - (1) the damaged property to be repaired or replaced with due diligence and dispatch;
 - (2) the amount the Insurer will pay for any repair or replacement will be limited to the lesser of:
 - (i) the cost at the time of the loss or damage to repair the said property; or
 - (ii) the replacement cost of said property at the time of the loss or damage.
 - (3) In the event the replacement is by property of a better kind or quality or of larger capacity or size, the liability of the Insurer will not exceed the amount that would be paid if the replacement had been made by property of like, kind, capacity, size and quality.
 - (4) 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 will be deemed to be new property of like kind and quality for the purposes of this condition.
 - (5) Failing compliance by the Insured with any of the foregoing provisions, settlement will be made on the basis of actual cash value.
 - iv. The Insurer may, at its option, pay for the repair or replacement of such property.
 - v. Any property for which the Insurer has made indemnification becomes property of the Insurer. The Insured is entitled to such property upon reimbursing the Insurer the indemnity paid for such property.

18. LOSS CAUSED BY UNIDENTIFIED EMPLOYEE

If a loss is alleged to have been caused by the fraudulent or dishonest act of one or more of the "employees" insured under Coverage A. and the Insured is unable to designate the specific "employee" or "employees" causing such loss, the Insured will nevertheless have the benefit of such Coverage, subject to the exclusion II. A. 2. c., provided that the evidence submitted reasonably proves that the loss was in fact due to the fraudulent or dishonest act of one or more of the said "employees", and provided, further, that the aggregate liability of the Insurer for any such loss will not exceed the limit of insurance applicable to Coverage A.

B. CONDITION APPLICABLE TO COVERAGE A – EMPLOYEE DISHONESTY: PRIOR FRAUD, DISHONESTY OR CANCELLATION OF AN EMPLOYEE

- a. Coverage A. will not apply to any "employee":
 - i. if the "employee" has committed fraud or a dishonest act prior to the effective date of this insurance and:
 - (a) the Insured; or
 - (b) any partner, officer, director or trustee not in collusion with the "employee", learned of the fraudulent or dishonest act prior to the policy period shown on the "Policy Declarations".
 - ii. as soon as:
 - (a) the Insured; or

- (b) any partner, officer, director or trustee not in collusion with the "employee", learns that such "employee" has committed a fraudulent or dishonest act in the service of the Insured or otherwise, whether such act was committed before or after becoming employed by the Insured.
- b. The coverage provided under Coverage A. is cancelled as to any "employee" on the date specified in a notice mailed to the first Named Insured. Such date will be not less than 30 days after the date of mailing. The Insurer will mail the notice to the first Named Insured's last mailing address known to the Insurer. If notice is mailed, proof of mailing will be sufficient proof of notice. Delivery of such written notice by the Insurer will be equivalent to mailing. In the Province of Quebec, cancellation will be made by endorsement only.
- C. CONDITION APPLICABLE TO COVERAGES B – MONEY, SECURITIES AND OTHER PROPERTY: ARMoured MOTOR VEHICLE COMPANIES**
Under Coverage B. the Insurer will only pay for the amount of loss the Insured cannot recover:
- under the contract the Insured has with the armoured motor vehicle company; and
 - from any other insurance or indemnity carried by, or for the benefit of customers of, the armoured motor vehicle company.
- D. CONDITION APPLICABLE TO COVERAGE D. – FORGERY, ALTERATION, CREDIT CARD AND AUTOMATED TELLER CARD: ELECTRONIC AND MECHANICAL SIGNATURES**
The Insurer will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

VI. DEFINITIONS

- "burglary" means the unlawful taking of insured property from within a locked safe deposit box within a locked vault by a person unlawfully entering the safe deposit box or vault, provided there is evidence of such unauthorized entry in the form of visible marks on the exterior of such safe deposit box and vault.
- "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.
- "consolidation or merger" means the Insured:
 - acquires all or most of the assets or shares of another entity;
 - consolidates with another entity; or
 - merges with another entity.
- "custodian" means the Insured, or a partner of the Insured, or any "employee" who is duly authorized by the Insured to have the care and custody of the insured property within the "premises", excluding any person while acting as a watchman, porter or janitor.
- "data" means representations of information or concepts, in any form.
- "data problem" means
 - erasure, destruction, corruption, misappropriation, misinterpretation of "data";
 - error in creating, amending, entering, deleting or using "data"; or
 - inability to receive, transmit or use "data".
- a. "employee" means:
 - any natural person:
 - while in the regular service of the Insured and for the first 30 days immediately after termination of service, unless such termination is due to a fraudulent or dishonest act committed by the employee;
 - who the Insured compensates directly by salary, wages or commissions; and
 - who the Insured has the right to govern and direct in the performance of such service;
 - any natural person who is furnished temporarily to the Insured:
 - to substitute for a permanent employee, as described in VI. 7. a. i., who is on leave; or
 - to meet seasonal or short-term workload conditions;
 while the Insured has the right to govern and direct that person in the performance of services for the Insured, excluding, however, any such person while having care and custody of property outside the "premises";
 - any natural person who is leased to the Insured under a written agreement between the Insured and a labour leasing organization, to perform duties related to the conduct of the Insured's business, but does not mean a temporary employee as defined in VI. 7. a. ii.,
 - any natural person who is a former employee, partner, member, manager, director or trustee retained as a consultant while performing services for the Insured;
 - any natural person who is a volunteer while the Insured has the right to govern and direct that person in the performance of services for the Insured, excluding, however, any such person while having care and custody of property outside the "premises".
- However "employee" does not mean any:
 - agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
 - directors or trustees of the Insured except while performing acts within the scope of the usual duties of an employee.
- "fraudulent instructions" means:
 - fraudulent electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions issued to a financial institution directing such institution to debit a "transfer account" and to transfer, pay or deliver "money" and "securities" from such account by use of an electronic transfer system at specified intervals or under specified conditions, which instructions purport to have been transmitted by the Insured or by a person duly authorized by the Insured to issue such instructions but which have been fraudulently transmitted by someone other than the Insured without the Insured's knowledge or consent; or

- b. fraudulent written instructions (other than those described in Coverage D.) issued to a financial institution directing such institution to debit a "transfer account" by use of an electronic funds transfer system at specified intervals or under specified conditions which written instructions purport to have been issued by the Insured but were in fact fraudulently issued, forged or altered by someone other than the Insured without the Insured's knowledge or consent.
9. "messenger" means the Insured or a partner of the Insured or any "employee" who is duly authorized by the Insured to have the care and custody of the insured property outside the "premises".
10. "money" means:
- currency, coins, bank notes, "cash cards".
 - the following property, held for sale to the public:
 - travellers cheques,
 - register cheques, or
 - money orders.
11. "specified perils" means:
- fire or lightning;
 - explosion: the following are not explosions within the intent or meaning of this form:
 - electric arcing or any coincident rupture of electrical equipment due to such arcing;
 - bursting or rupture caused by hydrostatic pressure or freezing;
 - bursting or rupture of any safety disc, rupture diaphragm or fusible plug.
 - impact by aircraft, spacecraft or land vehicle: the terms aircraft and spacecraft include articles dropped from them. The Insurer will not be liable for loss or damage:
 - that is cumulative;
 - caused by land vehicles belonging to or under the control of the Insured or any of the Insured's "employees";
 - to aircraft, spacecraft or land vehicles causing the loss; or
 - caused by any aircraft or spacecraft when being taxied or moved inside or outside of buildings;
 - smoke due to a sudden, unusual and faulty operation of any stationary furnace. The Insurer will not be liable for any cumulative damage;
 - leakage from fire protective equipment: leakage or discharge from, collapse of, or rupture due to freezing of fire protective equipment for the "premises" or adjoining structures. The term 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:
 - branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - any water mains or appurtenances located outside of the "premises" and forming a part of the public water distribution system;
 - windstorm or hail: the Insurer will not be liable for loss or damage:
 - to the interior of the building or other property inside the building unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
 - 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.
12. "occurrence" means:
- with respects to Coverage A., all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts;
 - with respects to Coverage D., all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments;
 - with respects to all other Coverages:
 - an act or series of related acts involving one or more persons; or
 - an act or event, or series of related acts or events not involving any person.
13. "Policy Declarations" means the policy declarations applicable to this policy for the current policy period, including any supplementary pages or schedules.
14. "premises" means the interior of that portion of any building at a location shown on the "Policy Declarations" which is occupied by the Insured in conducting its business. As respects "robbery" only, the premises will also include the space immediately surrounding such building.
15. "robbery" means the unlawful taking of property from the care and custody of any person authorized to have custody of such property by anyone who has:
- inflicted bodily harm or threatened such person with bodily harm;
 - committed an obviously unlawful act, witnessed by that person; or
 - taken the property from such person who has been killed or rendered unconscious by injuries inflicted maliciously or sustained accidentally.
16. "safe burglary" means the unlawful taking of:
- a safe from within the "premises"; or
 - property from within a locked safe or vault by a person unlawfully entering the safe or vault, provided there is evidence of such unauthorized entry in the form of visible marks on the exterior of such safe or vault.
17. "securities" means all negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
- tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - evidence of debt issued in connection with credit or charge cards, which cards are not issued by the Insured; but does not include "money".

18. "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.
19. "theft" means the unlawful taking and carrying away of the property of another.
20. "transfer account" means an account, maintained by the Insured at a financial institution, from which the Insured or the Insured's authorized representatives can initiate the transfer, payment or delivery of "money" or "securities":
 - a. by means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly or through an electronic funds transfer system; or
 - b. by means of written instructions (other than those described in Coverage D.) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

SPECIMEN

**This endorsement modifies the coverage provided by:
CRIME FORM – 915000**

This endorsement applies separately to each location for which this endorsement is shown on the "Policy Declarations".

Coverage II. B. MONEY, SECURITIES AND OTHER PROPERTY, is amended as follows:

While the "premises" are not open for business and a "custodian" is not on duty, the limit of insurance is reduced for loss of or damage to "money" or "securities" within the "premises" to the limit of insurance shown on the "Policy Declarations" immediately after this endorsement.

All other terms, conditions, exclusions and limitations of the policy are unchanged.

ACKNOWLEDGEMENT

I have read and understand the change made by this endorsement. I am authorized to accept this change by the Insured or the "Named Insured".

Name: _____ Title: _____
(Print)

Signature: _____ Date: _____

SPECIMEN

BURGLAR ALARM SYSTEM WARRANTY ENDORSEMENT
911502-02

This endorsement modifies the insurance provided under the property form covering insured property.

This endorsement applies only to those locations for which this endorsement is shown on the "Policy Declarations".

It is warranted that:

1. the Insured will maintain in proper working order a closed circuit electrical alarm system that is:
 - a. connected both electrically and physically at all times; and
 - b. is activated whenever there is no authorized person(s) physically present on the "premises".
2. the alarm system will provide the "protection level" as shown immediately after this endorsement title on the "Policy Declarations".
3. the alarm system will be as described immediately after this endorsement title on the "Policy Declarations".

DEFINITION:

"Protection level"

1. All accessible openings, fixed and moveable (windows, doors, transoms, skylights) in the "building" are protected by the alarm system;
2. Same as 1, plus inaccessible moveable openings in the "building";
3. Same as 2, plus party walls, floors, ceilings in the "building";
4. Same as 3, plus inaccessible fixed windows and skylights and all ceilings, walls and floors enclosing the "building".

All other terms, conditions, exclusions and limitations of the policy are unchanged.

ACKNOWLEDGEMENT

I have read and understand the change made by this endorsement. I am authorized to accept this change by the Insured or the "Named Insured".

Name: _____ Title: _____
(Print)

Signature: _____ Date: _____

I. INDEMNITY AGREEMENT

In the event of loss of or damage to insured property sustained during the policy period by an insured peril, the Insurer agrees to indemnify the Insured subject to the terms and conditions of this form to an amount (including salvage and all other costs) not exceeding the least of:

1. the value of the lost or damaged property as determined in V. SPECIAL CONDITIONS;
2. the interest of the Insured in the property;
3. the catastrophe limit, if one is shown on the "Policy Declarations"; or
4. the limit of insurance shown on the "Policy Declarations" for the lost or damaged property.

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

II. INSURED PROPERTY

The insured property under this form is described on the "Policy Declarations" and is the property:

1. of the Insured; or
2. of others which the Insured is obliged to insure or for which the Insured is legally liable.

III. INSURED PERILS AND EXCLUSIONS

A. INSURED PERILS

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

B. EXCLUSIONS

1. EXCLUDED PROPERTY

This form does not insure loss of or damage to:

a. Data

"Data".

b. Property being worked upon or repaired

Property:

- i. while actually being worked upon and directly resulting from such work; or
- ii. caused by any repairing, adjusting or servicing of such property.

This exclusion does not apply to loss or damage caused directly by resultant fire or explosion.

c. Property illegally kept or transported

Property that is:

- i. illegally acquired, kept, stored or transported; or
- ii. seized or confiscated for breach of any law or by order of any public authority, except as provided in IV. SUPPLEMENTARY COVERAGES.

d. Waterborne property

Property while waterborne. This exclusion does not apply to property while being transported on any regular ferry or railway car transfer, all in connection with land transportation.

2. EXCLUDED PERILS

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

a. Change in atmosphere or temperature

- i. By dampness or dryness of atmosphere;
- ii. by changes in or extremes of temperature, heating or freezing whether the result of natural forces or artificial forces. This exclusion does not apply to loss or damage caused directly and concurrently by a peril not otherwise excluded in this form.

b. Change in texture or finish, scratching, breakage and contamination

- i. (a) By change in texture or finish;
(b) by contamination;
(c) by marring, scratching or crushing; or
(d) by breakage of glass or other brittle articles or parts (lenses of scientific instruments excepted).
- ii. This exclusion does not apply to loss or damage caused directly by:
(1) a "named peril";
(2) theft or attempted theft;
(3) an accident to a transporting conveyance;
(4) earthquake; or
(5) flood.

c. Data problem

By a "data problem". This exclusion does not apply to resultant loss or damage caused directly by:

- i. a "named peril"; or
- ii. the escape of water from any tank, apparatus or pipe; but only to the extent that such loss or damage would otherwise be insured. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas.

d. Delay, loss of market or use

By delay, loss of market or loss of use.

e. Dishonest and criminal acts

- i. By any dishonest or criminal act committed by the Insured or any agent of the Insured, acting alone or in collusion with others;
- ii. by theft or attempted theft committed by an employee of the Insured, acting alone or in collusion with others; or
- iii. by the dishonest or criminal act committed by any other person to whom the property is entrusted (bailees for hire excepted).

f. Nuclear incident and radioactive contamination

- i. By any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any amending law) or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
- ii. by contamination by radioactive material.

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.

g. Rodents, insects and vermin

By rodents, insects, bats, raccoons, skunks or vermin.

h. Terrorism

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.

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

i. War, invasion, act of foreign enemy

By war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.

3. OTHER EXCLUDED LOSS OR DAMAGE

This form does not insure:

a. Fungi spores

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

b. Mysterious disappearance

Mysterious disappearance or shortage of property disclosed upon taking inventory.

c. Pollution

- i. 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:
 - (a) to coverage for "clean up" as provided in IV. SUPPLEMENTARY COVERAGES;
 - (b) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is directly caused by a peril not otherwise excluded in this form; or
 - (c) to loss or damage caused directly by a resultant peril not otherwise excluded in this form.
- ii. 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".

d. Wear and tear, mechanical breakdown, rust, corrosion and gradual deterioration

Loss or damage consisting of or caused directly or indirectly by:

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

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

IV. SUPPLEMENTARY COVERAGES

A. GROUP ONE

The limit of insurance applicable to loss or damage covered by any or all coverages described in GROUP ONE is the blanket limit shown on the "Policy Declarations". The blanket limit of insurance is in addition to any other limit of insurance applicable under this form.

Any Co-insurance Clause applicable to this form does not apply to GROUP ONE coverages as set out below.

1. CONFISCATED OR SEIZED PROPERTY

This form insures property that:

- a. was illegally acquired before being purchased by the Insured, and
- b. is confiscated or seized from the Insured by public authority.

This coverage does not apply if, at the time of purchase, the Insured knew or ought to have known that the property had been illegally acquired.

2. EXPEDITING EXPENSE

This form insures the reasonable additional costs incurred:

- a. for temporary repairs, and
- b. for expediting the permanent repair or replacement of insured property that is lost or damaged, including overtime and the extra cost of express or other rapid means of transportation.

This coverage does not apply to any costs or expenses for any equipment used to replace lost or damaged property.

3. FIRE FIGHTING EXPENSES

This form insures any expenses the Insured is charged by a Municipality for fire department services, as a result of a fire or any other insured peril.

B. GROUP TWO

Coverages listed in **GROUP TWO** are subject to the limit of insurance shown on the "Policy Declarations" for the particular coverage described. The limit of insurance for each coverage in **GROUP TWO** is in addition to any other limit of insurance applicable under this form.

Any co-insurance applicable to this form does not apply to **GROUP TWO** coverages as set out below.

1. CLEAN UP EXPENSES FOR LAND AND WATER POLLUTION

- a. This form insures expenses incurred to "clean up" "pollutants" from land and water provided the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":
 - i. is from insured property;
 - ii. is sudden, unexpected and unintended from the standpoint of the Insured; and
 - iii. first occurs during the policy period.
- b. The liability of the Insurer in respect of this extension during any one policy period will not exceed, in the aggregate, the limit of insurance shown on the "Policy Declarations" for this extension.
- c. Notwithstanding the reinstatement clause contained within V. **SPECIAL CONDITIONS**, following a loss under this extension, the limit of insurance for this extension will be reduced by the amount payable.
- d. It is a condition precedent to recovery under this extension that all expenses insured by this extension must be incurred and reported within 180 days of the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" for which "clean up" expenses are being claimed.
- e. The insurance afforded by this extension will apply as excess over any other valid and collectible insurance available to the Insured or any other interested party.
- f. The Insurer will not be liable for:
 - i. fines, penalties, punitive or exemplary damages; or
 - ii. expenses incurred for the "clean up" of "pollutants" at or from any premises, site or location which is or was at any time used by or for any Insured or others for the handling, storage, disposal, processing or treatment of waste.

2. DEBRIS REMOVAL

This form insures expenses incurred for debris removal. Debris removal means the costs or expenses incurred for the demolition, clearing, and removal of debris of insured property if such debris results from an insured peril.

- a. It is a condition precedent to recovery under this coverage that all expenses insured by this coverage must be incurred and reported within 180 days of the date of direct physical loss of or damage to insured property.
- b. This coverage does not apply to costs or expenses:
 - i. to "clean up" "pollutants" from land or water; or
 - ii. 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".
- c. The deductible condition of this form will not apply to this coverage.

3. NEWLY ACQUIRED PROPERTY

This form insures property of the kind insured under this form and acquired by the Insured after the beginning of the current policy period.

- a. This coverage will cease on the earliest of:
 - i. 90 days from the date of acquisition of such property;
 - ii. the date such property is reported to the Insurer; or
 - iii. the expiration date of this policy.
- b. Premium for coverage on newly acquired property is payable from the date of the acquisition of such property.
- c. The limit of insurance shown on the "Policy Declarations" for this coverage is the maximum the Insurer will be liable for under the provisions of this coverage in respect to any one loss, disaster or casualty.
- d. This coverage is effective only when all property insured by this form is scheduled.

4. RENTAL REIMBURSEMENT – LOSS OF USE

- a. This form insures the expenses incurred by the Insured to rent substitute property required as a result of an insured loss. The substitute property must be similar in type, capacity and purpose to the lost or damaged property. Coverage does not apply if the Insured owns, controls or has available for use, surplus or reserve property which can be used for continuing or resuming the Insured's operations.
- b. The Insurer's liability is limited to rental expenses actually incurred and will continue, regardless of the expiration of the policy period, to the date required for the replacement of the lost or damaged property.

5. REWARD

- a. The insurer will pay for information leading to the arrest and conviction of any person or persons responsible for claims that are paid under this form that result from criminal acts:

- b. The Insurer will be the sole judge as to the person or persons to whom a reward is paid and as to the size of the reward. Under no circumstances would a reward be payable to:
 - i. the Insured;
 - ii. officers and partners of the Insured; or
 - iii. members of their household(s).

V. SPECIAL CONDITIONS

1. Basis of valuation

- a. The value of the insured property, for which no more specific conditions have been set out, will be the actual cash value at the time of loss or damage, but not exceeding what it would then cost to repair or replace with material of like kind and quality.
- b. As referred to in this form:
 - i. Actual cash value
Various factors will be considered in the determination of actual cash value. The factors to be considered include, but are not be limited to, replacement cost less any depreciation and market value. In determining depreciation, consideration will be given to the condition of the property immediately before the damage, the resale value, the normal life expectancy of the property and obsolescence.
 - ii. Replacement cost:
 - a. means the cost of replacing, repairing, constructing or re constructing (whichever is the least) the insured property lost or damaged, with new property of like kind and quality without deduction for depreciation; and
 - b. replacement includes repair, construction or re construction with new property of like kind and quality.

