

Wordings

PMA Property 07/21

It is understood and agreed that the wording group named PMA Property 07/21 includes the following forms:

13300-3	General Conditions
13301-3	Data Exclusion
13400-3	Insurance Agreements
13401-2	Commercial Building, Equipment and Stock – Broad Form
13405	Comprehensive Property Extension Endorsement
13425	Property Occurance Deductible Endorsement
13433-3	Sewer Back-up Endorsement
13436-2	Replacement Cost Endorsement
13456-2	Theft Exclusion
13493-2	Illegal Drug Operations Exclusion
13606-2	Extended Business Income Interruption Insurance – Profits
13705V5	Commercial Crime Form
GA002508-1	Cyber Risk Exclusion
GA10005	Short Rate Cancellation Table
GA10006	Cannabis Exclusion
GA13433	Check Valve Warranty
LMA5393	Communicable Disease Exclusion
S10012-1	Common Exclusions

GENERAL CONDITIONS

This policy is subject to the Civil Code of the Province of Quebec

Reference to Civil Code articles in some instances is for easier reading only and should not be construed as exact quotations.

For all coverages except where inapplicable.

1. STATEMENTS

1.1 Representation of risk (Article 2408)

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

The client means the person submitting an insurance application.

1.2 Material change in risk (Articles 2466 and 2467)

The Insured shall promptly notify the Insurer of any change that increases the risks stipulated in the policy and that results from events within his control if it is likely to materially influence an Insurer in setting the rate of the premium, appraising the risk or deciding to continue to insure it.

On being notified of any material change in the risk, the Insurer may cancel the contract or propose, in writing, a new rate of premium. Unless the new premium is accepted and paid by the Insured within 30 days of the proposal, the policy ceases to be in force.

1.3 Misrepresentations or concealment (Articles 2410, 2411 and 2466)

Any misrepresentation or concealment of relevant facts mentioned in section 1.1 and in the first paragraph of section 1.2 by the client or the Insured nullifies the contract at the instance of the Insurer, even in respect of losses not connected with the risk so misrepresented or concealed.

Unless the bad faith of the client or of the Insured is established or unless it is established that the Insurer would not have covered the risk if he had known the true facts, the Insurer remains liable towards the Insured for such proportion of the indemnity as the premium he collected bears to the premium he should have collected.

1.4 Warranties (Article 2412)

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

2. GENERAL PROVISIONS

2.1 Insurable interest (Articles 2481 and 2484)

(Applicable to property insurance only)

A person has an insurable interest in a property where the loss or deterioration of the property may cause him direct and immediate damage. It is necessary that the insurable interest exist at the time of the loss but not necessary that the same interest have existed throughout the duration of the contract. The insurance of a property in which the Insured has no insurable interest is null.

2.2 Changes (Article 2405)

The terms of this policy shall not be waived or changed except by endorsement.

2.3 Assignment (Articles 2475 and 2476)

This policy may be assigned only with the consent of the Insurer and in favour of a person who has an insurable interest in the insured property.

Upon the death or bankruptcy of the Insured or the assignment of his interest in the insurance to a co-Insured, the insurance continues in favour of the heir, trustee in bankruptcy or remaining Insured, subject to his performing the obligations that were incumbent upon the Insured.

2.4 Books and records

The Insurer and its authorized representatives shall have the right to examine the Insured's books and records related to the subject matter of this insurance at any time during the period of this policy and the three subsequent years.

2.5 Inspection

The Insurer and its authorized representatives shall have the right but are not obligated to make inspections of the risk, inform the Insured of the conditions found and recommend changes. Any inspections, surveys, findings or recommendations relate only to insurability and the premiums to be charged. They shall not constitute a warranty that the premises, property or operations are safe or healthful or comply with laws, codes or standards.

2.6 Currency

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

3. LOSSES

3.1 Notice of Loss (Article 2470)

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.

In the event that the requirement set out in the preceding paragraph is not fully complied with, all rights to compensation shall be forfeited by the Insured where such non-compliance has caused prejudice to the Insurer.

3.2 Information to be provided (Article 2471)

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, subpoena or writ or document received in connection with a claim.

3.3 False representation (Article 2472)

Any deceitful representation entails the loss of the right of the person making it to an indemnity in respect of the risk to which the representation relates.

However, if the occurrence of the event insured against entails the loss of both movable and immovable property or of both property for occupational use and personal property, forfeiture is incurred only with respect to the class of property to which the representation relates.

3.4 Intentional Fault (Article 2464)

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

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

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

3.5 Notice to Police

(Applicable to property insurance only)

The Insured must promptly give notice to the police of any loss caused by vandalism, theft or attempted theft or other criminal act.

3.6 Safeguarding and examination of property (Article 2495)

(Applicable to property insurance only)

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 shall not be recoverable.

The Insured may not abandon the damaged property if there is no agreement to that effect. 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 property before repairing, removing or modifying the damaged property, unless so required to safeguard the property.

3.7 Admission of liability and cooperation (Article 2504)

The Insured shall cooperate with the Insurer in the processing of all claims.

(The following two paragraphs are applicable to liability insurance only: article 2504)

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 risk.

3.8 Right of action (Article 2502)

(Applicable to liability insurance only)

The Insurer may set up against the injured third person any grounds he could have invoked against the Insured at the time of the loss, but not grounds pertaining to facts that occurred after the loss; the Insurer has a right of action against the Insured in respect of facts that occurred after the loss.

4. COMPENSATION AND SETTLEMENT

4.1 Basis of settlement (Articles 2490, 2491, 2493)

(Applicable to property insurance only)

Unless otherwise provided, the Insurer shall not be liable for more than the actual cash value of the property at the time of loss as normally determined.

In unvalued policies, the amount of insurance does not make proof of the value of the insured property. In valued policies, the agreed value makes complete proof, between the Insurer and the Insured, of the value of the insured property.

If the amount of insurance is less than the value of the property, the Insurer is released by paying the amount of the insurance in the event of total loss or a proportional indemnity in the event of partial loss.

4.2 Pair and set

(Applicable to property insurance only)

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

4.3 Parts

(Applicable to property insurance only)

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

4.4