2. Basis of settlement - functional replacement cost

- a. The limit the Insurer will pay for loss on insured property will be the amount actually expended by the Insured to repair or replace such property, subject to the following provisions:
 - i. the damaged property to be repaired or replaced with due diligence and dispatch;
 - ii. settlement on a replacement cost basis will be made only when replacement has been effected by the Insured and the amount the Insurer will pay will be limited to the lesser of:
 - (a) the cost at the time of the loss or damage to repair the said property, or
 - (b) the replacement cost of said property at the time of the loss or damage.
 - iii. Failing compliance by the Insured with any of the foregoing provisions settlement will be made on the basis of actual cash value.
- b. 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 will be deemed to be new property of like kind and quality for the purposes of this condition.
- c. Any other insurance affected by or on behalf of the Insured in respect of the perils insured against by this form on the property to which this condition is applicable will be on the basis of replacement cost as referred to in V 1. b. ii
- d. This condition applies separately to each item to which it is applicable.
- e. Settlement on a replacement cost basis does not apply to:
 - i. betterment resulting from the repair or replacement of parts having prior unrepaired damage;
 - ii. any increase in the cost of replacement occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law;
 - iii. mobile equipment and tools over 5 years old;
 - iv. tires or batteries;
 - v. stock or merchandise held for sale;
 - vi. patterns, dies, moulds; or
 - vii. property that is obsolete for its original purpose.

3. Deductible

In any one insured loss the Insurer is liable for the amount by which the loss or damage caused by an insured peril exceeds the amount of the deductible shown on the "Policy Declarations".

4. Reinstatement

Loss under any item of this insurance will not reduce the applicable limit of insurance.

5. Territory

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

VI. DEFINITIONS

Wherever used in this form:

1. "clean up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to the aforementioned processes.
2. "data" means representations of information or concepts, in any form.
3. "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".
4. "fire protective equipment" includes tanks, water mains, 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:
 - a. branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - b. any water mains or appurtenances located outside a building or structure and forming a part of the public water distribution system; or

- c. any pond or reservoir in which the water is impounded by a dam.
5. "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 or emitted from or arising from out of any fungi or "spores" or resultant, allergens, mycotoxins or pathogens.
6. "named peril" means:
- fire or lightning;
 - explosion;
 - impact by aircraft, spacecraft or land vehicle: the terms aircraft and spacecraft include articles dropped therefrom. The Insurer will not be liable for loss or damage that is cumulative;
 - riot, vandalism or malicious acts: the term "riot" includes open assemblies of strikers;
 - smoke. The Insurer will not be liable for loss or damage that is cumulative;
 - leakage from "fire protective equipment": leakage or discharge from, collapse of, or rupture due to freezing of "fire protective equipment" for a building or structure or adjoining structures.
 - Windstorm.
7. "Policy Declarations" means the policy declarations applicable to this policy for the current policy period, including any supplementary pages or schedules.
8. "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.
9. "spores" includes, but is not limited to, any reproductive particle or microscopic fragment produced by or emitted or arising from any "fungi".
10. "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.

BASIS OF SETTLEMENT – ACTUAL CASH VALUE ENDORSEMENT
913512-02

This endorsement modifies the coverage provided by:

CONTRACTORS' EQUIPMENT FLOATER – BROAD FORM - 913003
MISCELLANEOUS PROPERTY FLOATER – BROAD FORM - 913005

V. 2. Basis of settlement – functional replacement cost, is deleted and replaced by the following, but only with respect to the property shown on the "Policy Declarations" to which this endorsement applies:

2. Basis of settlement - actual cash value

The limit the Insurer will pay for direct physical loss of or direct physical damage to insured property will be the least of:

- a. the amount actually expended by the Insured to repair or replace the property; or
- b. the actual cash value of the property at the time and place of the loss or damage.

All other terms, conditions, exclusions and limitations of the policy are unchanged.

ACKNOWLEDGEMENT

I have read and understand the change made by this endorsement. I am authorized to accept this change by the Insured or the "Named Insured".

Name: _____ Title: _____
(Print)

Signature: _____ Date: _____

The following conditions and exclusions apply to the Property, Business Income, Inland Marine, Crime and Equipment Breakdown form(s) attached to this policy.

I. APPLICABLE TO ALL PROVINCES AND TERRITORIES

COMMON CONDITIONS

1. COINSURANCE

This condition applies separately to each line of coverage for which a coinsurance percentage is shown on the "Policy Declarations" and only when the amount of loss or damage to each line of coverage exceeds \$50,000.

a. Business Income or Rental Income Forms

Refer to V., 2., SPECIAL CONDITIONS, COINSURANCE of the Form.

b. Other Insurance Forms

If the coinsurance percentage shown on the "Policy Declarations" applies to any other insurance coverage, the following coinsurance condition will apply:

The Insured will maintain insurance for at least the amount produced by multiplying the value of the insured property by the coinsurance percentage shown on the "Policy Declarations". Otherwise, the Insured will be entitled to recover only the portion of any loss that the limit of insurance in force at the time of loss bears to the limit of insurance required to be maintained by this condition.

2. COOPERATION

The Insured will cooperate with the Insurer in the investigation and settlement of all claims.

3. EXAMINATION OF BUSINESS RECORDS

The Insurer or its authorized representatives have the right to examine the Insured's business records as they relate to this insurance at any time during the policy period and up to 3 years afterwards.

This condition will not restrict the Insurer's rights as they relate to claims presented under this policy.

4. INTENTIONAL ACT

The Insurer is never liable to compensate for injury resulting from the Insured's intentional act.

Where there is more than one Insured, the obligation of coverage remains in respect of those Insureds who have not committed an intentional act.

Where the Insured is liable for injury caused by a person for whose acts the Insured is liable, the obligation of coverage subsists regardless of the nature or gravity of that person's act.

5. MULTIPLE DEDUCTIBLES

If a claim is insured by this Policy under more than one coverage form and such coverage forms are subject to this conditions form, the following deductible hierarchy will apply:

- a. If the coverage forms involved in one occurrence are property forms, then regardless of the number of property forms involved in the loss only one deductible amount will be applied to the insured loss and the deductible amount will be the deductible amount that is the highest of the property forms applicable.
- b. If the coverage forms involved in one occurrence are crime forms, then regardless of the number of crime forms involved in the loss only one deductible amount will be applied to the insured loss and the deductible amount will be the deductible amount that is the highest of the crime forms applicable.
- c. If the coverage forms involved in one occurrence are equipment breakdown forms, then each applicable deductible will be applied to the insured loss.
- d. If the coverage forms involved in one occurrence are property forms and equipment breakdown forms, then:
 - i. If stock spoilage coverage is involved in the insured loss, any deductible applicable to stock spoilage coverage will be applied;
 - ii. If other property forms and equipment breakdown forms are involved in the insured loss, only the highest deductible amount will be applied to the insured loss that is not subject to stock spoilage coverage.
- e. If the coverage forms involved in one occurrence are property forms and crime forms, then regardless of the number of forms involved in the loss only one deductible amount will be applied to the insured loss and the deductible amount will be the deductible amount that is the highest of the property and crime forms applicable.
- f. If the coverage forms involved in one occurrence are property forms, crime forms and equipment breakdown forms, then:
 - i. If stock spoilage coverage is involved in the insured loss, any deductible applicable to stock spoilage coverage will be applied;
 - ii. If other property forms, crime forms and equipment breakdown forms are involved in the insured loss, only the highest deductible amount will be applied to the insured loss that is not subject to stock spoilage coverage.

This condition does not apply to:

- a. any waiting period deductible. If a deductible for physical damage and a business income or rental income waiting period deductible apply to one occurrence, then these deductibles will be applied separately.
- b. Earthquake Shock Endorsement 911301
- c. Earthquake Shock Endorsement Builders Risk Insurance 913351
- d. Flood Endorsement 911302
- e. Flood Endorsement Builders Risk Insurance 913353
- f. Sewer Back-Up Endorsement 911306

6. NO BENEFIT TO THIRD PARTY BAILEE

This insurance will not directly or indirectly benefit any third party bailee.

7. NOTICE TO POLICE

The Insured will give immediate notice to the police when loss is due or suspected to be due to any criminal act.

8. OTHER INSURANCE

- a. When other collectible insurance is available to the Insured for loss or damage covered by coverage forms that are subject to this conditions form, the Insurer will be liable for no greater proportion of any loss or damage than the limits of insurance as shown on the most recently filed "statement of values" or the values reported to and accepted by the Insurer, at the location the loss occurred at, or the applicable limit of the coverage, bears to the total amount of all insurance policies covering such property.
- b. Notwithstanding 8., a., above, unless otherwise provided in the coverage forms subject to this conditions form, for property of others within the insured's care, custody and control for which the Insured is legally liable, or to insurance that is more specific to the insured property, this insurance will apply as excess over any other valid and collectable insurance.

9. SUBROGATION

- a. Unless otherwise provided, the Insurer is subrogated to the rights of the Insured against the persons responsible for an insured loss, up to the amount of indemnity paid or liability assumed under coverage forms that are subject to this conditions form.
- b. All rights of subrogation are waived against:
 - i. any corporation, firm, individual or other interest with respect to which insurance is provided by coverage forms that are subject to this conditions form; or
 - ii. any person who is a member of the Insured's household.
- c. Any release from liability entered into by the Insured prior to loss will not affect the right of the Insured to recover.
- d. 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 will be divided between the Insurer and the Insured in the proportion in which the loss or damage has been borne by them respectively.
- e. When the interest of an Insured in any recovery is limited to the amount provided under a deductible or co-insurance clause, the Insurer has control of the action.
- f. When the interest of an Insured in any recovery exceeds that referred to in I. 9. e. and the Insured and the Insurer cannot agree as to:
 - i. the solicitors to be instructed to bring the action in the name of the Insured;
 - ii. the conduct and carriage of the action or any related matters;
 - iii. any offer of settlement or the apportionment of an offer of settlement, whether an action has been commenced or not;
 - iv. the acceptance or the apportionment of any money paid into Court;
 - v. the apportionment of costs; or
 - vi. the launching or prosecution of an appeal;either party may apply to the Court for the determination of the matters in question, and the Court may make any order it considers reasonable having regard to the interests of the Insured and the Insurer in any recovery in the action or proposed action or in any offer of settlement.
- g. On an application under I. 9. f. the only parties entitled to notice and to be heard on the application are the Insured and the Insurer, and no material or evidence used or taken on the application is admissible on the trial of an action brought by or against the Insured or the Insurer.
- h. A settlement or release given before or after an action is brought does not bar the rights of the Insured or the Insurer unless they have concurred in the settlement or release.

10. THIRD PARTY PROPERTY

In the event of any direct physical loss or direct physical damage to insured property that belongs to others:

- a. The Insurer has the right to:
 - i. investigate, negotiate or settle any claim;
 - ii. settle the claim with the owners of the property.
- b. The Insured:
 - i. will assist the Insurer in securing information and evidence, including attendance of witnesses;
 - ii. will not:
 - (a) admit liability for a loss;
 - (b) interfere with the Insurer's settlement negotiations; or
 - (c) settle a claim or incur expenses without the Insurer's written consent, except at the Insured's own costs.

II. APPLICABLE TO ALL PROVINCES AND TERRITORIES

COMMON EXCLUSIONS

The following exclusions apply to all Property, Business Income, Inland Marine, Crime and Equipment Breakdown coverage forms and any endorsements attached to those coverage forms, and if there is any conflict or inconsistency between the below common exclusions and what is contained elsewhere in the policy the common exclusion will apply to the extent possible.

The Property, Business Income, Inland Marine, Crime and Equipment Breakdown forms and endorsements attached to these forms do not insure:

1. CONTAGIOUS DISEASE

- a. Loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a "contagious disease" or the fear or threat (whether actual or perceived) of a "contagious disease", regardless of any other cause or event contributing concurrently or in any other sequence thereto. The above exclusion includes, without limitation to the scope of the foregoing:
 - i. any cost to clean up, detoxify, remove, monitor or test:
 - (a) for a "contagious disease", or
 - (b) any property insured that is affected by such "contagious disease", and
 - ii. any measures taken by any governmental, public or other authority or any other person for the prevention, suppression, mitigation, cleaning or removal of any "contagious disease".

- b. This exclusion will not apply to direct physical loss or direct physical damage to property and any resulting consequential loss, to the extent that an insured establishes that such direct physical loss or direct physical damage was directly caused by fire, lightning, explosion, impact by aircraft, spacecraft or land vehicle, windstorm, or hail, as described in "named perils".

2. CYBER INCIDENT (PERILS WRITEBACK)

- a. loss, damage, liability, claim, cost or expense directly or indirectly caused by, contributed to by, resulting from or arising out of a "cyber incident". This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage
- b. However, this Policy will provide cover for physical loss or physical damage to the property insured, which is caused by an insured peril, including business interruption or business income resulting therefrom (if insured by this Policy), directly or indirectly caused by, contributed to by, resulting from or arising out of a "cyber incident". Nevertheless, any loss, damage, destruction, distortion, erasure, corruption or alteration of "electronic data", directly occasioned by a "cyber incident", will not be recoverable hereunder nor be considered as physical loss or physical damage for the purposes of this exclusion clause.
- c. Notwithstanding the foregoing, in the event that hardware or an "electronic data" storage device of a "computer system" sustains physical damage caused by an insured peril directly or indirectly caused by, contributed to by, resulting from or arising out of a "cyber incident", which results in damage to or loss of "electronic data" stored on that hardware or a "electronic data" storage device, then the damage to or loss of such "electronic data" will be recoverable hereunder and the basis of valuation for the recovery of the damaged or lost "electronic data" under this Policy will only be the costs of reproducing "electronic data", but only if such costs are specifically indemnified under this Policy. Such costs will include all reasonable and necessary expenses incurred in recreating, gathering or assembling such "electronic data", but does not include the value of the "electronic data" to the original insured or any other party even if such "electronic data" cannot be recreated, gathered or assembled.

3. DATA

Loss of or damage to "Data" except where specifically provided by IV. SUPPLEMENTARY COVERAGES of the coverage form.

4. DATA PROBLEM

Loss or damage caused directly or indirectly by a "data problem". This exclusion does not apply to resultant physical loss or physical damage caused directly by :

- a. fire, lightning, explosion, smoke, leakage from "fire protective equipment", impact by aircraft, spacecraft or land vehicle, windstorm, hail, as described in "named perils"; or
- b. the escape of water from any tank, apparatus or pipe;

but only to the extent that such loss would otherwise be insured. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for ensuing direct physical loss or direct physical damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas.

5. MARINE AND WATERBORNE PROPERTY

Loss of or damage to property insured under the terms of any Marine Insurance, and property while waterbourne except while on a regular ferry or railway car transfer in connection with land transportation.

6. NUCLEAR INCIDENT AND RADIOACTIVE CONTAMINATION

- a. Loss or damage caused directly or indirectly 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 physical loss or physical damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
- b. by contamination by radioactive material.

This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.

7. POLLUTION

- 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. to coverage for "clean up" where specific coverage is provided by IV. SUPPLEMENTARY COVERAGES of the coverage form;
 - ii. if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is directly caused by direct physical loss or direct physical damage by a peril not otherwise excluded in this form; or
 - iii. to direct physical loss or direct physical damage caused directly by a resultant peril not otherwise excluded in this form.
- b. The cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

8. TERRORISM

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 will remain in full force and effect.

9. WAR, INVASION, ACT OF FOREIGN ENEMY

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

III. DEFINITIONS

Wherever used in this form and endorsements attached to this form:

1. "clean up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants" including testing which is integral to the aforementioned processes.
2. "computer system" means any computer, hardware, information technology and communications system or electronic device, including any similar system or any configuration of the aforementioned and including any associated input, output or "electronic data" storage device, networking equipment or back up facility.
3. "contagious disease" means any type of disease or illness which can be transmitted by means of any substance or agent from any organism to another organism where:
 - a. the substance or agent includes, but is not limited to, any pathogen, virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not;
 - b. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas, or between organisms; and
 - c. the disease, illness, 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 type.
4. "cyber incident" will include:
 - i. unauthorized or malicious acts regardless of time and place, or the threat or hoax thereof;
 - ii. "Malware or Similar Mechanism";
 - iii. programming or operator error whether by the insured or any other person or persons;
 - iv. any unintentional or unplanned – wholly or partially - outage of the insured's "computer system" not directly caused by physical loss or physical damage;affecting access to, processing of, use of or operation of any "computer system" or any "electronic data" by any person or group(s) of persons.
5. "data" means representations of information or concepts, in any form.
6. "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".But "data problem" does not mean "cyber incident".
7. "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 programs, software and other coded instructions for the processing and manipulation of "electronic data" or the direction and manipulation of such equipment.
8. "fire protective equipment" includes tanks, water mains, 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:
 - a. branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - b. any water mains or appurtenances located outside of the "premises" and forming a part of the public water distribution system; or
 - c. any pond or reservoir in which the water is impounded by a dam.
9. "Malware or Similar Mechanism" means any program code, programming instruction or other set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programs, "electronic data" files or operations (whether involving self-replication or not), including but not limited to virus, Trojan horses, worms, logic bombs or denial of service attack.
10. "named perils" means:
 - a. fire or lightning;
 - b. explosion: the following are not explosions within the intent or meaning of this form:
 - i. electric arcing or any coincident rupture of electrical equipment due to such arcing;
 - ii. bursting or rupture caused by hydrostatic pressure or freezing; or
 - iii. bursting or rupture of any safety disc, rupture diaphragm or fusible plug.
 - c. impact by aircraft, spacecraft or land vehicle: the terms aircraft and spacecraft include articles dropped from them. The Insurer will not be liable for loss or damage:
 - i. that is cumulative;
 - ii. caused by land vehicles belonging to or under the control of the Insured or any of the Insured's employees;
 - iii. to aircraft, spacecraft or land vehicles causing the loss; or
 - iv. caused by any aircraft or spacecraft when being taxied or moved inside or outside of a building.
 - d. riot, vandalism or malicious acts: the term riot includes open assemblies of strikers and of locked-out employees inside or outside the "premises". The Insurer will not be liable 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 as insured by this form; or
 - iii. due to theft or attempted theft.
 - e. smoke due to a sudden, unusual and faulty operation of any stationary furnace. The Insurer will not be liable for any cumulative damage.
 - f. leakage from "fire protective equipment": leakage or discharge from, collapse of, or rupture due to freezing of "fire protective equipment" for the "premises" or adjoining structures.
 - g. windstorm or hail. The Insurer will not be liable for loss or damage:
 - i. to the interior of the building or business contents inside the building unless damage occurs concurrently with and results from an aperture caused by windstorm or hail; or
 - 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 or landslide.

11. "newly acquired location(s)" means locations:
 - a. acquired by the Insured after the beginning of the current policy period for the first 90 days after the acquisition;
 - b. owned, leased, occupied or controlled by the Insured; and
 - c. within Canada.
12. "Policy Declarations" means the policy declarations applicable to this policy for the current policy period, including any supplementary pages or schedules.
13. "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.
14. "premises" means:
 - a. the entire area within the property lines at the location(s) described on the "Policy Declarations";
 - b. areas under adjoining sidewalks and driveways; and
 - c. in or on vehicles within 100 metres of such locations,but "Premises" does not mean "newly acquired location(s)".
15. "statement of values" means a listing of all insured property to which this Form is applicable in a form acceptable to the Insurer, that:
 - a. Shows the value for each item of insured property that is listed; and
 - b. includes an attestation, signed and dated by the Insured, that the values shown are the current values of the insured property.
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.

IV. APPLICABLE TO ALL PROVINCES AND TERRITORIES

MORTGAGE CLAUSE

The following is only applicable where the interest of the Mortgagee is on Building(s), and does not apply to any other type of property insured under this policy. This condition only applies to those mortgagees who are specifically listed on the "Policy Declarations" as loss payees.

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 will 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;

- a. PROVIDED ALWAYS that, in the Province of Quebec, the Mortgagee will promptly notify the Insurer (if known) of any change that increases the risks stipulated in the policy and that results from events within his control if it is likely to materially influence an insurer in setting the rate of the premium, appraising the risk or deciding to continue to insure it; and that every increase of risk (not permitted by the policy) will be paid for by the Mortgagee - on reasonable demand - from the date such risk existed, according to the established scale of rates for the acceptance of such increased risk, during the continuance of this insurance.
- b. PROVIDED ALWAYS that, in all provinces and territories other than the Province of Quebec, the Mortgagee will promptly notify the Insurer (if known) of any vacancy or non-occupancy extending beyond 30 consecutive days, or of any transfer of interest or increased hazard that has come to their knowledge; and that every increase of hazard (not permitted by the policy) will be paid for by the Mortgagee - on reasonable demand - from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.

2. RIGHT OF SUBROGATION

Whenever the Insurer pays the Mortgagee any loss award under this policy and claims that - as to the Mortgagor or Owner - no liability therefore existed, it will be legally subrogated to all rights of the Mortgagee against the Insured; but any subrogation will be limited to the amount of such loss payment and will 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 will 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 is any other valid and collectible insurance upon the property with loss payable to the Mortgagee - at law or in equity - then any amount payable under that other insurance will 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 to deliver the required Proof of Loss under the policy, then the Mortgagee may give the notice upon becoming aware of the loss and deliver as soon as practicable the Proof of Loss.

5. TERMINATION

The term of this mortgage clause coincides with the term of the policy;

- a. PROVIDED ALWAYS that, in the Province of Quebec, the Insurer reserves the right to cancel the policy as provided by Article 2477 of the Civil Code of Quebec, but agrees that the Insurer will neither cancel nor amend the policy to the prejudice of the Mortgagee without 15 days' notice to the Mortgagee by registered letter.
- b. PROVIDED ALWAYS that, in all provinces and territories other than the Province of Quebec, the Insurer reserves the right to cancel the policy in accordance with the provisions of the Termination condition set out in the Statutory Conditions attached to

this policy, but agrees that the Insurer will neither terminate nor alter the policy to the prejudice of the Mortgagee without the notice stipulated in such Termination condition.

6. TRANSFER OF TITLE (For the Province of Quebec); FORECLOSURE (For all other provinces and territories)

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 will 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 will 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.

Further, with respect to Equipment Breakdown insurance, if insured under this policy, the Insurer reserves the right to suspend insurance, which will include any insurance applying to the interest of the Mortgagee, on any Object in accordance with the suspension condition of the Equipment Breakdown insurance, and the Insurer agrees to furnish the Mortgagee, a copy of the suspension notice.

SPECIMEN

1. This Endorsement forms a part of the insurance policy to which it is attached (the "Policy") and is applicable to all property, business interruption or business income, inland marine, crime, and equipment breakdown coverages or coverage forms and applies to all endorsements, coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s) contained in these coverages. All other terms, conditions, exclusions and limitations of the Policy will remain unchanged except in the event of and to the extent of any conflict or inconsistency between this Endorsement and what is contained elsewhere in the Policy, this Endorsement will prevail.
2. Without limiting any exclusion contained in the Policy, the property, business interruption or business income, inland marine, crime, and equipment breakdown coverages or coverage forms of the Policy do not insure loss, damage, liability, claim, cost or expense directly or indirectly caused by, contributed to by, resulting from or arising out of a "cyber incident".
3. This Endorsement 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.
4. Definitions:
As used in this Endorsement:
 - a. "cyber incident" will include:
 - i. unauthorized or malicious acts regardless of time and place, or the threat or hoax thereof;
 - ii. "Malware or Similar Mechanism";
 - iii. programming or operator error whether by the insured or any other person or persons;
 - iv. any unintentional or unplanned – wholly or partially - outage of the insured's "computer system" not directly caused by physical loss or physical damage;
affecting access to, processing of, use of or operation of any "computer system" or any "data" by any person or group(s) of persons.
 - b. "computer system" means any computer, hardware, information technology and communications system or electronic device, including any similar system or any configuration of the aforementioned and including any associated input, output or "data" storage device, networking equipment or back up facility.
 - c. "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 programs, software and other coded instructions for the processing and manipulation of "data" or the direction and manipulation of such equipment.
 - d. "Malware or Similar Mechanism" means any program code, programming instruction or other set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programs, "data" files or operations (whether involving self-replication or not), including but not limited to virus, Trojan horses, worms, logic bombs or denial of service attack.

This endorsement changes the following form:

**PROPERTY, BUSINESS INCOME, INLAND MARINE, CRIME AND EQUIPMENT BREAKDOWN
COMMON CONDITIONS AND EXCLUSIONS FORM - 910001**

1. The following is added:
APPLICABLE TO ALL PROVINCES AND TERRITORIES

PROPERTY LOSS LIMIT

The total amount of the Insurer's aggregate liability for all direct physical loss of or direct physical damage to "insured property", including resulting loss of "business income", arising from any one occurrence will not exceed the limit of insurance shown for this endorsement on the "Policy Declarations", regardless of the number of:

- a. Insureds or other interests claiming indemnity;
- b. locations affected;
- c. insured perils causing the loss or damage, including perils added by endorsement; or
- d. coverages (including supplementary coverages) involved.

2. The following is added to **III. Definitions**:

- a. "business income" means all coverage provided by any of the Business Income form(s) or endorsements attached to this Policy.
- b. "insured property" means all coverage provided by any of the Property, Inland Marine, Crime and Equipment Breakdown form(s) or endorsements attached to this Policy.

All other terms, conditions, exclusions and limitations of the policy are unchanged.

SPECIMEN

LOCKED VEHICLE WARRANTY ENDORSEMENT
911514-01

This endorsement changes the coverage provided by:

PROPERTY FORM - 911000

AGRICULTURAL PROPERTY FORM - 911100

It is warranted:

The insured property will be carried in vehicles equipped with a fully enclosed body or compartment, the doors of which are securely locked and the windows closed when the vehicle is unattended. The Insurer is liable in the event of loss or damage to insured property resulting from the peril of theft only when there is evidence of any unauthorized entry in the form of visible marks on the perimeter of that portion of the vehicle containing the insured property.

This warranty does not apply to insured property:

- a. under the control of a bailee for hire;
- b. that due to its size, such property does not fit within vehicles equipped with a fully enclosed body or compartment.

All other terms, conditions, exclusions and limitations of the policy are unchanged.

ACKNOWLEDGEMENT

I have read and understand the change made by this endorsement. I am authorized to accept this change by the Insured or the "Named Insured".

Name: _____ Title: _____
(Print)

Signature: _____ Date: _____

I. INSURING AGREEMENTS

1. LIABILITY COVERAGES A., B. AND C.

- a. The Insurer will pay "damages" for which an Insured is legally liable and to which this insurance applies. The Insurer will have the right and duty to defend that Insured against any "action" claiming such "damages". The Insurer will have no duty to defend that Insured against any "action" claiming "damages" to which this insurance does not apply. The Insurer may, at its sole discretion, investigate any "occurrence" or offence and settle any claim or "action" that may result.
- b. The amount the Insurer will pay as "damages" is limited as described in IV. LIMITS OF INSURANCE.
- c. The Insurer's right and duty to defend ends when the applicable limit of insurance has been exhausted in the payment of judgments and settlements.
- d. Except as specifically stated in the Liability Conditions, the Insurer has no other obligation to make payments or undertake acts or services.

2. VOLUNTARY MEDICAL PAYMENTS COVERAGE D.

- a. The Insurer will pay on behalf of the "Named Insured" voluntary "medical payments" to which this insurance applies. Any payment will be made regardless of fault. The payments must arise from an accident happening during the normal course of an Insured's business activities.
- b. The voluntary "medical payments" must be incurred and reported to the Insurer by the "Named Insured" within 12 consecutive months of the accident date.
- c. The amount the Insurer will reimburse is limited as described in IV. LIMITS OF INSURANCE.

II. COVERAGES

A. BODILY OR MENTAL INJURY AND PROPERTY DAMAGE LIABILITY

1. Coverage A. applies to "bodily or mental injury" and "property damage" only if:
 - a. a limit of insurance is shown on the "Policy Declarations" for this insurance; and
 - b. the "bodily or mental injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
 - c. the "bodily or mental injury" or "property damage" occurs during the policy period; and
 - d. prior to the policy period:
 - (i) no Insured listed under paragraph 1. of V. INSUREDS, and
 - (ii) no "employee" authorized by the "Named Insured" to give or receive notice of an "occurrence" or claim, knew that the "bodily or mental 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 or mental injury" or "property damage" had occurred, then any continuation, change or resumption of such "bodily or mental injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
 - e. "bodily or mental 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 V. INSUREDS or any "employee" authorized by the "Named Insured" to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily or mental injury" or "property damage" after the end of the policy period.
 - f. "bodily or mental 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 V. INSUREDS or any "employee" authorized by the "Named Insured" to give or receive notice of an "occurrence" or claim:
 - i. reports all, or any part, of the "bodily or mental injury" or "property damage" to the Insurer or to any other insurer;
 - ii. receives a written or verbal demand or claim for "damages" because of the "bodily or mental injury" or "property damage"; or
 - iii. becomes aware by any other means that "bodily or mental injury" or "property damage" has occurred or has begun to occur.

2. EXCLUSIONS

Coverage A. does not apply to:

a. Aircraft or Air Cushion Vehicles

"Bodily or mental injury" or "property damage" arising from the ownership, maintenance, operation, use, "loading or unloading" or entrustment to others by or on behalf of any Insured of any aircraft or air cushion vehicle any Insured owns or which is operated by or rented or loaned to any Insured. 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.

b. Airports or Aircraft Landing Areas

"Bodily or mental injury" or "property damage" arising from the ownership, maintenance, operation, use or entrustment to others by or on behalf of any Insured of any premises for the purpose of an airport or aircraft landing area.
This exclusion does not apply to the "Named Insured's work" or operations authorized by the airport operator and performed on airport premises within Canada. However, this exception does not apply to aircraft landing areas and all operations necessary or incidental thereto.

c. Asbestos

See III. EXCLUSIONS APPLICABLE TO ALL COVERAGES

d. Automobiles, Motorized Snow Vehicles or Vehicles Used in Contests

- i. "Bodily or mental injury" or "property damage" arising directly or indirectly, in whole or in part, out of the ownership, maintenance, use or entrustment to others of any "automobile" that is owned, operated by, on behalf of, rented or loaned to any Insured. Use includes operation and "loading and unloading". This exclusion also applies to:
 - (a) any vehicle;

- (b) any motorized snow vehicle or its trailers while being used in any speed or demolition contest or in any stunting activity, or in practice or preparation for such contest or activity.
- ii. This exclusion also applies even if the claims against any Insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that Insured, if the "occurrence" which caused the "bodily or mental injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any "automobile" that is owned, operated by, on behalf of, rented or loaned to any Insured. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily or mental injury" or "property damage".
- iii. This exclusion does not apply to:
 - (a) "Bodily or mental injury" to an "employee" of the "Named Insured" on whose behalf contributions are by or required to be made by the "Named Insured" under the provisions of any Canadian provincial or territorial workers' compensation law.
 - (b) "Bodily or mental injury" or "property damage" arising from a defective condition in, or improper maintenance of, an "automobile" that is owned by any 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.
 - (c) "Bodily or mental injury" or "property damage" arising from the ownership, operation or use of machinery, apparatus or equipment mounted on or attached to any vehicle while at the site of use or operation of such equipment. This exception however does not apply when such equipment is mounted on or attached to any "automobile" and such equipment is used for the purpose of "loading and unloading".
 - (d) "Bodily or mental injury" or "property damage" arising from "loading or unloading" if such operations are precluded from coverage under the motor vehicle section of any provincial or territorial act or regulation.
- e. **Contractual Liability**

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

 - i. That any Insured would have in the absence of the contract or agreement; or
 - ii. Assumed in an "insured contract", provided:
 - (a) the "bodily or mental injury" or "property damage" occurs after the execution of the "insured contract"; and
 - (b) the cost of any obligation to defend or pay for the defence of a party to the "insured contract", other than any Insured, will be considered "damages", unless the requirements of Liability Condition III. 1. INDEMNITEE PROTECTION are met.
- f. **Electronic Data and Access or Disclosure of Confidential or Personal Information**

"Damages" arising out of:

 - i. the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data";
 - ii. 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.
- g. **Employer's Liability**
 - i. "Bodily or mental injury" to:
 - (a) Any "employee" of any Insured arising out of and in the course of:
 - (1) Employment by any Insured; or
 - (2) Performing duties related to the conduct of any Insured's business; or
 - (b) The "spouse", child, parent, brother, or sister of that "employee" as a consequence of exclusion II. A. 2. g. i. (a).
 - ii. This exclusion applies:
 - (a) Whether any Insured is liable as an employer or in any other capacity; and
 - (b) To any obligation to share "damages" with or repay another who is liable for "damages" because of such "bodily or mental injury".
 - iii. This exclusion does not apply to:
 - (a) Liability assumed by any Insured under an "insured contract"; or
 - (b) "Bodily or mental injury" to a "Canadian resident" employee the age of 16 or older in the course of employment for the "Named Insured", or performing duties related to the conduct of the business of the "Named Insured".
- h. **Employment-Related Practices**
 - i. "Bodily or mental injury" to:
 - (a) Any person (including any "employee" of any Insured) arising from any "employment practice"; or
 - (b) The "spouse", child, parent, brother or sister of that person as a consequence of "bodily or mental injury" to that person at whom any of the "employment practices" are directed.
 - ii. This exclusion applies:
 - (a) Whether any Insured is liable as an employer or in any other capacity; and
 - (b) To any obligation to share "damages" with or repay another who is liable for "damages" because of such "bodily or mental injury".
 - (c) Whether the injury-causing event described in the definition of "employment practices" occurs before employment, during employment or after employment of that person.
- i. **Expected or Intended Injury or Damage**

"Bodily or mental injury" or "property damage" expected or intended from the standpoint of any Insured. This exclusion does not apply to "bodily or mental injury" or "property damage" resulting from the use of reasonable force to protect people or property.
- j. **Fungi or Spores**

See III. EXCLUSIONS APPLICABLE TO ALL COVERAGES. This exclusion does not apply to the "products-completed operations hazard".
- k. **Nuclear Risks**

See III. EXCLUSIONS APPLICABLE TO ALL COVERAGES.

I. Obligations under Workers' Compensation or Similar Laws

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

m. Personal and Advertising Injury

"Bodily or mental injury" arising from "personal and advertising injury".

n. Pollution

See III. EXCLUSIONS APPLICABLE TO ALL COVERAGES.

o. Recording and Distribution of Material or Information in Violation of Law

"Bodily or mental injury" or "property damage" or any loss, cost, expense, fines or penalties, arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- i. Canada's Anti-Spam Legislation (CASL) including any amendment of or addition to such law;
- ii. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- iii. The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- iv. The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- v. Any international, federal, territorial, provincial, state, municipal or local statute, law, ordinance, order, ruling or regulation, other than the CASL Act, TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

p. Professional Services

"Bodily or mental injury" (other than "incidental medical malpractice injury") or "property damage" due to:

- i. the rendering of or failure to render any "professional services" for others by the "Named Insured" or by others acting on behalf of the "Named Insured"; or
- ii. any error, omission, malpractice or mistake in providing those "professional services".

This exclusion also applies even if the claims against any Insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that Insured if the "occurrence" which caused the "bodily or mental injury" or "property damage", involved the rendering of or the failure to render any "professional services" by or for the "Named Insured". This exclusion does not apply to "bodily or mental injury" or "property damage" arising out of "professional services" performed by any of the Named Insured's "employees":

- (a) while acting or working as an architect or engineer and the "professional services" are an integral part of the "Named Insured's product" or "Named Insured's work" or
- (b) while designing or testing the "Named Insured's product" or the "Named Insured's work".

q. Damage to Property:

i. "Property damage" to:

- (1) Property the "Named Insured" owns, rents, or occupies, including any costs or expenses incurred by the "Named Insured, 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 the "Named Insured" sells, gives away or abandons if the "property damage" arises out of any part of those premises;
- (3) Property loaned to the "Named Insured";
- (4) Personal property in the care, custody or control of the "Named Insured";
- (5) That particular part of real property on which the "Named Insured" or any contractors or "subcontractors" working directly or indirectly on behalf of the "Named Insured" are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because the "Named Insured's work" was incorrectly performed on it.

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

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

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

ii. Damage to the Named Insured's Product

"Property damage" to the "Named Insured's product" arising out of it or any part of it.

This exclusion does not apply if the "Named Insured's" operations are related to the business of the selling, repairing, or servicing "automobiles" provided that the "property damage" to the "Named Insured's product" arising out of it or any part of it if caused by a defect existing at the time the "automobile" was sold or transferred to a person or organization who is not an insured.

iii. Damage to the Named Insured's Work

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

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

iv. Damage to Impaired Property or Property Not Physically Injured

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

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

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

r. Recall of Products, Work, or Impaired Property

"Damages" claimed for any loss, cost or expense incurred by the "Named Insured" or others for the loss of use, withdrawal, recall, inspection, repair, replacement or removal or disposal of:

- i. the "Named Insured's product";
- ii. the "Named Insured's work"; or
- iii. "impaired property";

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

s. Terrorism

See III. EXCLUSIONS APPLICABLE TO ALL COVERAGES.

t. War

See III. EXCLUSIONS APPLICABLE TO ALL COVERAGES.

u. Watercraft

"Bodily or mental injury" or "property damage" arising out of the ownership, maintenance, operation, use, or entrustment to others by or on behalf of any Insured of any watercraft that is owned, operated by, rented or loaned to any Insured. Use includes "loading and 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 or mental injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any watercraft that is owned, operated by, rented or loaned to any Insured.

This exclusion does not apply to:

- i. A watercraft while ashore on premises owned by or rented to the "Named Insured";
- ii. A watercraft not owned by the "Named Insured" that is:
 - a) less than 10 metres long; and
 - b) not being used to carry person(s) or property for a charge.
- iii. A watercraft owned by the "Named Insured" that is:
 - a) less than 10 metres long; and
 - b) does not carry any person(s) or property for a charge;

"Bodily or mental injury" to an "employee" of the "Named Insured" on whose behalf contributions are made by or required to be made by the "Named Insured" under the provisions of any Canadian provincial or territorial workers' compensation law, if the "bodily or mental injury" results from an "occurrence" involving watercraft.

B. PERSONAL AND ADVERTISING INJURY LIABILITY

Coverage B. applies to "personal and advertising injury" only if:

- a. a limit of insurance is shown on the "Policy Declarations" for this insurance;
- b. caused by an offence arising out of the business of the "Named Insured"; and
- c. such offence was committed in the "coverage territory" during the policy period.

1. EXCLUSIONS

Coverage B. does not apply to:

a. Any Insured in Media and Internet Type of Business

"Personal and advertising injury" committed by any Insured whose business is:

- i. advertising for others, broadcasting, publishing or telecasting;
- ii. designing or determining website content for others; or
- iii. providing an Internet search, access, content or service provider.

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

This exclusion does not apply to:

- (a) false arrest, detention or imprisonment;
- (b) malicious prosecution; or
- (c) 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 the owner, landlord or lessor.

b. Asbestos

See III. EXCLUSIONS APPLICABLE TO ALL COVERAGES.

c. Contract Breach

Any breach of contract except an implied contract to use another's advertising idea in any "Named Insured's" "advertisement".

d. Contractual Liability

"Personal and advertising injury" for which any Insured is obligated to pay "damages" because of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for "damages" that any Insured would have in the absence of the contract or agreement.

- e. Criminal Acts**
Any criminal act committed by or at the direction of any Insured.
- f. Data-Related Liability and Access or Disclosure of Confidential or Personal Information**
"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including 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.
- g. Electronic Chat Rooms, Bulletin Boards, Blogs and Social Media Sites**
"Personal and advertising injury" arising from: any electronic interactive website, chat room, interactive forum or bulletin board owned or hosted by any Insured or over which any Insured exercises control.
- h. Employment-Related Practices**
- i. "Personal and advertising injury" to:
 - (a) Any person (including any "employee" of any Insured) arising from any "employment practice"; or
 - (b) The "spouse", child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any "employment practices" are directed.
 - ii. This exclusion applies:
 - (a) Whether any Insured is liable as an employer or in any other capacity; and
 - (b) To any obligation to share "damages" with or repay another who is liable for "damages" because of such "personal and advertising injury".
 - (c) Whether the injury-causing event described in the definition of "employment practices" occurs before employment, during employment or after employment of that person.
- i. Fungi or Spores**
See III. EXCLUSIONS APPLICABLE TO ALL COVERAGES.
- j. Intellectual Property Rights Infringement**
"Personal and Advertising Injury" arising out of the infringement of copyright, slogan or trade dress, patent, trademark or trade secret; or any other intellectual property rights.
However, this exclusion does not apply to infringement, in the "Named Insured's" "advertisement", of copyright, trade dress or slogan.
- k. 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".
- l. Material Published Prior to Policy Period**
"Personal and Advertising Injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.
- m. Material Published with Knowledge of Falsity**
"Personal and Advertising Injury" arising out of oral or written publication of material, if done by or at the direction of any Insured with knowledge of its falsity.
- n. Nuclear Risks**
See III. EXCLUSIONS APPLICABLE TO ALL COVERAGES.
- o. Pollution**
See III. EXCLUSIONS APPLICABLE TO ALL COVERAGES.
- p. Quality of Performance of Goods – Failure to Conform to Statements**
"Personal and Advertising Injury" arising out of the failure of the goods, products or services to conform to a statement of quality, performance made in the "Named Insured's" "advertisement".
- q. Recording and Distribution of Material or Information in Violation of Law**
"Personal and advertising Injury" or any loss, cost, expense, fines or penalties, arising directly or indirectly out of any action or omission that violates or is alleged to violate:
 - i. The Canada's Anti-Spam Legislation (CASL) including any amendment of or addition to such law;
 - ii. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
 - iii. The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
 - iv. The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
 - v. Any international, federal, territorial, provincial, state, municipal or local statute, law, ordinance, order, ruling or regulation, other than the CASL Act, TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.
- r. Terrorism**
See III. EXCLUSIONS APPLICABLE TO ALL COVERAGES.
- s. Unauthorized use of competitor's brand**
"Personal and advertising Injury" arising out of the unauthorized use of another's name, brand or product in the domain name, email address or metatag of the "Named Insured", or any other similar tactics to mislead another's potential customers.

- t. **War**
See III. EXCLUSIONS APPLICABLE TO ALL COVERAGES.

- u. **Wrong Description of Prices**
"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in the "Named Insured's" advertisement".

C. TENANT'S PROPERTY DAMAGE LIABILITY

1. Coverage C. applies to tenant's "property damage" only if:
 - a. a limit of insurance is shown on the "Policy Declarations" for this insurance; and
 - b. the "property damage" is to premises that are not owned by the "Named Insured"; and
 - c. such premises are rented to or occupied by the "Named Insured"; and
 - d. the "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
 - e. the "property damage" occurs during the policy period; and
 - f. prior to the policy period, no Insured listed under Paragraph 1. of V. INSUREDS, and no "employee" authorized by the "Named Insured" to give or receive notice of an "occurrence" or claim, knew that the "property damage" had occurred, in whole or in part. If such a listed Insured or authorized "employee" knew, prior to the policy period, that the "property damage" occurred, then any continuation, change or resumption of such "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
 - g. "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 V. INSUREDS, or any "employee" authorized by the "Named Insured" to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "property damage" after the end of the policy period.
 - h. "property damage" will be deemed to have been known to have occurred at the earliest time when any Insured listed under Paragraph 1. V. INSUREDS, or any "employee" authorized the "Named Insured" to give or receive notice of an "occurrence" or claim:
 - i. reports all, or any part, of the "property damage" to the Insurer or to any other insurer;
 - ii. receives a written or verbal demand or claim for "damages" because of the "property damage"; or
 - iii. becomes aware by any other means that "property damage" has occurred or has begun to occur.

2. EXCLUSIONS

Coverage C. does not apply to:

- a. **Asbestos**
See III. EXCLUSIONS APPLICABLE TO ALL COVERAGES.
- b. **Contractual Liability**
"Property damage" for which any Insured is obligated to pay "damages" because of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for "damages":
 - i. That any Insured would have in the absence of the contract or agreement; or
 - ii. Assumed in an "insured contract", provided:
 - (a) the "property damage" occurs after the execution of the "insured contract"; and
 - (b) the cost of any obligation to defend or pay for the defence of a party to the "insured contract", other than any Insured, will be considered "damages", unless the requirements of Liability Conditions III. 1. INDEMNITEE PROTECTION are met.
- c. **Expected or Intended Damage**
"Property damage" expected or intended from the standpoint of any Insured. This exclusion does not apply to "property damage" resulting from the use of reasonable force to protect people or property.
- d. **Fungi or Spores**
See III. EXCLUSIONS APPLICABLE TO ALL COVERAGES.
- e. **Nuclear Risks**
See III. EXCLUSIONS APPLICABLE TO ALL COVERAGES.
- f. **Pollution**
See III. EXCLUSIONS APPLICABLE TO ALL COVERAGES.
- g. **Terrorism**
See III. EXCLUSIONS APPLICABLE TO ALL COVERAGES.
- h. **War**
See III. EXCLUSIONS APPLICABLE TO ALL COVERAGES.

D. VOLUNTARY MEDICAL PAYMENTS

1. Coverage D. applies to voluntary "medical payments" only if:
 - a. a limit of insurance is shown on the "Policy Declarations" for this insurance;
 - b. the "medical payments" have been incurred due to "bodily or mental injury" caused by an accident; and
 - c. the "bodily or mental injury" takes place in the "coverage territory":
 - i. on premises the "Named Insured" owns or occupies;
 - ii. on ways next to premises the "Named Insured" owns or occupies; or
 - iii. because of the operations of the "Named Insured"; and
 - d. the "bodily or mental injury" occurs during the policy period.

2. EXCLUSIONS

Coverage D. will not pay "medical payments" for "bodily or mental 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 owned or rented by the "Named Insured" and that the person normally occupies.
- d. **Persons Eligible for Workers' Compensation or Similar Benefits**
To any person whether or not an employee of any Insured, if benefits or the "bodily or mental injury" are payable or must be provided under a workers' compensation or disability 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 II. A. or under any endorsement applicable to Coverage II. A.

III. EXCLUSIONS APPLICABLE TO ALL COVERAGES

This insurance does not apply to:

1. Asbestos

"Bodily or mental injury", "property damage" or "personal and advertising injury" related to or arising from any actual or alleged liability for any legal remedy of any kind whatsoever (including but not limited to "damages", interest, mandatory or other injunctive relief, statutory orders or penalties and legal or other costs or expenses of any kind) in respect of actual or threatened loss, damage, cost or expense directly or indirectly caused by, resulting from, in consequence of or in any way involving asbestos or any materials containing asbestos in whatever form or quantity. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily or mental injury", "property damage" or "personal and advertising injury".

2. Fungi or Spores

- a. "Bodily or mental injury", "property damage" or "personal and advertising injury" or any other cost, loss or expense incurred by others, arising directly or indirectly from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any "fungi" or "spores" however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, clean up, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of "fungi" or "spores".
- b. Any supervision, instructions, recommendations, warnings or advice given, or which should have been given in connection with III. 2. a. above; or
- c. Any obligation to pay "damages", share "damages" with or repay someone else who must pay "damages" because of III. 2. a. or 2.b. above.

Exclusions III. 2. a., b. and c. apply regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily or mental injury", "property damage" or "personal and advertising injury".

3. Nuclear Risks

- a. Liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof;
- b. "Bodily or mental injury", "property damage" or "personal and advertising injury" with respect to which any 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 or mental injury", "property damage" or "personal and advertising injury" resulting directly or indirectly from the "nuclear energy hazard" arising from:
 - i. the ownership, maintenance, operation or use of a "nuclear facility" by or on behalf of an Insured;
 - ii. the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility";
 - iii. the possession, consumption, use, handling, disposal or transportation of "fissionable substances" or of other "radioactive material" (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be useable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by 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 or mental injury", "property damage" or "personal and advertising injury".

4. Pollution

- (1) "Bodily or mental injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":
 - a. At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any Insured. However, this subparagraph does not apply to:
 - i. "Bodily or mental injury" if sustained within a building and caused by smoke, fumes, vapour or soot from equipment used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - ii. "Bodily or mental 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 insurance as an additional insured with respect to "Named Insured's" ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to any Insured, other than that additional insured; or
 - iii. Bodily or mental 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 the "Named Insured" may be legally responsible; or
 - d. At or from any premises, site or location on which any Insured or any contractors or "subcontractors" working directly or indirectly on any Insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such Insured, contractor or "subcontractor". However, this subparagraph does not apply to:
 - i. "Bodily or mental 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 or mental injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such Insured, contractor or "subcontractor";
 - ii. "Bodily or mental 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 any Insured or on behalf of any Insured by a contractor or "subcontractor"; or
 - iii. "Bodily or mental injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
 - e. At or from any premises, site or location on which any Insured or any contractors or "subcontractors" working directly or indirectly on any Insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "pollutants".
- (2) Any loss, cost or expense arising out of any:
- a. Request, demand, order, statutory or regulatory requirement that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify, 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 "damages" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, or in any way responding to or assessing the effects of "pollutants".
- However, this Section (2) does not apply to liability for "damages" because of "property damage" that the Insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "action" by or on behalf of a governmental authority.

5. Terrorism

"Bodily or mental injury", "property damage" or "personal and advertising injury" arising directly or indirectly, in whole or in part, from:

- a. "terrorism"; or
 - b. any activity or decision of a government agency or other entity to prevent or 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 or mental injury", "property damage" or "personal and advertising injury".

6. War

"Bodily or mental injury", "property damage" or "personal and advertising injury" arising directly or indirectly, in whole or in part, from war, invasion, act of foreign enemy, hostilities (whether or not war has been declared), 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 or mental injury", "property damage" or "personal and advertising injury".

IV. LIMITS OF INSURANCE

1. The limits of insurance shown on the "Policy Declarations" for this insurance and the following rules fix the most the Insurer will pay as "damages" and voluntary "medical payments", regardless of the number of:
 - a. Insureds;
 - b. claims made or "actions" brought; or
 - c. people or organizations making claims or bringing "actions".
2. If a General Aggregate limit is shown on the "Policy Declarations" for this insurance, the General Aggregate limit is the most the Insurer will pay for the sum of:
 - a. all "damages" under coverage II. A., except "damages" for the "products-completed operations hazard";
 - b. all "damages" under coverage II. B.; and
 - c. all "medical payments" under coverage II. D.
3. The Products-Completed Operations Aggregate limit shown on the "Policy Declarations" for this insurance is the most the Insurer will pay under coverage II. A. for "damages" because of "bodily or mental injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to IV. 2. or 3 above the Each Occurrence limit is the most the Insurer will pay for the sum of:
 - a. "damages" under coverage II. A.; and
 - b. "medical payments" under coverage II. D. because of all "bodily or mental injury" and "property damage" arising from one "occurrence".
5. Subject to IV. 2., the Personal and Advertising Injury limit is the most the Insurer will pay under coverage II. B. for "damages" because of all "personal and advertising injury" sustained by any one person or organization.
6. The Tenant's Property Damage Liability limit shown on the "Policy Declarations" for this insurance is the most the Insurer will pay under coverage II. C. for "damages" because of all "property damage" at any one premises.
7. Subject to IV. 4 above., the Voluntary Medical Payments limit is the most the Insurer will pay under coverage II. D. for "medical payments" because of all "bodily or mental injury" sustained by any one person.

The Limits of Insurance 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 "Policy 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.

V. INSUREDS

The Insureds under this insurance include the "Named Insured" as designated in the "Policy Declarations" and those who qualify as Insureds pursuant to this section.

1. If you are designated in the "Policy Declarations" as:

- a. An individual, you are the "Named Insured" and the "spouse" of the "Named Insured" is an Insured, but only with respect to the conduct of a business of which the "Named Insured" is the sole owner.
- b. A joint venture, limited liability partnership or partnership, you are the "Named Insured". The members, partners and their spouses are also Insureds but only with respect to the conduct of the business of such joint venture, limited liability partnership or partnership.
- c. A limited liability company, you are the "Named Insured". The members of the "Named Insured's" limited liability company are also Insureds, but only with respect to the conduct of the business of such limited liability company. The managers of the "Named Insured's" limited liability company are also Insureds, but only with respect to their duties as the "Named Insured's" managers.
- d. A condominium corporation, or a strata corporation, you are the "Named Insured". Any unit or strata lot owners and any tenants, are additional insureds but only with respect to the conduct of the corporation for liability arising out of the common property, excluding liability arising out of the owner's or tenant's possession, occupation or use of property designated for exclusive use.
- e. A trust, you are the "Named Insured". The trustees of such trust of the "Named Insured" are also Insureds, but only with respect to their duties as trustees.
- f. Any organization other than a partnership, limited liability partnership, joint venture or limited liability company, you are the "Named Insured". The "executive officers" and directors of the "Named Insured's" are Insureds, but only with respect to their duties as the "Named Insured's" officers or directors. Shareholders of the "Named Insured" are also Insureds, but only with respect to their liability as shareholders.

2. Each of the following is also an Insured:

- a. Any person or organization having lawful temporary custody of the "Named Insured's" property, if that "Named Insured" dies, but only:
 - i. with respect to liability arising from the maintenance or use of that property; and
 - ii. until a legal representative for that "Named Insured" has been appointed.
- b. The legal representative of the "Named Insured" if the "Named Insured" dies, but only with respect to duties as such. That representative will have all the rights and duties of the "Named Insured" under this insurance.
- c. Any "volunteer worker", but only while performing duties related to the conduct of the business of the "Named Insured", or "employees" of the "Named Insured", other than either the "Named Insured's" "executive officers" (if the "Named Insured" is an organization other than a partnership, limited liability partnership, joint venture or limited liability company) or the "Named Insured's" managers (if the "Named Insured" is a limited liability company), but only for acts within the scope of their employment by the "Named Insured" or while performing duties related to the conduct of the "Named Insured's" business.
However, none of these "employees" or "volunteer workers" are Insureds for:
 - i. "Bodily or mental injury" or "personal and advertising injury":
 - (a) To the "Named Insured", to the "Named Insured's" partners or members (if the "Named Insured" is a partnership, limited liability partnership or joint venture), to the "Named Insured's" members (if the "Named Insured" is a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of the "Named Insured's" business, or to the "Named Insured's" other "volunteer workers" while performing duties related to the conduct of the "Named Insured's" business;
 - (b) To the "spouse", child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph i.(a) above;
 - (c) For which there is any obligation to share "damages" with or repay someone else who must pay "damages" because of the injury described in Paragraphs i.(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.
 - ii. "Property damage" to property that is:
 - (a) Owned, occupied or used by,
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by the "Named Insured", any of the "Named Insured's" "employees", "volunteer workers", any partner or member (if the "Named Insured" is a partnership, limited liability partnership or joint venture), or any member (if the "Named Insured" is a limited liability company).
- d. Organizers of not-for-profit social or recreational activity sponsored by the "Named Insured".
- e. Any person or organization while acting as the property manager of the "Named Insured".
- f. Any person (other than the "Named Insured's" "employee" or "volunteer worker"), or any organization while acting as a real estate manager for the "Named Insured".
- g. Any person or organization (other than an architect or engineer) for which the "Named Insured" has agreed in a contract or agreement to include them as an additional insured but only with respect to the "Named Insured's" acts or omissions and only to the extent such persons or organizations are legally obligated to pay for "bodily or mental injury" or "property damage" that:
 - i. Is caused by an "occurrence" that takes place after the "Named Insured" has executed the contract or agreement;
 - ii. Is added only for that period of time required by the contract or agreement;
 - iii. The most the insurer will pay is the lesser of either the amount of insurance available under the applicable limits of insurance shown

in the "Policy Declarations" or the limits of insurance required by the contract or agreement.

However, no such person or organization is an Insured under this provision if such person or organization is included as an Insured by an endorsement issued by the Insurer and made part of this insurance.

- h. Any authorized vendor of the "Named Insured's product", but only with respect to "bodily or mental injury" or "property damage" arising out of the "Named Insured's product" which the vendor distributes or sells in the regular course of the vendor's business. The insurance afforded to the vendor is subject to the following additional exclusions:
- "Bodily or mental injury" or "property damage" for which the vendor is obligated to pay "damages" because of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for "damages" that the vendor would have in the absence of the contract or agreement;
 - Any express warranty that has not been authorized by the "Named Insured";
 - Any physical or chemical change to the "Named Insured's product" made intentionally by the vendor;
 - Demonstration, installation, repair or servicing operations, except such operations performed at the vendor's premises in connection with the sale of the "Named Insured's product" by the vendor;
 - Repackaging, except when unpacked solely for the purpose of inspections, demonstration, testing, or the substitution of parts under the instructions from the manufacturer, and then repackaged in the original container;
 - Any failure to make inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
 - Products which, after distribution or sale by any Insured, have been labelled or relabelled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
 - "Bodily or mental injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf.

This insurance does not apply to any insured person or organization from whom the "Named Insured" has acquired such products or any ingredient, part or container, entering into, accompanying or containing such products.

The most the Insurer will pay is the lesser of either the amount of insurance available under the applicable limits of insurance shown in the "Policy Declarations" or the limits of insurance required by the contract or agreement.

3. Any organization newly acquired or formed by the "Named Insured" during the policy period over which the "Named Insured" maintains ownership or majority interest will qualify as a "Named Insured", provided:
- Such organization is not an association, joint venture, limited liability company, limited liability partnership or partnership.
 - No other similar insurance is available to such organization.
 - Insurance for such organization applies only until the earliest of:
 - 90 consecutive days from the date such organization is acquired or formed;
 - such organization is specifically added to this insurance; or
 - the end of the policy period; and
 - Insurance for such organization does not apply to:
 - "bodily or mental injury" or "property damage" that occurred, or
 - "personal and advertising injury" arising from an offence committed before the organization's acquisition or formation by the "Named Insured".

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 "Policy Declarations".

VI. DEFINITIONS

- "action" means a civil proceeding in which "damages" because of "bodily or mental injury", "property damage", "personal and advertising injury" to which this insurance applies are alleged. "Action" includes:
 - an arbitration proceeding in which such "damages" are claimed and to which an insured must submit or does submit with the Insurer's consent; or
 - any other alternative dispute resolution proceeding in which such "damages" are claimed and to which an Insured submits with the Insurer's consent.
- "advertisement" means a notice that is broadcast or published to the general public or specific market segments about the "Named Insured's products" or the "Named Insured's work" for the purpose of attracting customers or supporters. For the purposes of this definition:
 - notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - only that part of a website that is about the "Named Insured's products" or the "Named Insured's work" for the purpose of attracting customers or supporters is considered an advertisement.
- "automobile" means:
 - a land motor vehicle or trailer or semitrailer that is required by law to be insured under a contract evidenced by a motor vehicle liability policy; or
 - any vehicle insured under such a contract, including any attached machinery or equipment.
- "bodily or mental injury" means:
 - bodily injury, sickness or disease sustained by a person; or
 - anguish, shock or other mental injury arising out of physical injury sustained by a person, including death of the person at any time that results from a. or b.
- "Canadian resident" means a person considered to be a resident of Canada by the Canada Revenue Agency.
- "coverage territory" means
 - Canada and the United States of America (including its territories and possessions).
 - 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
 - all other parts of the world if the injury or damage arises out of:
 - goods or products made or sold by any Insured in the territory described in a. above.

- ii. the activities of an insured person whose home is in the territory described in a. above, but is away for a short time on the "Named Insured's" business; or
- iii. "personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication provided the Insured's responsibility to pay "damages" is determined in an "action" on the merits, in the territory described in a. above or in a settlement the Insurer agrees to.
7. "damages" means damages due or awarded in payment for actual injury or economic loss.
8. "electronic data" means facts, information or programs stored as or on, created or used on, or transmitted to or from computer software, including but not limited to systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
9. "employee" includes a leased worker and a temporary worker. A leased worker means a person leased to the "Named Insured" by a labour leasing firm under an agreement between the "Named Insured" and the labour leasing firm, to perform duties related to the conduct of the "Named Insured's" business. A leased worker does not include a temporary worker. A temporary worker means a person who is furnished to the "Named Insured" to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
10. "employment practice" means:
- refusal of employment; or
 - termination of employment; or
 - any other employment-related practices, policies, procedures, acts or omissions, including but not limited to coercion, compensation, demotion, defamation, discipline, discrimination, evaluation, harassment, humiliation, reassignment or work allocation.
11. "executive officer" means a person holding, at the time of the "occurrence" or offence, any of the officer positions created by an organization's charter, constitution, bylaws or other governing document.
12. "fissionable substance" means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
13. "fungi" includes, but is not limited to:
- any form or type of mould, yeast, mushroom or mildew, whether or not allergenic, pathogenic or toxigenic; and
 - any substance, vapour or gas produced by or emitted or arising from any fungi or "spores" or resultant allergens, mycotoxins or pathogens.
14. "hostile fire" means a fire which becomes uncontrollable or breaks out from where it was intended to be.
15. "impaired property" means tangible property, other than the "Named Insured's product" or the "Named Insured's work", that cannot be used or is less useful because:
- it incorporates the "Named Insured's product" or the "Named Insured's work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - the "Named Insured" has failed to fulfil the terms of a contract or agreement;
- if such property can be restored to use by:
- the adjustment, removal, repair or replacement of the "Named Insured's product" or the "Named Insured's work"; or
 - the "Named Insured" fulfilling the terms of the contract or agreement.
16. "incidental medical malpractice injury" means "bodily or mental injury" due to the rendering of or failure to render, during the policy period, any of the following services by any Insured or the indemnitee of any Insured, provided the "Named Insured" or that indemnitee is not engaged in the business of supplying any of such services:
- dental, medical, nursing, surgical or X-ray services or treatment;
 - the supply of food or beverages in connection with a. above; or
 - the dispensing or supply of drugs or dental, medical or surgical appliances or supplies.
17. "insured contract" means
- A contract for lease for 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 the "Named Insured" or temporarily occupied by the "Named Insured" with permission of the owner is not an "insured contract";
 - a sidetrack agreement;
 - an easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
 - any other easement agreement;
 - an obligation, as required by ordinance or bylaw, to indemnify a municipality, except in connection with work for a municipality;
 - an elevator maintenance agreement;
 - that part of any other contract or agreement pertaining to the "Named Insured's" business (including an indemnification of a municipality in connection with work performed for a municipality) under which the "Named Insured" assumes the tort liability of another party to pay for damages because of "bodily or mental injury" or "property damage" to a third person or organization, provided the "bodily or mental injury" or "property damage" is caused, in whole or in part, by the "Named Insured" or by those acting on the "Named Insured's" behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement. Paragraph g. does not include that part of any contract or agreement:
 - That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - 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 i. above and supervisory, inspection, architectural or engineering activities.

18. "loading or unloading" means the handling of property:
- after it is moved from the place where it is accepted for movement into or onto an aircraft, air cushion vehicle, watercraft, "automobile", motorized snow vehicle or its trailer;
 - while it is in or on an aircraft, air cushion vehicle, watercraft, "automobile", motorized snow vehicle or its trailer; or
 - while it is being moved from an aircraft, air cushion vehicle, watercraft, "automobile", motorized snow vehicle or its trailer.
- "Loading and 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, air cushion vehicle, watercraft, "automobile", motorized snow vehicle or its trailer.
19. "medical payments" means reasonable expenses for any of the following:
- first aid administered at the time of the accident;
 - necessary dental, medical, surgical and X-ray services, including prosthetic devices; and
 - necessary ambulance, hospital, professional nursing and funeral services.
20. "Named Insured" means:
any Insured shown on the "Policy Declarations", including any newly acquired organization qualifying under Paragraph 3 of Section V.
INSURED.
21. "Named Insured's Product":
- means:
 - any goods or products manufactured, sold, handled, distributed or disposed of by:
 - the "Named Insured";
 - others trading under the name of the "Named Insured"; or
 - a person or organization whose business or assets have been acquired by the "Named Insured"; and
 - containers, materials, parts or equipment furnished in connection with such goods or products.
 - includes:
 - warranties or representations made at any time with respect to the durability, fitness, performance, quality or use of such goods or products; or
 - the providing of or failure to provide warnings or instructions.
 - does not include:
 - real property; or
 - vending machines or other moveable property rented to or provided for the use of others but not sold.
22. "Named Insured's work":
- means:
 - work or operations performed by or on behalf of the "Named Insured"; or
 - materials, parts or equipment furnished in connection with such work or operations.
 - includes:
 - warranties or representations made at any time with respect to the durability, fitness, performance, quality or use of such work or operations; or
 - the providing of or failure to provide warnings or instructions.
23. "nuclear energy hazard" means the explosive, radioactive, toxic or other hazardous properties of "radioactive material".
24. "nuclear facility" means:
- any apparatus designed or used to:
 - sustain nuclear fission in a self-supporting chain reaction; or
 - contain a critical mass of plutonium, thorium and uranium or any one or more of them;
 - any equipment or device designed or used for:
 - separating the isotopes of plutonium, thorium and uranium or any one or more of them; or
 - processing or packaging waste "radioactive material"; and
 - any equipment or device used for the alloying, fabricating or processing of plutonium, thorium and 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
 - 250 grams of uranium 235;
 - 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 there-on and all premises used for such operations.
25. "occurrence" means an accident, including continuous or repeated exposure to substantially the same harmful conditions.
26. "personal and advertising injury" means injury, including consequential "bodily or mental injury", arising out of one or more of the following offences:
- false arrest, detention or imprisonment;
 - malicious prosecution;
 - 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 the owner, landlord or lessor;
 - oral or written publication, in any manner, of material that:
 - libels or slanders a person or organization;
 - disparages a person's or organization's goods, products or services;
 - violates a person's right of privacy;
 - uses another's advertising idea in the "Named Insured's" "advertisement"; or
 - infringes upon another's copyright, slogan or trade dress in the "Named Insured's" "advertisement".
27. "Policy Declarations" means the policy declarations applicable to this insurance for the current policy period, including any attached supplementary pages or schedules.

28. "pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, odour, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
29. "products-completed operations hazard":
- a. includes all "bodily or mental injury" and "property damage" occurring away from premises the "Named Insured" owns or rents and arising out of the "Named Insured's product" or the "Named Insured's work" except:
 - i. products that are still in the physical possession of any Insured; or
 - ii. work that has not been completed or abandoned. However, the "Named Insured's work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work required by contract has been completed.
 - (b) When all work to be done at the job site has been completed if the "Named Insured's" contract calls for work at more than one job site.
 - (c) When that part of the work 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 correction, maintenance, repair, replacement or service but which is otherwise complete will be treated as completed.
 - b. does not include "bodily or mental injury" or "property damage" arising out of:
 - i. the transportation of property, unless the injury or damage arises out of a condition in or on a vehicle that is not owned or operated by any Insured, and that condition was created by the "loading or unloading" of that vehicle by the any Insured; or
 - ii. the existence of tools, uninstalled equipment or abandoned or unused materials.
30. "professional services" will include but not be limited to:
- a. medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection therewith;
 - b. any professional service or treatment conducive to health;
 - c. professional services of a pharmacist;
 - d. the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
 - e. the handling or treatment of deceased human bodies including autopsies, organ donations or other procedures;
 - f. any cosmetic, body piercing, tonsorial, massage, physiotherapy, chiropody, hearing aid, optical or optometrical services or treatments;
 - g. the preparation or approval of maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications;
 - h. supervisory, inspection, architectural, design or engineering services;
 - i. accountant's, advertiser's, notary's (Quebec), public notary's, paralegal's, lawyer's, real estate broker's or agent's, insurance broker's or agent's, travel agent's, financial institution's, or consultant's professional advices or activities;
 - j. any computer programming or re-programming, consulting, advisory or related services; or
 - k. claim, investigation, adjustment, appraisal, survey or audit services.
31. "property damage" means:
- a. physical injury to tangible property, including all resulting loss of use of that property. All such loss of use will 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 will be deemed to occur at the time of the "occurrence" that caused it.
- For the purpose of this insurance, "electronic data" is not tangible property.
32. "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.
33. "spores" includes, but is not limited to, any reproductive particle or microscopic fragment produced by or emitted or arising from any "fungi".
34. "spouse" includes a common-law partner.
35. "subcontractor" does not include an "employee" or a "volunteer worker".
36. "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 or instilling fear in the public or a section of the public.
37. "volunteer worker" means a person who is not an "employee" of the "Named Insured", and who donates his or her work and acts at the direction of and within the scope of duties determined by the "Named Insured", and is not paid a fee, salary or other compensation by the "Named Insured" or anyone else for their work performed for the "Named Insured".

The following conditions apply, as indicated, to the Liability form(s) attached to this policy.

I. APPLICABLE TO ALL LIABILITY INSURANCE

1. BANKRUPTCY

Bankruptcy or insolvency of an Insured or of an Insured's estate will not affect the Insurer's obligations under this insurance.

2. EXAMINATION OF INSURED'S RECORDS

The Insurer may examine and audit the records of any Insured as they relate to this insurance at any time during the policy period and up to 3 years afterwards. This condition will not restrict the Insurer's rights as they relate to claims presented under this policy.

3. LEGAL ACTION AGAINST THE INSURER

- a. A person or entity may sue the Insurer to recover on an agreed settlement or on a final judgment against an Insured for "compensatory damages" or "damages" that are payable under this insurance and within the applicable limit of insurance. An agreed settlement means a settlement and release from liability signed by the Insurer, any Insured and the claimant or the claimant's legal representative.
- b. Otherwise, no person or entity has a right under this insurance to:
 - i. join the Insurer as a party or otherwise bring the Insurer into any "action" seeking "compensatory damages" or "damages" from an Insured; or
 - ii. sue the Insurer on this insurance unless all its conditions have been fully complied with.
- c. Every "action" or proceeding against the Insurer for the recovery of insurance money payable under contract is absolutely barred, unless commenced within:
 - i. the time set out in the applicable *Insurance Act*, in the provinces of Alberta, British Columbia or Manitoba; or
 - ii. in any other jurisdiction:
 - (a) where permitted by law, one year from the date the cause of action arises; or
 - (b) such period as may be required under the law applicable in the jurisdiction.

4. PREMIUM AUDIT

- a. The Insurer will calculate the premium for this insurance in accordance with the Insurer's rules and rates.
- b. The first "Named Insured" shown on the "Policy Declarations" must keep records of the information the Insurer needs for premium calculation, and send copies of such records to the Insurer whenever asked to do so.
- c. If the premium shown on the "Policy Declarations" is an advance premium, the Insurer will calculate the premium actually earned after the end of each policy period. If the earned premium exceeds the advance premium, the difference is due and payable immediately upon notice to the first "Named Insured" shown on the "Policy Declarations". If the advance premium exceeds the greater of any minimum retained premium shown on the "Policy Declarations" or the earned premium, the Insurer will refund the difference to the first "Named Insured".
- d. The following definitions apply to the basis or bases of premium calculation shown on the "Policy Declarations":
 - i. **Admissions**
The total number of people, except "employees" of any Insured, admitted to any event or events organized by the "Named Insured" during the policy period, whether by paid admission, complimentary tickets, season passes or otherwise.
 - ii. **Area**
The total number of square feet of floor space:
 - (a) at all locations owned by the "Named Insured"; or
 - (b) rented or occupied at any location by the "Named Insured" during the policy period, excluding, if owned, rented or occupied by the "Named Insured":
 - (1) any portion of a basement used only for storage; and
 - (2) any portion of the location containing only equipment used to air condition, heat or ventilate the location.
 - iii. **Basic**
A flat unadjustable premium for the policy period.
 - iv. **Cost of work**
The total cost to the "Named Insured" of all operations performed during the policy period on behalf of the "Named Insured" by contractors and "subcontractors", including the cost of materials that are supplied, used or delivered for use in the performance of such work.
 - v. **Each**
Each item of exposure, as described on the "Policy Declarations", during the policy period.
 - vi. **Payroll**
The total compensation paid or payable, during the policy period, to all "employees".
 - vii. **Revenue**
The total gross amount of money received or receivable, during the policy period, for:
 - (a) the "Named Insured's products"; and
 - (b) the "Named Insured's work", including the cost of materials that are supplied, used or delivered for use in the performance of such work.
 - viii. **Units**
The total number of non-residential and residential units at all locations owned by the "Named Insured" which are occupied or available for occupancy, during the policy period, by one business, one family or one individual.
 - ix. **Other**
The total number of exposures, as described on the "Policy Declarations", during the policy period.

5. PREMIUM PAYMENT

The first "Named Insured" shown on the "Policy Declarations":

- a. is responsible for the payment of all premiums; and
- b. will be the payee for any premium refunds.

6. REPRESENTATIONS

By accepting this policy, the "Named Insured" agrees:

- a. the information on the "Policy Declarations" is accurate and complete;
- b. that information is based upon representations the "Named Insured" made to the Insurer; and
- c. the Insurer has issued this policy in reliance upon the representations of the "Named Insured".

7. SEPARATION OF INSURED'S AND CROSS-LIABILITY

Except with respect to the limits of insurance and any rights and duties specifically assigned to the first "Named Insured" shown on the "Policy Declarations", this insurance applies:

- a. as if each "Named Insured" is the only "Named Insured"; and
- b. separately to each Insured against whom "claim" is made or "action" is brought.

8. TRANSFER OF INSURED'S RIGHT OF RECOVERY

If an Insured has the right to recover, from another person or entity, all or part of any payment made under this insurance by the Insurer, that right is transferred to the Insurer. No Insured may do anything after a loss has occurred to impair that right. At the Insurer's request, the Insured will bring an "action" on or transfer to the Insurer that right and help the Insurer enforce that right. The Insurer waives transfer of the right to recover covered "compensatory damages" or "damages" against any Insured.

9. TRANSFER OF NAMED INSURED'S RIGHTS AND DUTIES

- a. If an individual "Named Insured" dies, and until the legal representative of that "Named Insured" is appointed, anyone having proper temporary custody of the property of that "Named Insured" will have the rights and duties of that "Named Insured", but only with respect to that property. Once the legal representative of that "Named Insured" is appointed, the rights and duties of that "Named Insured" under this policy will be transferred to that representative, but only insofar as the representative is acting within the scope of duties as the legal representative of that "Named Insured".
- b. Otherwise, the rights and duties of the "Named Insured" under this policy may not be transferred without the Insurer's written consent.

II. APPLICABLE TO ALL LIABILITY INSURANCE EXCEPT UMBRELLA AND EXCESS LIABILITY INSURANCE

1. DEDUCTIBLE

- a. The Insurer's obligation to:
 - i. pay "compensatory damages" or "damages" on behalf of an Insured; or
 - ii. reimburse an Insured for covered expenses (other than the costs and expenses described in Liability Conditions II. 3. SUPPLEMENTARY PAYMENTS),applies only to the amount of "compensatory damages", "damages" or covered expenses that exceeds any deductible amount for the coverage shown on the "Policy Declarations". The applicable limit of insurance will be reduced by the deductible amount.
- b. The existence of a deductible amount does not affect the other conditions of this insurance, including those with respect to:
 - i. the Insurer's right and duty to defend any "claim" or "action" seeking "compensatory damages" or "damages"; and
 - ii. the duties of the "Named Insured" if a "claim" is made or an "action" is brought against any Insured.

2. OTHER INSURANCE

If other valid and collectible insurance is available to an Insured for liability covered by this insurance, the Insurer's obligations are limited as follows:

- a. This insurance is primary except when Liability Condition II. 2. b. or c. applies. If this insurance is primary, the Insurer's obligations are not affected unless any of the other insurance is primary. In that case:
 - i. if all the other insurance permits contribution by equal shares, the Insurer will contribute accordingly. Each insurer contributes equal amounts until it has paid all its applicable limit of insurance or all of the liability is settled, whichever comes first;
 - ii. if any of the other insurance does not permit contribution by equal shares, the Insurer will contribute by limits. Each insurer's share is based on the ratio of its applicable limit of insurance to the total of all insurers' applicable limits of insurance.
- b. This insurance will be considered as excess over:
 - i. any of the other insurance:
 - (a) that is direct damage coverage for property in the course of construction or installation or for the "Named Insured's work";
 - (b) that is direct damage coverage for real property belonging to others that is rented to or occupied by the "Named Insured"; or
 - (c) if the liability arises out of the maintenance or use of an "automobile" or watercraft that is covered by this insurance; and
 - ii. any other primary insurance available to the "Named Insured" that covers liability for "compensatory damages" or "damages" and to which the "Named Insured" has been added as an additional insured.
- c. If this insurance provides coverage on a claims-made-and-reported basis, such coverage will be considered as excess over any of the other insurance that:
 - i. is effective before the policy period of this insurance;
 - ii. applies to "bodily or mental injury", "property damage", "personal and advertising injury" or "wrongful acts"; and
 - iii. is not on a claims-made-and-reported basis.
- d. When this insurance is considered as excess over other insurance, the Insurer will have no duty to defend any Insured against any "action" or "claim" if any other insurer has a duty to defend that Insured against that "action" or "claim". If no other insurer defends, the Insurer will do so, but the Insurer will be entitled to that Insured's rights against all the other insurers.
- e. When this insurance is considered as excess over other insurance, the Insurer will pay only an Insured's share of the amount of liability, if any, that exceeds the sum of:
 - i. the total amount that all such other insurance would pay for the liability in the absence of this insurance; and
 - ii. the sum of all deductible and self-insured amounts applicable under such other insurance.
- f. Notwithstanding Liability Conditions II. 2. a., b. and c., if required in a written "insured contract":
 - i. the protection provided by this insurance will be considered primary liability insurance for both the "Named Insured" and the other party or parties to the "insured contract"; and

- ii. the Insurer will not require contribution to covered “compensatory damages” or “damages” from any insurance arranged by such other party or parties.

3. SUPPLEMENTARY PAYMENTS

The Insurer will pay, without reducing the limits of insurance, for any “claim” the Insurer investigates or settles or any “action” against an Insured the Insurer defends:

- a. all expenses incurred by the Insurer;
- b. the cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. The Insurer does not have to obtain or issue such bonds;
- c. all reasonable expenses incurred by that Insured at the Insurer’s request to assist in the investigation or defence of the “claim” or “action”, including actual loss of earnings because of time off work;
- d. all costs assessed or awarded against that Insured in the “action” upon that part of the judgment to which coverage applies; and
- e. any interest accruing:
 - i. after entry of judgment upon the part of the judgment that is within the applicable limit of insurance; and
 - ii. before the Insurer has paid, offered to pay or deposited in court the part of the judgment that is within the applicable limit of insurance.

III. APPLICABLE TO ALL LIABILITY INSURANCE EXCEPT DIRECTORS’ & OFFICERS’, EMPLOYMENT PRACTICES AND ERRORS & OMISSIONS LIABILITY INSURANCE

1. INDEMNITEE PROTECTION

- a. If the Insurer defends an Insured against an “action” and an indemnitee of that Insured is also named as a party to the “action”, the Insurer will defend the indemnitee if all the following conditions are met:
 - i. the “action” against the indemnitee seeks “compensatory damages” or “damages” for which that Insured has assumed the liability of the indemnitee in a contract or agreement that is an “insured contract”;
 - ii. this insurance applies to such liability assumed by that Insured;
 - iii. that Insured has assumed, in the same “insured contract”, the obligation to defend or the cost of the defence of that indemnitee;
 - iv. the allegations in the “action” and the Insurer’s knowledge of the “occurrence” indicate that no conflict appears to exist between the interests of that Insured and the interests of the indemnitee;
 - v. the indemnitee and that Insured ask the Insurer to conduct and control the defence of that indemnitee against such “action”, and agree the Insurer can assign the same counsel to defend that Insured and the indemnitee;
 - vi. the indemnitee:
 - (a) agrees in writing to:
 - (1) cooperate with the Insurer in the investigation, settlement or defence of the “action”;
 - (2) immediately send the Insurer copies of any demands, notices, summonses or legal papers the indemnitee receives in connection with the “action”;
 - (3) notify any other insurer whose coverage is available to the indemnitee; and
 - (4) cooperate with the Insurer in coordinating other applicable insurance available to the indemnitee.
 - (b) gives the Insurer written authorization to:
 - (1) obtain records and other information related to the “action”; and
 - (2) conduct and control the defence of the indemnitee in such “action”.
- b. So long as such conditions are met:
 - i. the following will be paid by the Insurer as supplementary payments under Liability Condition II. 3.:
 - (a) legal fees incurred by the Insurer in the defence of that indemnitee;
 - (b) necessary litigation expenses incurred by the Insurer; and
 - (c) necessary litigation expenses incurred by the indemnitee at the Insurer’s request; and
 - ii. such payments will not be considered “compensatory damages” or “damages” and will not reduce the limits of insurance.
- c. The Insurer’s obligation to defend an Insured’s indemnitee and to pay fees and expenses for that indemnitee under Liability Condition II. 3. ends when:
 - i. the Insurer has exhausted the applicable limit of insurance in the payment of judgments and settlements; or
 - ii. the conditions shown in Liability Condition III. 1. a. are no longer met.

2. NOTICE OF AN ACTION, CLAIM, OCCURRENCE OR OFFENCE

- a. The “Named Insured” must notify the Insurer as soon as practicable of any “occurrence” or offence which may result in a claim against this insurance. Notice should include, to the extent possible:
 - i. how, when and where the “occurrence” or offence took place;
 - ii. the names and addresses of any injured persons, organizations and witnesses; and
 - iii. the nature and location of any “bodily or mental injury” or “property damage” arising out of an “occurrence” or of any “personal and advertising injury” arising out of an offence.
- b. If a claim is made or an “action” is brought against any Insured, the “Named Insured” must:
 - i. immediately record the specifics of the claim or “action” and the date received; and
 - ii. provide the Insurer with written notice of the claim or “action” as soon as practicable.
- c. The “Named Insured” and any other Insured involved must:
 - i. immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with the claim or “action”;
 - ii. authorize the Insurer to obtain records and other information;
 - iii. cooperate with the Insurer in the investigation or settlement of the claim or defence against the “action”; and
 - iv. help the Insurer, upon request, in the enforcement of any right against any person or organization which may be liable to the Insured because of “bodily or mental injury”, “property damage” or “personal and advertising injury”.
- d. No Insured, except at the Insured’s own cost, will voluntarily make any payment, assume any obligation or incur any expense, other than for first aid, without the Insurer’s written agreement.

IV. APPLICABLE TO UMBRELLA AND EXCESS LIABILITY INSURANCE

1. APPEAL RIGHTS OF INSURER

If an Insured or an Insured's underlying insurer does not appeal a judgment that exceeds the underlying limit of insurance, this Insurer may make such an appeal at its own cost.

2. DEDUCTIBLE

- a. In the Umbrella Liability Form, if there is no "underlying insurance" applicable to covered liability, the Insurer's obligations:
 - i. to defend an "action", as described in Liability Condition IV.3.; and
 - ii. to pay "net damages",apply only to the sum of:
 - (a) expenses to investigate a claim or defend an "action"; and
 - (b) "net damages"that exceeds any deductible amount for the coverage shown on the "Policy Declarations".
- b. The existence of a deductible amount does not affect the other conditions of this insurance, including those with respect to:
 - i. the Insurer's right and duty to defend any claim or "action" seeking "damages"; and
 - ii. the duties of the "Named Insured" if a claim is made or an "action" is brought against any Insured.

3. DUTY TO DEFEND

- a. The Insurer has no obligation to investigate a claim or defend an "action" until all applicable "underlying insurance" has been exhausted in the payment of judgments or settlements. When the "underlying insurance" is so exhausted, the insurer of such "underlying insurance" will cooperate in the transfer of control to this Insurer of any outstanding claims or "actions" seeking "compensatory damages" or "damages" to which this insurance applies.
- b. When this Insurer assumes the obligation to investigate a claim or defend an "action", the Insurer will pay, without reducing the limit of insurance:
 - i. all expenses incurred by the Insurer;
 - ii. the cost of bonds to release attachments, but only for bond amounts within the applicable limit of this insurance. The Insurer does not have to obtain or issue such bonds;
 - iii. all reasonable expenses incurred by any Insured at the Insurer's request to assist in the investigation or defence of the claim or "action", including actual loss of earnings because of time off work;
 - iv. all costs assessed or awarded against any Insured in the "action" upon that part of the judgment to which coverage applies; and
 - v. any interest accruing:
 - (a) after entry of judgment upon the part of the judgment that is within the applicable limit of this insurance; and
 - (b) before the Insurer has paid, offered to pay or deposited in court the part of the judgment that is within the applicable limit of this insurance.
- c. If a claim is made or an "action" is brought against an Insured outside Canada and the United States of America:
 - i. for which the Insurer is prevented, by law or otherwise, from paying "excess damages" or "net damages" on behalf of the Insured, the Insurer will indemnify that Insured for "excess damages" or "net damages" paid by that Insured to the extent that such "excess damages" or "net damages" are covered by this insurance.
 - ii. for which the Insurer is prevented, by law or otherwise, from fulfilling its right and duty, if applicable, to defend the Insured, that Insured will arrange the defence of the "action". The Insurer will reimburse that Insured for any reasonable and necessary expenses, as described in Liability Condition IV. 3. b., the Insurer would have paid if it had been able to exercise its right and duty to defend.
 - iii. in a jurisdiction where the Insurer has no claim handling facilities, the Insured will undertake, with the consent of the Insurer, all obligations of the Insurer under this insurance. The Insurer will reimburse the Insured for all expenses incurred with the consent of the Insurer, as would otherwise be paid by the Insurer under this insurance.

4. OTHER INSURANCE

- a. If other valid insurance with another insurer is available to an Insured for liability covered by this insurance, this insurance will be excess of the other insurance.
- b. Liability Condition IV. 4. a. does not apply to other insurance which is specifically stated to be excess of this insurance.

5. UNCOLLECTIBLE UNDERLYING INSURANCE

If any "underlying insurance" is uncollectible solely because its insurer is bankrupt, in liquidation or in receivership, this Insurer will be liable only to the same extent as if such "underlying insurance" is collectible.

6. UNDERLYING INSURANCE MAINTENANCE

- a. The "Named Insured" will not cancel, reduce coverage under or allow to lapse any of the "underlying insurance". Reduction in an aggregate limit of insurance due to the payment of claims is not considered a reduction of coverage.
- b. If the "Named Insured" fails to comply with Liability Condition IV. 6. a., the Insurer will be liable only to the same extent as if the "Named Insured" had complied with Liability Condition IV. 6. a.

7. UNDERLYING INSURANCE NON-CONCURRENCY

If the policy period of any "underlying insurance" differs from the policy period of this policy, when determining the reduction of the limit of such "underlying insurance" due to payments for any claim, the following will not be deemed to reduce such "underlying insurance" limit:

- a. if such "underlying insurance" is on a claims-made-and-reported basis, payments for any claim that was first reported to the insurer of the "underlying insurance" before or after the policy period of this policy; or
- b. if such "underlying insurance" is not on a claims-made-and-reported basis, payments for any claim that began to occur before the policy period of this policy.

8. UNDERLYING INSURANCE REDUCTION

If the limits of the "underlying insurance" have been reduced by payments for any claim which took place during the policy period of this policy, this policy will drop down to become immediately excess of the reduced underlying limits, provided all "underlying insurance" applies to such claim and, if excess of the primary insurance, also drops down.

9. UNDERLYING INSURANCE WARRANTIES

Any warranty in the "underlying insurance" that requires specific precautions be taken as a pre-condition of coverage also applies to this insurance.

10. WHEN COVERAGE APPLIES

This insurance does not apply unless and until an Insured or any applicable "underlying insurance" has become obligated to pay the "retained limit". The obligation to pay the "retained limit" will have been previously determined by a final settlement or judgment after an actual trial has taken place or a written agreement has been concluded between that Insured, the claimant and this Insurer.

V. APPLICABLE TO DIRECTORS' & OFFICERS', EMPLOYMENT PRACTICES AND ERRORS & OMISSIONS LIABILITY INSURANCE

1. ARBITRATION

- a. Any dispute between any Insured and the Insurer relating to:
 - i. coverage; or
 - ii. any "claim" to which coverage may apply,will be submitted to binding arbitration in accordance with the applicable legislation in the province or territory of the "Named Insured".
- b. The arbitration panel will consist of one arbitrator selected by the "Named Insured", one arbitrator selected by the Insurer and a third independent arbitrator selected by the two other arbitrators. The expenses of the arbitration will be shared equally by the parties to the dispute.

2. CONCEALMENT OR MISREPRESENTATION

Coverage will be void if the application for insurance contains any misrepresentation or material non-disclosure, but only with respect to:

- a. the person or persons who signed the application; and
- b. any other person who, before the inception date of this policy, knew about the misrepresentation or material non-disclosure.

3. CONSOLIDATION OR MERGER

- a. If, after the effective date of this policy, the "Named Insured" acquires by merger, or consolidates with, or is merged into any other organization, the "Named Insured" must give written notice to the Insurer of the change within 60 days, together with such information as the Insurer may request. The "Named Insured" must pay any additional premium required.
- b. This policy will continue to apply until the end of the current policy period to "wrongful acts" committed before:
 - i. the consolidation or merger of the "Named Insured" with another organization; or
 - ii. more than 50% of the assets of the "Named Insured" are acquired by another organization.
- c. The premium for this policy will be deemed fully earned from the effective date of the consolidation or merger. If the Insurer refuses to insure the "Named Insured" after the consolidation or merger, the "Named Insured" may exercise its rights under 4. EXTENDED REPORTING PERIOD.

4. EXTENDED REPORTING PERIOD

If insurance is provided on a claims-made-and-reported basis and the "Named Insured" or the Insurer cancels or non-renews the insurance for any reason, except non-payment of premium:

- a. the "Named Insured" has the right to either but not both of the following extended reporting periods:
 - i. to give written notice to the Insurer, up to 60 consecutive days after the termination date of the insurance, of a "claim" for any "wrongful act" committed before such termination date; or
 - ii. upon payment of an extra premium equal to 75% of the last annual premium, to give written notice to the Insurer, up to 365 consecutive days after the termination date of the insurance, of a "claim" for any "wrongful act" committed before such termination date.
- b. The entitlement of the "Named Insured" to the extended reporting period described in V. 4. a. ii. will expire unless, within 60 consecutive days after the termination date of the insurance, the Insurer receives:
 - i. a written request from the "Named Insured" to buy the extended reporting period; and
 - ii. payment of the extra premium.
- c. A change to conditions, exclusions or premium will not constitute non-renewal of this insurance.
- d. The extended reporting period described in V. 4. a. ii. is non-cancellable and the extra premium will be considered fully earned.
- e. The aggregate limit of insurance for an extended reporting period will be part of and not in addition to the aggregate limit of insurance for the policy period immediately preceding the termination date of the insurance.

5. LOSS PAYMENT PRIORITY

If the amount of any loss to which this insurance applies exceeds the available limit of insurance, the priority of loss payments will be:

- a. first, "claims" against the Insureds; and
- b. second, all other "claims".

6. NOTICE OF CLAIM OR WRONGFUL ACT

- a. The "Named Insured" must notify the Insurer as soon as practicable of any "wrongful act" that may result in a "claim". Notice should include, to the extent possible:
 - i. how, when and where the "wrongful act" took place; and
 - ii. the names and addresses of any affected persons, organizations and witnesses.
- b. If a "claim" is made against any Insured, the "Named Insured" must:
 - i. immediately record the specifics of the "claim" and the date received; and

- ii. provide the Insurer with written notice of the "claim" as soon as practicable.
- c. The "Named Insured" and any other Insured involved must:
 - i. unless prohibited by law from doing so, immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with the "claim";
 - ii. authorize the Insurer to obtain records and other information;
 - iii. cooperate with the Insurer in the investigation, defence or settlement of the "claim"; and
 - iv. help the Insurer, upon request, in the enforcement of any right against any person or organization which may be liable to the Insured because of the "wrongful act".
- d. No Insured, except at the Insured's own cost, will voluntarily make any payment, assume any obligation or incur any expense without the Insurer's written agreement.

7. WARRANTY

- a. It is warranted that the particulars and statements contained in the written application for this insurance are the basis of this insurance and are to be considered as incorporated in and constituting part of the policy.
- b. The knowledge of the chairman, president, chief executive officer or chief financial officer of the "Named Insured" regarding any circumstance, fact or "wrongful act" will be imputed to the "Named Insured".

SPECIMEN

THIS INSURANCE APPLIES ONLY TO "CLAIMS" OF WHICH THE "NAMED INSURED" FIRST BECOMES AWARE AND REPORTS TO THE INSURER DURING THE POLICY PERIOD OR, IF APPLICABLE, THE EXTENDED REPORTING PERIOD

I. INSURING AGREEMENT

1. The Insurer will pay those sums that an Insured is legally obligated to pay as "damages" because of any "wrongful act" for which an Insured or of any other person for whose acts the Insured is legally liable and to which this insurance applies. The Insurer will have the right and duty to defend that Insured against any "claim" or "action" for such "damages". The Insurer will have no duty to defend that Insured against any "claim" or "action" for "damages" to which this insurance does not apply. The Insurer may, at its sole discretion, investigate any report of a "wrongful act" and settle any such "claim" or "action" that may result.
2. The amount the Insurer will pay as "damages" is limited as described in Section III. LIMITS OF INSURANCE.
3. The Insurer's right and duty to defend ends when the limit of insurance has been exhausted in the payment of judgments or settlements.
4. Except as specifically stated in the Liability Conditions, the Insurer has no other obligation to make payments or undertake acts or services.

II. COVERAGE

1. This insurance applies to "damages" only if a "claim" or "action" seeking "damages" is caused by a "wrongful act" in the "administration" of the "employee benefits program" of the "Named Insured", but only if
 - a. the "wrongful act" is committed on or after the retroactive date and before the end of the policy period; and
 - b. a "claim" or "action" for "damages", because of a "wrongful act" is first made against any Insured, in accordance with Paragraph 2 below during the policy period or any extended reporting period, as described in section VI. EXTENDED REPORTING PERIOD; and
 - c. the "wrongful act" is committed in the "coverage territory".
2. A claim or "action" seeking "damages" will be considered as having been first made or brought at the earliest of the following times:
 - a. When notice of such "claim" or "action" is received and recorded by any Insured or by the Insurer, whichever is first; or
 - b. When written notice from any Insured of a specific "wrongful act" that caused the loss which resulted in such "claim" or "action" is received by the Insurer.

All "claims" or "actions" seeking "damages" for "wrongful acts" sustained by an "employee" because of any "wrongful act" or series of related "wrongful acts", including "damages" claimed by such employee's dependents and beneficiaries, will be deemed to have been made at the time the first of those "claims" or "actions" is made against any Insured.

The retroactive date will be deemed to be the inception date the "Named Insured" first obtained and continuously maintained Employee Benefits Liability insurance. If Employee Benefits Liability insurance has not been continuously maintained, any gap in coverage will terminate the previously established retroactive date and the new retroactive date will be the date the "Named Insured" re-establishes coverage.

3. EXCLUSIONS

For the purposes of this insurance all the exclusions under Section III. EXCLUSIONS APPLICABLE TO ALL COVERAGES of the General Liability Form 916000 apply.

In addition, this insurance does not apply to:

- a. **Available Benefits**
Any "claim" or "action" 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.
- b. **Bodily or Mental Injury, Property Damage or Personal and Advertising Injury**
"Bodily or mental injury", "property damage", or "personal and advertising injury".
- c. **Criminal, dishonest or intentional acts**
"Damages" arising out of any criminal, dishonest, fraudulent, intentional or malicious act, or any "wrongful act" committed by or with the consent or knowledge of any Insured including the willful or reckless violation of any statute.
- d. **Electronic Data and Access or Disclosure of Confidential or Personal Information**
"Damages" arising out of:
 - i. the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data"; or
 - ii. 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.
- e. **Employment-related practices**
"Damages" arising out of any "employment practice". This exclusion applies:
 - i. whether any Insured is liable as an employer or in any other capacity;
 - ii. to any obligation to share "damages" with or repay another who is liable for "damages" because of such "employment practice"; and
 - iii. whether the loss causing event described in the definition of "employment-related practices" occurs before employment, during employment or after employment of that person.
- f. **ERISA**
"Damages" for which any Insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

g. Failure to Perform a Contract

"Damages" arising out of failure of performance of contract by any Insured.

h. Fines, penalties, or taxes

Fines, penalties, or taxes or interest imposed under any federal, provincial, territorial, state or local law.

i. Inadequacy of Performance of Investment or Advice Given with respect to Participation

Any "claim" based upon:

- i. advice given to any person with respect to that person's decision to participate or not participate in any plan included in the "employee benefit program".
- ii. error in providing information on the past performance of any investment; or
- iii. failure of any investment to perform.

j. Insufficient funds

"Damages" arising out of any insufficiency of funds to meet any obligations under any plan included in the "employee benefits program".

k. Obligations under workers' compensation or similar laws

Any "claim" arising out of any Insured's failure to comply with the mandatory provisions of any workers' compensation, disability, employment or unemployment compensation law, or any similar law.

III. LIMITS OF INSURANCE

1. The limits of insurance shown on the "Policy Declarations" for this insurance and the following rules fix the most the Insurer will pay as "damages", regardless of the number of:
 - a. Insureds.
 - b. "Claims" made or "actions brought"; or
 - c. People or organizations making "claims" or bringing "actions", or
 - d. "Wrongful acts"; or
 - e. Plans included in the "Named Insured's" "employee benefit program".
2. The aggregate limit for this insurance is the most the Insurer will pay for damages" because of all "wrongful acts" committed in the "administration" of the "Named Insured's" "employee benefit program".
3. The payment the Insurer makes for "damages" for each "claim" will reduce the amount of the Aggregate Limit.
4. Subject to the Aggregate Limit, the Each Employee Limit is the most the Insurer will pay for all "damages" sustained by any one "employee", including "damages" sustained by such "employee's" dependents and beneficiaries as a result of all "wrongful acts" committed in the "administration" of the "Named Insured's" "employee benefit program".
5. Deductible: The Insurer's obligation to pay "damages" applies only to the amount of such expenses in excess of the deductible amount shown on the "Policy Declarations".

However, the amount paid will not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

The Limits of Insurance 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 "Policy 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.

IV. INSUREDS

The Insureds include the "Named Insured" as designated in the "Policy Declarations" and those who qualify as Insureds pursuant to this section.

If you are designated in the "Policy Declarations" as:

1.
 - a. An individual, you are the "Named Insured" and the "spouse" of the "Named Insured" is an Insured, but only with respect to the conduct of a business of which the "Named Insured" is the sole owner.
 - b. A joint venture, limited liability partnership or partnership, you are the "Named Insured". The members, partners and their spouses are also Insureds but only with respect to the conduct of the business of such joint venture, limited liability partnership or partnership.
 - c. A limited liability company, you are the "Named Insured". The members of the "Named Insured's" limited liability company are also Insureds, but only with respect to the conduct of the business of such limited liability company. The managers of the "Named Insured's" limited liability company are also Insureds, but only with respect to their duties as the "Named Insured's" managers.
 - d. A trust, you are the "Named Insured". The trustees of such trust of the "Named Insured" are also Insureds, but only with respect to their duties as trustees.
 - e. Any organization other than a partnership, limited liability partnership, joint venture or limited liability company, you are the "Named Insured". The "executive officers" and directors of the "Named Insured's" are Insureds, but only with respect to their duties as the "Named Insured's" officers or directors. Shareholders of the "Named Insured" are also Insureds but only with respect to their liability as shareholders.
2. Each of the following is also an Insured:

- a. Each "employee" of the "Named Insured" who is or was authorized to administer the "employee benefit program";
 - b. Any person, organization or "employees" having proper temporary authorization to administer the "Named Insured's" "employee benefit program" if the "Named Insured" dies, but only until the legal representative of the "Named Insured" is appointed;
 - c. The legal representative of the "Named Insured" if you die, but only with respect to duties as such. That representative will have all the "Named Insured's" rights and duties under this insurance.
3. Any organization newly acquired or formed by the "Named Insured", other than a partnership, limited liability partnership, joint venture or limited liability company and of which the "Named Insured" is the sole owner or in which the "Named Insured" maintains the majority ownership interest, will qualify if there is no other insurance which provides similar coverage to that organization. However: Coverage under this provision is afforded only until the 90th day after the "Named Insured" acquires or forms the organization or the end of the policy period, whichever is earlier; and
Coverage under this provision does not apply to any "wrongful act" committed before the "Named Insured" acquired or formed the organization.

V. DEFINITIONS

For the purposes of this insurance the following definitions are added to the General Liability Form 916000, Section VI. DEFINITIONS:

1. "administration" means:
 - a. providing information to an "employee" or the beneficiaries or dependents with respect to eligibility for or scope of "employee benefits programs";
 - b. handling records in connection with the "employee benefit program"; or
 - c. effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".

However, "administration" does not include handling payroll deductions.
2. "claim" means any demand, "action" or notice received by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of a "wrongful act".
3. "employee benefits program" means a program that provides some or all of the following benefits to "employees":
 - a. group plans for life, accident, health (including hearing, vision and dental plans), automobile, homeowners, or legal advice, insurance, and flexible spending accounts provided that no one other than an employee may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plans eligibility requirements;
 - b. pension plan, profit sharing plans, employee savings plans, employee stock ownership plan and employee stock subscription plans, provided that no one other than an employee may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plans for such benefits;
 - c. sick leave entitlement, disability benefits, social security benefits, employment or unemployment insurance, workplace injury benefits;
 - d. "employee" assistance plans, health club subsidy or transportation subsidy, leaves of absence programs, or vacation entitlements, or tuition assistance;
 - e. any other similar benefits available to eligible "employees".
4. "wrongful act" means any negligent act, error, mistake or omission or a series of related acts, errors or omissions negligently committed in the "administration" of the "Named Insured's" "employee benefit program".

For the purposes of this insurance, the "action" and "employee" definitions under Section VI. DEFINITIONS of General Liability Form 916000 are deleted and replaced by the following:

1. "action" means a civil proceeding in which "damages" because of a "wrongful act" to which this insurance applies are alleged. "Action" includes:
 - a. an arbitration proceeding in which such "damages" are claimed and to which the "Named Insured" must submit or does submit with our consent; or
 - b. any other alternative dispute resolution proceeding in which such "damages" are claimed and to which the "Named Insured" submits with the Insurer's consent.
9. "employee" means:
 - a. a person actively employed, formerly employed, on leave of absence or disabled, or retired;
 - b. "employee" includes a leased worker but does not include a temporary worker;
 - c. a leased worker means a person leased to the Named Insured by a labour leasing firm under an agreement between the "Named Insured" and the labour leasing firm, to perform duties related to the conduct of the "Named Insured's" business. A leased worker does not include a temporary worker;
 - d. a temporary worker means a person who is furnished to the "Named Insured" to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

VI. EXTENDED REPORTING PERIOD

For the purposes of this insurance, the following provision is added:

If the "Named Insured" or the Insurer cancels or non-renews the insurance for any reason, except non-payment of premium:

- a. the "Named Insured" has the right to either but not both of the following extended reporting periods:
 - i. to give written notice to the Insurer, up to 60 consecutive days after the termination date of the insurance, of a "claim" for any "wrongful act" committed before such termination date; or
 - ii. upon payment of an extra premium equal to 75% of the last annual premium, to give written notice to the Insurer, up to one year after the termination date of the insurance, of a "claim" for any "wrongful act" committed before such termination date.
- b. The entitlement of the "Named Insured" to the extended reporting period described in a. ii. will expire unless, within 60 consecutive days after the termination date of the insurance, the Insurer receives:
 - i. a written request from the "Named Insured" to buy the extended reporting period; and
 - ii. payment of the extra premium.
- c. A change to conditions, exclusions or premium will not constitute non-renewal of this insurance;

- d. The extended reporting period described in a. ii. is non-cancellable and the extra premium will be considered fully earned;
- e. The aggregate limit of insurance for an extended reporting period will be part of and not in addition to the aggregate limit of insurance for the policy period immediately preceding the termination date of the insurance.

All other terms, conditions, exclusions, and limitations of the policy are unchanged.

SPECIMEN

I. INSURING AGREEMENT

1. The Insurer will indemnify the "Named Insured" for "property damage" to which this form applies, regardless of fault. The "property damage" must arise during the normal course of an Insured's business activities.
2. The amount the Insurer will pay is limited as described in III. LIMIT OF INSURANCE.

II. COVERAGE

1. This form applies to "property damage" to:
 - a. any "elevator"; and
 - b. any tangible property while being loaded onto, carried on or unloaded from such "elevator", but only if such "property damage":
 - i. is not covered by any other part of this policy;
 - ii. is caused by the collision, within the "coverage territory", of such "elevator" or such tangible property with another object; and
 - iii. occurs during the policy period.

2. EXCLUSIONS

This form does not apply to:

a. Asbestos

"Property damage" related to or arising from any actual or alleged liability for any legal remedy of any kind whatsoever (including but not limited to damages, interest, mandatory or other injunctive relief, statutory orders or penalties and legal or other costs or expenses of any kind) in respect of actual or threatened loss, damage, cost or expense directly or indirectly caused by, resulting from, in consequence of or in any way involving asbestos or any materials containing asbestos in whatever form or quantity. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "property damage".

b. Electrical breakdown of external devices

"Property damage" arising directly or indirectly from the breakdown, burning out or disruption of any electrical device which does not form part of an "elevator".

c. Expected or intended damage

"Property damage" expected or intended from the standpoint of any Insured. This exclusion does not apply to "property damage" resulting from the use of reasonable force to protect people or property.

d. Fire

"Property damage" arising from fire, however caused.

e. Fungi or spores

- i. "Property damage" or any other cost, loss or expense incurred by others, arising directly or indirectly from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any "fungi" or "spores" however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, clean up, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of "fungi" or "spores".
- ii. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with II. 2. e. i.
- iii. Any obligation to pay damages, share damages with or repay someone else who must pay damages because of II. 2. e. i. or ii.

Exclusions II. 2. e. i., ii. and iii. apply regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "property damage".

f. Loss of use of owned property

Loss of use of any property any Insured owns.

g. Nuclear risks

- i. Liability imposed by or arising from any nuclear liability act, law or statute, or any amendment to these.
- ii. "Property damage" with respect to which any Insured is also insured under a contract of nuclear energy liability insurance (whether that Insured is unnamed in such contract and whether or not it is legally enforceable by that Insured) issued by the Nuclear Insurance Association of Canada or any other insurer or pool of insurers, or would be an insured under any such contract but for its termination upon exhaustion of its limit of liability.
- iii. "Property damage" resulting directly or indirectly from the "nuclear energy hazard" arising from:
 - (a) the ownership, maintenance, operation or use of a "nuclear facility" by or on behalf of any Insured;
 - (b) the furnishing by any Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; or
 - (c) the possession, consumption, use, handling, disposal or transportation of "fissionable substances" or of other "radioactive material" used, distributed, handled or sold by any Insured.

Exclusions II. 2. g. i., ii. and iii. apply regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "property damage".

h. Pollution

- i. "Property damage" arising from the actual, alleged or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":

- (a) at or from any premises, site or location which is or was at any time owned or occupied by or rented or loaned to any Insured;
- (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 any Insured or any person or organization for whom the "Named Insured" may be legally responsible;
- (d) at or from any premises, site or location on which any Insured or others working directly or indirectly on any Insured's behalf are performing work, if the "pollutants" are brought on or to the premises, site or location in connection with such work by that Insured or others; or
- (e) at or from any premises, site or location on which any Insured or others working directly or indirectly on any Insured's behalf are performing work, if the work is to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effects of "pollutants".
- ii. Any loss, cost or expense arising from any:
 - (a) request, demand, order, statutory requirement or regulatory requirement that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify, 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 damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing or in any way responding to or assessing the effects of "pollutants".
- i. **Property damage otherwise insured**
 "Property damage" for which insurance is provided by any other part of this policy. This exclusion does not apply:
 - i. to the extent that this form is less restrictive in coverage than such other insurance, in which case this form will provide primary insurance for the less restrictive coverage;
 - ii. when the Each Occurrence limit of insurance for this form is greater than the limit of insurance for such other insurance, in which case this form will pay the difference between the limits of insurance; and
 - iii. when the amount of any deductible for this form is less than the amount of the deductible for such other insurance, in which case this form will pay the difference between the deductibles.
- j. **Terrorism**
 "Property damage" arising directly or indirectly, in whole or in part, from:
 - i. "terrorism"; or
 - ii any activity or decision of a government agency or other entity to prevent or respond to or terminate "terrorism".
 Exclusions II. 2. j. i. and ii. apply regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "property damage".
- k. **War**
 "Property damage" arising directly or indirectly, in whole or in part, from war, invasion, act of foreign enemy, hostilities (whether or not war has been declared), 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 "property damage".

III. LIMIT OF INSURANCE

1. The Each Occurrence limit of insurance shown for this form on the "Policy Declarations" is the most the Insurer will pay, regardless of the number of Insureds, for all "property damage" arising from one "occurrence".
2. With respect to "property damage" to property any Insured owns, the basis of valuation will be the least of:
 - a. the cost to repair such property; or
 - b. the cost to replace such property with new property of the same kind and quality.

IV. INSUREDS

The following are Insureds under this form:

1. If the "Named Insured" is:
 - a. An individual:
 - i. the "Named Insured"; and
 - ii. the "spouse" of the "Named Insured", but only with respect to the conduct of a business of which the "Named Insured" is the sole owner.
 - b. A joint venture, limited liability partnership or partnership:
 - i. the joint venture, limited liability partnership or partnership;
 - ii. any member of and partner in such joint venture, limited liability partnership or partnership; and
 - iii. the "spouse" of such member or partner, but only with respect to the conduct of the business of such joint venture, limited liability partnership or partnership.
 - c. An association or limited liability company:
 - i. the association or limited liability company;
 - ii. any member of such association or limited liability company, but only with respect to the conduct of the business of such association or limited liability company; and
 - iii. any "executive officer", director or manager of such association or limited liability company, but only with respect to duties as such.
 - d. A condominium corporation, strata corporation or divided co-ownership syndicate:
 - i. the condominium corporation, strata corporation or divided co-ownership syndicate;
 - ii. any "executive officer" or director of such condominium corporation, strata corporation or divided co-ownership syndicate, but only with respect to duties as such; and
 - iii. any unit owner of such condominium corporation, any strata lot owner of such strata corporation or any private portion owner of such divided co-ownership syndicate, or any tenant of such owner, but only with respect to liability arising from the common property of such condominium corporation, strata corporation or divided co-ownership syndicate.
 - e. A trust:
 - i. the trust; and

- ii. any trustee of such trust, but only with respect to duties as such.
- f. An organization not described in IV. 1. a., b., c., d. or e.:
 - i. the organization;
 - ii. any "executive officer" or director of such organization, but only with respect to duties as such; and
 - iii. any shareholder of such organization, but only with respect to liability as shareholder.
- 2. If a "Named Insured" individual dies:
 - a. any person or organization having lawful temporary custody of the property of that "Named Insured", but only:
 - i. with respect to the maintenance or use of the property; and
 - ii. until a legal representative for that "Named Insured" has been appointed; and
 - b. the legal representative of the "Named Insured", but only with respect to duties as such.
- 3. Any person or organization while acting as the property manager or real estate manager of the "Named Insured".
- 4. Any organization acquired or formed by the "Named Insured" during the policy period over which the "Named Insured" maintains ownership or majority interest, provided:
 - a. such organization is not an association, joint venture, limited liability company, limited liability partnership or partnership;
 - b. no other similar insurance is available to such organization;
 - c. insurance for such organization applies only until the earliest of:
 - i. 90 consecutive days from the date such organization is acquired or formed;
 - ii. such organization is specifically added to this insurance; or
 - iii. the end of the policy period; and
 - d. insurance for such organization does not apply to "property damage" that occurred before the organization's acquisition or formation by the "Named Insured".

V. DEFINITIONS

Wherever used in this form and its conditions and endorsements attached to this policy:

- 1. "action" means a civil proceeding in which "damages" to which this form applies are alleged. "Action" includes:
 - a. an arbitration proceeding to which an Insured must submit or does submit with the Insurer's consent; and
 - b. any other alternative dispute resolution proceeding to which an Insured submits with the Insurer's consent.
- 2. "coverage territory" means anywhere in the world.
- 3. "elevator" means:
 - a. any hoisting or lowering device that:
 - i. connects the floors or landings of a fixed structure; or
 - ii. is used for the inspection, maintenance or repair of motor vehicles;
 - b. any hoist way, housing, pit, runway, shaft or stairway within which such device operates;
 - c. all equipment and machinery used for the operation of such device; and
 - d. doors, gates and openings for entry into or exit from such device.
- 4. "executive officer" means a person holding, at the time of the "occurrence", any of the officer positions created by an organization's charter, constitution, bylaws or other governing document.
- 5. "fissionable substance" means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
- 6. "fungi" includes, but is not limited to:
 - a. any form or type of mould, yeast, mushroom or mildew, whether or not allergenic, pathogenic or toxigenic; and
 - b. any substance, vapour or gas produced by or emitted or arising from any fungi or "spores" or resultant allergens, mycotoxins or pathogens.
- 7. "Named Insured" means:
 - a. any Insured named on the "Policy Declarations"; and
 - b. any organization qualifying as a "Named Insured" under IV. 4. of this form.
- 8. "nuclear energy hazard" means the explosive, radioactive, toxic or other hazardous properties of "radioactive material".
- 9. "nuclear facility":
 - a. means:
 - i. any apparatus designed or used to:
 - (a) sustain nuclear fission in a self-supporting chain reaction; or
 - (b) contain a critical mass of plutonium, thorium and uranium or any one or more of them;
 - ii. any equipment or device designed or used for:
 - (a) separating the isotopes of plutonium, thorium and uranium or any one or more of them; or
 - (b) processing or packaging waste "radioactive material";
 - iii. any equipment or device used for the alloying, fabricating or processing of plutonium, thorium and 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:
 - (a) 25 grams of plutonium or uranium 233 or both; or
 - (b) 250 grams of uranium 235; or
 - iv. any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste "radioactive material".
 - b. includes:
 - i. the site on which any of such apparatus, equipment, device, structure, basin, excavation, premises or place is located;

- ii. all operations conducted on such site; and
 - iii. all premises used for such operations.
10. "occurrence" means an accident, including continuous or repeated exposure to substantially the same harmful conditions.
11. "Policy Declarations" means the policy declarations applicable to this policy for the current policy period, including any attached supplementary pages or schedules.
12. "pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, odour, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
13. "property damage" means:
- a. physical loss of or damage to tangible property, including (except for property any Insured owns) resultant loss of use of that property. The resultant loss of use will be considered to occur at the time of the physical loss or damage that caused it; or
 - b. loss of use of tangible property (except for property any Insured owns) that is not physically lost or damaged. Such loss of use will be considered to occur at the time of the "occurrence" that caused it.
14. "radioactive material" means:
- a. neptunium, plutonium, thorium and uranium, including their derivatives and compounds; or
 - b. radioactive isotopes of other elements and any other substances which may be designated by any nuclear liability act, law or statute or any law amending such act, law or statute as being:
 - i. prescribed substances capable of releasing atomic energy; or
 - ii. required for the application, production or use of atomic energy.
15. "spores" includes, but is not limited to, any reproductive particle or microscopic fragment produced by or emitted or arising from any "fungi".
16. "spouse" means either of two people who:
- a. are married to each other; or
 - b. have lived together in a conjugal relationship outside marriage:
 - i. continuously for a period of not less than 3 years; or
 - ii. in a relationship of some permanence, if they are the natural or adoptive parents of a child.
17. "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 or instilling fear in the public or a section of the public.

This exclusion forms a part of the insurance policy to which it is attached (the "Policy") and is applicable to all liability coverages and endorsements contained in the Policy.

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, defence cost, cost, expense or any other amount, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with a Contagious Disease or the fear or threat (whether actual or perceived) of a Contagious Disease.
2. For the purposes of this exclusion, loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defence cost, cost, expense or any other amount, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test for a Contagious Disease.
3. As used herein, a Contagious 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, 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 transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - 3.3. the disease, substance or agent can cause or threaten bodily injury, illness, emotional distress, damage to human health, human welfare or property damage.

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

**This endorsement changes the coverage provided by:
GENERAL LIABILITY FORM - 916000**

The following is added to Section III., EXCLUSIONS APPLICABLE TO ALL COVERAGES of the General Liability Form.

This insurance does not apply to:

Abuse

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

For the purposes of this insurance the following definition is added to the General Liability Form, Section VI. DEFINITIONS:

"Abuse" means any act or threat involving molestation, harassment, corporal punishment or any other form of physical, sexual or mental mistreatment.

All other terms, conditions, exclusions and limitations of the policy are unchanged.

SPECIMEN

**COSMETIC AND HAIRDRESSING
SERVICES EXTENSION ENDORSEMENT
APESEQ**

**This endorsement modifies insurance provided by:
GENERAL LIABILITY FORM - 916000**

- A. In COVERAGE A. BODILY OR MENTAL INJURY AND PROPERTY DAMAGE LIABILITY, Exclusion 2. p. Professional services does not apply to "bodily or mental injury" or "property damage" arising from:
1. the rendering of or failure to render cosmetic or hairdressing services by the "Named Insured" or by a "subcontractor" acting on behalf of the "Named Insured"; or
 2. any error, omission, malpractice or mistake in providing such cosmetic or hairdressing services.
- B. In addition to the exclusions in COVERAGE A. BODILY OR MENTAL INJURY AND PROPERTY DAMAGE LIABILITY, this insurance does not apply to:

Body piercing
Body piercing, except cosmetic ear or nose piercing performed with a sterilized single-use disposable needle.

Criminal acts
Any criminal act committed by or at the direction of any Insured.

Diet plans and diet supplements
Any weight reduction program that includes the prescription of a diet plan or diet supplements.

Fillers and muscle relaxants
The injection or insertion of botulinum toxin type A or any cosmetic filler or other muscle relaxant into or under the skin.

Growth removal
The use of cutting or any other invasive procedure for the removal or attempted removal of moles, warts or other growths.

Hair implantation or transplantation
The implanting or transplanting of hair.

Intoxicated practitioner
Any service performed by a person who is intoxicated.

Massage
Any type of massage, except:

- a. Facial massage;
- b. Reflexology;
- c. Reiki therapy;
- d. Relaxation massage; or
- e. Body massage performed by a licenced and registered massage therapist.

Tattooing
The insertion of pigment into or below the skin, except permanent facial make-up applied with a sterilized single-use disposable needle.

Uncertified or unlicensed practitioner
Any service that is required by law, ordinance or regulation to be performed by a certified or licenced practitioner being performed by an uncertified or unlicensed practitioner.

- C. 1. The aggregate limit of insurance shown for this endorsement in the "Policy Declarations" is the most the Insurer will pay under coverage II. A. for "damages" because of "bodily or mental injury" or "property damage" arising from:
- a. the rendering of or failure to render cosmetic or hairdressing services by the "Named Insured" or by a "subcontractor" acting on behalf of the "Named Insured"; and
 - b. any error, omission, malpractice or mistake in providing such cosmetic or hairdressing services.
2. a. If the policy period shown on the "Policy Declarations" is 12 months or less, the aggregate limit is the most the Insurer will pay during the policy period; or
- b. if the policy period shown on the "Policy Declarations" is more than 12 months, the aggregate limit is the most the Insurer will pay during each consecutive 12-month period within the policy period, starting from the beginning of the policy period; and
 - c. if the policy period shown on the "Policy Declarations" is extended after issuance of the policy, the additional period will be considered part of the immediately preceding policy period for the purpose of determining the applicable aggregate limit.

All other terms, conditions, exclusions and limitations of the policy are unchanged.

Q.P.F.No.6
QUEBEC AUTOMOBILE
INSURANCE POLICY (NON-OWNED FORM)
(Including Q.E.F. 6-94, 6-96 and 6-99)
Approved by the Autorité des marchés financiers
916110-01

DECLARATIONS

1 Full name and address of the Insured

Insured is: **As shown on the "Policy Declarations"**
(state whether Individual, Partnership, Corporation, Association, etc.)

2 Contract Period As shown on the "Policy Declarations"

From: To:
12.01 a.m. Standard time at the Insured's address stated above as to each of said dates.

3 The automobiles in respect of which insurance is to be provided are those not owned in whole or in part by, nor registered in the name of the Insured, used in the Insured's business of: As shown on the "Policy Declarations"

4 Insured's employees, shareholders, officers, members, partners or mandatories as of the date of the application

RELATIONSHIP TO INSURED	Employees, shareholders, officers, members or partners who regularly use automobiles not owned by the insured in his business					
	(Class "A1" Private Passenger)			(Class "A2" Commercial)		
	Number	Rate	Premium	Number	Rate	Premium
	Covered - to be reported if any					
	All other employees, officers, shareholders, members or partners					
	(Class "B")					
	Number	Rate	Premium			
	Covered - to be reported if any					
	Mandatories of Insured					
	(CLASS "C")					
Number	Rate	Premium				
Covered - to be reported if any						

5 "Hired automobiles" - the automobiles hired by the applicant are as follows:

Type of automobile	
Estimated cost of hire	
Rates per \$100 of cost of hire	
Advance premium	
Covered - to be reported if any	
The advance premium is subject to adjustment at the end of the policy period as provided in the policy.	

6 "Automobiles operated under contract" on behalf of the applicant are as follows:

Type of automobile and description of use	
Estimated contract cost	
Rates per \$100 of contract cost	
Advance premium	
Covered - to be reported if any	
The advance premium is subject to adjustment at the end of the policy period as provided in the policy.	

7 Insurance is hereby provided against the perils mentioned in this item for which a premium is specified and upon the terms and conditions of this contract and subject to the following amount.

Insuring Agreement	Section A – Civil Liability
Perils	Bodily injury to or death of others or damage to their property
Amount	\$ As shown on the "Policy Declarations" (exclusive of interest, expenses and costs) for loss or damage resulting from bodily injury to or the death of one or more persons, and for loss or damage to property regardless of the number of claims arising from any one accident.
Premium	\$ As shown on the "Policy Declarations"
Endorsements:	As shown on the "Policy Declarations"
Premium Due Date	As shown on the "Policy Declarations"
Total Premium \$	\$ As shown on the "Policy Declarations"

8 Important statements for underwriting the risk: As shown on the "Policy Declarations"

9 Notice

Agent or Broker: **As shown on the "Policy Declarations"**

At: **As shown on the "Policy Declarations"**

INSURING AGREEMENT

Now, therefore, subject to the limits, terms and conditions, provisions, definitions and exclusions herein stated:

SECTION A – CIVIL LIABILITY

The Insurer agrees to indemnify the Insured, the Insured's succession or legal representatives against the pecuniary consequences of civil liability the Insured may incur for loss or damage arising from the use or operation in the business described in the Declarations of any automobile not owned (in whole or in part) by or registered in the name of the Insured, and resulting from bodily injury to or death of others or damage to property of others not in the care, custody or control of the Insured. However, where the loss exceeds the amounts of insurance, the indemnity shall be applied first to the pecuniary consequences of civil liability incurred by the Named Insured.

EXCLUSIONS

The Insurer shall not be liable under this section:

- (1) except where the Automobile Insurance Act does not apply, for bodily injury or death covered under the said Act, the Act respecting industrial accidents and occupational diseases or the Crime Victims Compensation Act;
- (2) for any liability which arises from the use or operation of any automobile while personally driven by the Insured if the Insured is an individual;
- (3) for any liability imposed by any workmen's compensation law upon any person insured by this section;
- (4) for loss or damage sustained by the Insured or any employee, shareholder, officer, member, partner or mandatory of the Insured while engaged in the business of the Insured, except as provided under a Direct Compensation Agreement established in accordance with the aforementioned Automobile Insurance Act;
- (5) for any liability assumed voluntarily by any person insured by this section under any contract or agreement;
- (6) for loss or damage to property carried in or upon an automobile personally driven by any person insured by this section or to any property owned or rented by, or in the care, custody or control of any such person;
- (7) for any sum in excess of the amount stated in section A of Item 7 of the Declarations, and expenditures provided for in the Additional Agreements of this section, irrespective of the number of persons or interests insured;
- (8) for any loss or damage resulting from bodily injury to or death of any person or damage to property arising out of a nuclear energy hazard and in excess of the compulsory amount of liability insurance prescribed by the Automobile Insurance Act or the Act respecting off-highway vehicles, depending on the type of vehicle involved.

See also General Provisions, Definitions, Exclusions and Conditions.

ADDITIONAL AGREEMENTS

Where indemnity is provided by this section the Insurer further agrees:

- (1) immediately upon receipt of notice of loss, to serve any person insured by this section by such investigation thereof, or by such transactions with the claimant, or by such settlement of any resulting claims, as may be deemed expedient by the Insurer;
- (2) to take up the interest of any person entitled to the benefit of the insurance and assume his defense in any action which may be brought against him;
- (3) to bear, over and above the proceeds of the insurance, costs and expenses resulting from actions against the Insured, including those of the defense, and interest on the proceeds of the insurance;
- (4) if the injury is to a person, to reimburse any person insured by this section for expenses incurred for such medical aid as may be immediately necessary at the time of such injury;
- (5) to be liable up to the minimum amount(s) of liability insurance prescribed by any legislation respecting Automobile Insurance and applying in that province or territory of Canada or in that State of the United States of America in which the accident occurred, if that amount(s) is higher than the amount(s) stated in section A of Item 7 of the Declarations;
- (6) not to set up any defense to a claim that might not be set up if the policy were a motor vehicle liability policy issued in the province or territory of Canada or in the State of the United States of America in which the accident occurred.

AGREEMENTS OF INSURED

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

- (a) empowers the Insurer as their representative to appear and defend in any province or territory of Canada or in any State of the United States of America in which action is brought against the Insured arising out of the use or operation of an automobile with respect to which insurance is provided hereunder;
- (b) renounces his right to unilaterally revoke such mandate;
- (c) shall reimburse the Insurer, upon demand, in the amount which the Insurer has paid by reason of the provisions of any statute relating to automobile insurance and which the Insurer would not otherwise be liable to pay under this section.

GENERAL PROVISIONS, DEFINITIONS AND EXCLUSIONS

1. TERRITORY

Unless extended by endorsement, insurance provided by this contract applies only within Canada, the United States of America and upon a vessel and/or aircraft serving ports or airports of those countries.

2. PERSONNEL OF OTHER GARAGES EXCLUDED

No person who is engaged in a garage business, shall be entitled to indemnity or payment under this contract for any loss, damage, injury or death sustained while using, operating or working upon the automobile in the course of that business or while so engaged is an occupant of or enters or gets onto or alights from such automobile, unless the person is the Insured or the Insured's employee, shareholder, member, partner or mandatory or is actually driving the automobile in Quebec

3. DEFINITIONS

In this policy:

- (a) The term **automobiles operated under contract** shall mean automobiles operated in the business of the Insured stated in Item 3 of the Declarations where the complete supervision, direction and control of such automobiles remain with the owner thereof, but shall not include any automobile owned in whole or in part by or registered in the name of the Named Insured or any employee, shareholder, officer, member, partner or mandatory of the Insured.

- (b) The term **garage business** includes any business involving the custody, selling, equipping, repairing, maintaining, storing, parking, moving or servicing of automobiles.
- (c) The term **hired automobiles** means automobiles hired or leased from others with or without drivers, used under the control of the Insured in the business stated in Item 3 of the Declarations but shall not include any automobile owned in whole or in part by or registered in the name of the Named Insured or any employee, shareholder, officer, member, partner or mandatory of the Insured.
- (d) The words **nuclear energy hazard** mean the radioactive, toxic, explosive or other hazardous properties of prescribed substances under the Atomic Energy Control Act (Canada).

4. TWO OR MORE AUTOMOBILES

- (a) When two or more automobiles are insured hereunder the terms of this contract shall apply separately to each, but a motor vehicle and one or more trailer or trailers or semi-trailers attached thereto shall be held to be one automobile with respect to the amounts of insurance under section A. Where two or more automobiles are insured under one or more contracts issued by the same insurer, only one amount of insurance, the highest, shall apply in the event of loss under section A.
- (b) If section B is included in this policy through endorsement Q.E.F. NO. 6-94, Civil Liability for damage to hired automobiles and/or automobiles operated under contract, such automobiles shall be held to be separate automobiles with respect to the amount(s) of insurance, including any deductible provisions, under section B.
- (c) Section A shall apply to the Insured's liability for damage caused to a non-owned trailer, other than a trailer designed or used to carry passengers or for demonstration, sale, office or dwelling purposes, while:
 - (i) attached to an automobile of the private passenger type insured under said section;
 - (ii) not attached to any other vehicle, provided such trailer is generally attached to an automobile of the private passenger type insured under said section.

Automobile of the private passenger type: commercial vehicles of 4,500 kgs (10,000 lbs) gross vehicle weight or less while used for private or pleasure purpose shall be deemed to be of the private passenger type.

5. ADDITIONAL INSURED

This contract also insures every employee, shareholder, officer, member, partner or mandatory of the Named Insured, who, with the consent of the owner of the automobile involved:

- (a) and in the business of the Named Insured stated in Item 3 of the Declarations, personally drives any automobile not owned in whole or in part by or registered in the name of (1) the Named Insured, or (2) such additional insured person, or (3) any person having the same domicile as the Named Insured or such additional insured person;
- (b) any automobile rented or hired in the name of the Named Insured and not owned in whole or in part by or registered in the name of such additional insured person.

6. PREMIUM ADJUSTMENT

The advance premiums stated in Items 5 and 6 of the Declarations and in Q.E.F. NO. 6-94, if applicable, are computed on the estimated total "cost of hire" or "contract cost", as the case may be, for the contract period. The words "cost of hire" as used herein mean the entire amount incurred for "hired automobiles" and drivers when such automobiles are hired with drivers or the amount incurred for hired automobiles and the wages paid to drivers when such drivers are employees of the Insured. The words "contract cost" as used herein mean the entire amount paid by the Insured for "automobiles operated under contract" to the owners thereof.

The advance premiums are subject to adjustment at the end of the contract period when the Insured shall deliver to the Insurer a written statement of the total amounts expended for "cost of hire" and "contract cost" during the contract period based on the provisions contained in Q.E.F. NO. 6-100, Final adjustment of premium computation statement.

7. AUDIT

Provided the Insured has authorized the Insurer in writing, the Insurer may at any time during regular business hours and upon fourteen days' prior notice examine the books and records of the Insured insofar as they relate to the subject matter of the contract.

8. CROSS LIABILITY

Every Named Insured sustaining loss or damage because of another Named Insured shall, in respect of such loss or damage, be deemed to be a third party under this contract; provided that this provision shall not operate to increase the limit of the Insurer's liability.

9. EXCLUDED USES

Unless coverage is indicated in the Declarations or expressly given by an endorsement, the Insurer shall not be liable under this contract while:

- (a) the automobile is rented or leased to another;
- (b) the automobile is used to carry explosives, or to carry radioactive material for research, education, development or industrial purposes, or for purposes incidental thereto;
- (c) the automobile is used as a taxicab, bus, livery or sightseeing conveyance.

CONDITIONS

This contract is subject to the Civil Code of Quebec, the Code of Civil Procedure of Quebec, the Automobile Insurance Act and its regulations and the Act respecting off-highway vehicles if applicable.

1. REPRESENTATION OF RISK

The client, and the Insured if the Insurer requires it, is bound to represent all the facts known to him which are likely to materially influence an insurer in the setting of the premium, the appraisal of the risk or the decision to cover it, but he is not bound to represent facts known to the Insurer or which from their notoriety he is presumed to know, except in answer to inquiries. The client means the person submitting an insurance application.

2. MATERIAL CHANGE IN RISK

The Insured shall promptly notify the Insurer of any change that increases the risks stipulated in the policy and that results from events within his control if it is likely to materially influence an insurer in setting the rate of the premium, appraising the risk or deciding to continue to insure it.

On being notified of any material change in the risk, the Insurer may, under Condition 21, cancel the contract or propose, in writing, a new rate of premium. Unless the new premium is accepted and paid by the Insured within thirty days of the proposal, the policy ceases to be in force.

If the Insurer continues to accept the premiums or if he pays an indemnity after a loss, he is deemed to have acquiesced in the change notified to him.

3. MISREPRESENTATIONS OR CONCEALMENT

Section A of the policy may be nullified at the instance of the Insurer where the Insured or the client has misrepresented or concealed relevant facts mentioned in Condition 1 and in the first paragraph of Condition 2 which are likely to materially influence a reasonable insurer in the decision to cover the risk. Unless such misrepresentation or concealment is established, the Insurer remains liable towards the Insured for such proportion of the indemnity as the premium he collected bears to the premium he should have collected.

Section B of endorsement Q.E.F. NO. 6-94 may be nullified at the instance of the Insurer where the Insured or the client has misrepresented or concealed relevant facts mentioned in Condition 1 and in the first paragraph of Condition 2 which are likely to materially influence a reasonable insurer, even in respect of losses not connected with the risk so misrepresented or concealed. Unless the bad faith of the Insured or the client is established or unless it is established that the Insurer would not have covered the risk if he had known the true facts, the Insurer remains liable towards the Insured for such proportion of the indemnity as the premium he collected bears to the premium he should have collected.

4. BREACH OF WARRANTY

A breach of warranty aggravating the risk suspends the coverage. The suspension ceases upon the acquiescence of the Insurer or the remedy of the breach.

5. PROHIBITED USE

The Insured shall not drive or operate the automobile nor permit the use of the automobile by others:

- (a) unless the driver is for the time being authorized by law or qualified to drive or operate the automobile, or while he is under 16 years of age or under such other age as is prescribed by law to drive an automobile;
- (b) or any illicit trade or transportation;
- (c) in any race or speed test.

6. INSPECTION OF AUTOMOBILE

The Insurer shall be permitted at all reasonable times to inspect the automobile and its equipment.

7. NOTICE OF LOSS

The Insured shall notify the Insurer of any loss which may give rise to an indemnity, as soon as he becomes aware of it.

Any interested person may give such notice.

The failure to fulfill the obligation set out in the preceding paragraph entails forfeiture of the right to indemnity where such failure has caused prejudice to the Insurer.

8. INFORMATION TO BE PROVIDED

At request of the Insurer, the Insured shall inform the Insurer as soon as possible of all the circumstances surrounding the loss, including its probable cause, the nature and extent of the damage, the location of the insured property, the rights of third parties, and any concurrent insurance; he shall also furnish him with vouchers and swear or warrant to the truth of the information.

Where, for a serious reason, the Insured is unable to fulfil such obligation, he is entitled to a reasonable time in which to do so. If the Insured fails to fulfil his obligation, any interested person may do so on his behalf.

In addition, the Insured shall forthwith send to the Insurer a copy of any notice, letter, summons or proceeding received in connection with a claim.

9. DECEITFUL REPRESENTATION

Any deceitful representation relating to a loss entails the loss of the right of the person making it to any indemnity in respect of the risk to which the representation relates.

However, if the occurrence of the event insured against entails the loss of both property for occupational use and personal property, forfeiture is incurred only with respect to the class of property to which the representation relates.

10. ABANDONMENT, SAFEGUARDING AND EXAMINATION OF PROPERTY

The Insured may not abandon the damaged property if there is no agreement to that effect with the Insurer.

The Insured shall facilitate the salvage and inspection of the insured property by the Insurer. He shall, in particular, permit the Insurer and his representatives to visit the premises and examine the insured automobile and its equipment.

In addition, the Insured shall at the expense of the Insurer, and as far as reasonably possible, protect the automobile from further loss or damage, and any such further loss or damage accruing directly or indirectly from a failure to protect shall not be recoverable hereunder. No repairs shall be undertaken or any physical evidence of the loss or damage removed without the written consent of the Insurer, except such repairs as are immediately necessary for the protection of the automobile from further loss or damage, or until the Insurer has had a reasonable time to make the examination provided for in Condition 6.

11. ADMISSION OF LIABILITY AND COOPERATION

No transaction made without the consent of the Insurer may be set up against him.

The Insured shall not admit any liability nor settle or attempt to settle any claim, except at his own cost.

The Insured shall cooperate with the Insurer in the processing of all claims.

12. VALUATION AND MANNER OF PAYMENT

The Insurer shall not be liable beyond the actual cash value of the automobile at the time any loss or damage occurs, and the loss or damage shall be ascertained or estimated with proper deduction for depreciation, however caused, and shall in no event exceed what it would cost to repair or replace the automobile or any part thereof with material of like kind and quality provided that in the event of any part of the automobile being obsolete and out of stock, the liability of the Insurer in respect thereof shall be limited to the value of original equipment manufacturer parts at the time of loss or damage not exceeding the manufacturer's latest list price.

For the purposes of the above coverage, the value of damages caused to the automobile shall be based on original equipment manufacturer parts where the age of the automobile and mileage are less than two (2) years and forty thousand kilometres (40,000 km), or less than one (1) year in the case of an automobile used for commercial purposes.

Where the age and mileage are greater, such value may be based on similar automobile parts. However, the Insured may opt for original equipment manufacturer parts, if available, by communicating such option to the Insurer at the time of the notice of loss. The Insurer shall then specify the applicable conditions and additional costs that the Insured shall assume as a result of such option.

In the event of a total or constructive total loss, the Insurer agrees, at the option of the Insured and subject to supporting evidence, to cover reasonable expenses incurred to restore the automobile to the same condition as it was before the loss.

Except where an arbitration has been made and subject to the rights of preferred and hypothecary creditors, the Insurer, instead of making payment, may, within a reasonable time, repair, rebuild or replace the property damaged or lost with other of like kind and quality, giving written notice of its intention to do so within seven days after the receipt of the proofs of loss.

In all cases, the salvage, if any, shall revert to the Insurer.

13. ARBITRATION

Arbitration may take place in the event of a disagreement as to the nature, extent or amount of the loss or damage, or the adequacy of the repairs or the replacement, and independently of all other questions respecting the validity of the contract.

The party seeking arbitration must notify the other party of his intention in writing, specifying the matter in dispute. The Insured's request for arbitration must be granted. The Insurer's request for arbitration may be granted subject to the Insured's consent.

If the Insured requests arbitration, the Insurer must send the Insured an acknowledgement of receipt no later than 15 clear days after receipt of this notice. If the Insurer so requests, the Insured must confirm acceptance or refusal within the same amount of time.

Each party shall name an expert and the two experts shall work jointly to estimate the damage (establishing the actual cash value and the damage separately) or to assess the adequacy of the repairs or the replacement. Failing to agree, they shall submit their differences to a disinterested arbitrator they have appointed.

If either party fails to appoint an expert within 30 clear days of the date of the notice or if the experts fail to agree upon an arbitrator within 15 days of their appointment, or if an expert or the arbitrator refuses to act or is unavailable, the vacancy thus created must be filled, on the request of one of the parties, by a court with jurisdiction in the place of the arbitration.

Notwithstanding the arbitration procedure and if the validity or application of the contract is not being contested, the Insurer shall pay the uncontested portion of the damage amount. This payment must be made no later than 60 days after receipt of notice of loss or receipt of the information or supporting documents required by the Insurer.

Subject to this clause, the arbitration shall follow the procedure in sections 940 to 951.2 of the Code of Civil Procedure of Quebec, taking into account any required modifications. In accordance with section 944.1 of this Code, the arbitration may proceed according to a procedure determined by the arbitrator, insofar as this procedure does not contravene the above sections. The place of the arbitration proceedings shall be held at a place in accordance with the domicile of the Insured.

The arbitrator shall settle the dispute in accordance with the applicable laws in the province of Quebec. The arbitrator and the parties may use the language of their choice during the arbitration proceedings. Measures must be taken to ensure that all the participants understand the language used.

The arbitration award shall be made in writing by the arbitrator. It must indicate the date and place where it has been made. It must state the reasons on which it is based and be signed by the arbitrator, then sent to the parties within 30 days of the date on which it has been made.

Each party shall pay the expenses and fees of its expert and half the fees and expenses of the arbitration proceedings. The arbitrator is authorized to award the fees and expenses of the arbitration if he deems that the sharing method established by this clause is not justified or fair for each of the parties in the circumstances.

14. NON-WAIVER

Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of this contract by any act relating to arbitration or to the delivery and completion of proofs of loss, or to the investigation or adjustment of the claim.

15. TIME OF PAYMENT

Claims under Section B shall be paid within sixty days after receipt of notice of loss or of information or proof of loss required by the Insurer or, where an arbitration is held, within fifteen days after award is accepted by the Insured.

16. CONTINUATION OF COVERAGE

Coverage is maintained after a loss.

17. PRESCRIPTION

Every action against the Insurer under this contract is prescribed by three years from the date the right of action has arisen.

18. SUBROGATION

The Insurer shall be subrogated to the extent of the amount paid under this contract to the rights of the Insured against persons responsible for the loss except when they are members of the Insured's household.

The Insurer may be fully or partly released from his obligation towards the Insured where, owing to any act of the Insured, he cannot be so subrogated.

19. OTHER LIABILITY INSURANCE

Insurance under a contract evidenced by a valid owner's policy is, in respect of liability arising from or occurring in connection with the ownership, use or operation of an automobile owned by the Insured named in the policy and within the description or definition thereof in the policy, a first loss insurance, and insurance attaching under any other valid motor vehicle liability policy is excess insurance only. However, insurance evidenced by a valid garage policy, not describing the specific automobile(s) insured, shall in respect to non-owned or customers' automobiles while being used, operated or worked upon in the course of the policyholder's business as a garage be a first loss insurance and insurance attaching under any other valid motor vehicle policy shall be excess insurance only.

20. RENEWAL OF CONTRACT

This contract shall be renewed of right, for the same premium and for the same period, at expiry, unless notice to the contrary is given by the Insurer or the Insured; if given by the Insurer, the notice of non-renewal or of a change in the premium must be sent to the Insured, at his last known address, not later than the thirtieth day preceding the date of expiry, counting that date.

Where the Insured deals through a broker, the notice provided for in the first paragraph is sent by the Insurer to the broker, the latter being entrusted to remit it to the Insured.

21. CANCELLATION

This contract may be cancelled at any time:

- by each of the Named Insureds giving mere written notice to the Insurer. Cancellation takes effect upon receipt of the notice by the Insurer and the Insured shall therefore be entitled to a refund of the excess of the premium actually paid over the premium earned for the time the contract has been in force, on the basis of the SHORT RATE CANCELLATION TABLES in the Policy Conditions;
- within sixty days after its coming into force, by the Insurer giving written notice to each Named Insured. Cancellation takes effect fifteen days following receipt of such notice by the Named Insured at his last known address.

At the expiry of such period of sixty days, the contract shall not be cancelled by the Insurer except in the case of an aggravation of risk which is likely to materially influence a reasonable insurer in the decision to continue to insure, or when the premium has not been paid. The Insurer so wishing to cancel the contract shall notify each Named Insured in writing; cancellation takes effect thirty days following receipt of such notice by the Named Insured at his last known address or, if the Described Automobile, with the exception of a school bus, is an automobile contemplated in Title VIII.1 of the Highway Safety Code, fifteen days after receipt of the notice.

The Insurer shall refund the excess of the premium actually paid over the earned premium computed on a day to day basis.

Where one or more of the Named Insureds have been mandated to receive or send the notices provided for under paragraph (a) or (b) above, notices sent or received by them shall be deemed to have been sent or received by all Named Insureds.

In this Condition, the words **premium actually paid** mean the premium actually paid by the Insured to the Insurer or its agent, but do not include any premium or part thereof paid to the Insurer by an agent unless actually paid to the agent by the Insured.

22. NOTICE

Any notice to the Insurer may be sent by any recognized means of communication to the Insurer or its authorized representative. Notice may be given to the Named Insured by letter personally delivered to him or by mail addressed to him at his last known address.

Q.E.F. NO. 6-94 CIVIL LIABILITY RESULTING FROM DAMAGE TO HIRED AUTOMOBILES AND/OR AUTOMOBILES OPERATED UNDER CONTRACT ENDORSEMENT

In consideration of the premium herein stated, the Insurer agrees to indemnify the Insured against the pecuniary consequences of the contractual or extra contractual liability of the Insured for loss of or damage to "hired automobiles" or "automobiles operated under contract", as defined in General Provisions, Definitions and Exclusions of the policy to which this endorsement is attached, including their equipment, caused by such of the perils described herein for which a premium is specified.

INSURING AGREEMENT		PERILS		AMOUNTS	DEDUCTIBLE	Type of Automobile	Estimated Cost of Hire	Rate Per \$100	Advance Premium
Civil liability resulting from damage to hired automobiles and/or automobiles operated under contract	SUBSECTIONS	1.	All Perils	\$ As shown on the "Policy Declarations" (exclusive of interests and costs) any one accident)	\$ As shown on the "Policy Declarations"		\$		\$
		2.	Collision Or Upset	\$ Not Applicable (exclusive of interests and costs) any one accident)	\$		\$		\$
		3.	Comprehensive	\$ Not Applicable (exclusive of interests and costs) any one accident)	\$		\$		\$
		4.	Specified Perils	\$ Not Applicable (exclusive of interests and costs) any one accident)	\$		\$		\$

Subsection 1 – ALL PERILS**Subsection 2 – COLLISION OR UPSET**

Collision includes collision with (a) a vehicle to which the automobile is attached and (b) the surface of the ground.

Upset means the total or partial upset of the automobile.

Subsection 3 – COMPREHENSIVE meaning any peril other than collision or upset

For the purpose of Subsection 3, 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 caused by perils for which insurance is provided under Subsection 3. In addition, coverage under Subsection 3 is extended to include loss or damage caused by collision with a person or with an animal.

Subsection 4 – SPECIFIED PERILS – meaning fire, lightning, theft or attempted theft, explosion, earthquake, windstorm, hail, rising water, riot or civil commotion, falling or forced landing of aircraft or of parts of aircraft, 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

The Insured shall be required to contribute the deductible amount stated in the Declarations with respect to loss or damage insured under section B, except for loss or damage by fire or lightning, in any one occurrence.

EXCLUSIONS

The Insurer shall not be liable for loss or damage:

- (1) to any automobile while personally driven by the Named Insured if the Named Insured is an individual;
- (2) (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 explosion within the combustion chamber, unless the loss or damage is coincident with other loss or damage covered by such subsection or is caused by fire, theft or malicious mischief covered by such subsection;
(b) to any automobile while being used without the consent of the owner thereof;
(c) to contents of trailers;
(d) to tapes and equipment for use with a tape player or recorder, or to compact discs, unless such tapes, equipment or discs are in the tape player, recorder or disc player;
(e) caused directly or indirectly by bombardment, invasion, civil war, insurrection, rebellion, revolution, military or usurped power, or by operation of armed forces while engaged in hostilities, whether war be declared or not.
- (3) under Subsections 3 and 4 for loss or damage caused by theft by anyone whose domicile is the same as the Insured's, or by any employee of the Insured engaged in the operation, maintenance, repair, servicing or parking of the automobile whether the theft occurs in the course of such service or employment or not.

ADDITIONAL AGREEMENTS

- (1) Where loss or damage arises from a peril insured against hereunder, the Insurer further agrees to pay general average and salvage charges, and customs duties of Canada or of the United States of America, for which the Insured is civilly liable.
- (2) The Insurer further agrees to bear any fees the Insured is charged by a municipality under the Act respecting municipal taxation for the use of its fire protection service when the fire department is called to prevent or fight fire in the automobile.
- (3) The Additional Agreements under Section A shall, insofar as they are applicable to the subject matter of this endorsement, extend to the indemnity provided herein.

The advance premiums for this endorsement are subject to adjustment in the same manner as those stated under Items 5 and 6 of the Declarations.

All other terms and conditions of the contract remain the same.

Q.E.F. No. 6-96
CONTRACTUAL LIABILITY ENDORSEMENT

In consideration of a premium of \$ **Included** it is hereby understood and agreed that exclusion (5) of section A of the policy is amended to read as follows:

- (5) For any liability assumed voluntarily by any person insured by this policy under any contract or agreement other than those stated below:
Date(s) of contract(s): Any written contract, provided the 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 occurs after the execution of such contract.
Name(s) of other contracting party or parties: Any person or organization.

All other terms and conditions of the contract remain the same.

Q.E.F. No. 6-99
EXCLUDING LONG TERM
LEASED VEHICLE ENDORSEMENT

In consideration of the premium for which this policy is issued, it is understood and agreed that clause 3 of the General Provisions, Definitions and Exclusions of the policy is hereby amended to read as follows:

3. DEFINITIONS

(a) The term **hired automobiles** means:

- (i) automobiles hired or leased from others with drivers;
- (ii) hired or leased by the Named Insured from others without driver for periods not exceeding 30 days, used under the control of the Insured in the business stated in Item 3 of the Declarations but shall not include any automobile owned in whole or in part by or registered in the name of the Insured or any employee, shareholder, officer, member, partner or mandatory of the Insured.

All other terms and conditions of the contract remain the same.

SPECIMEN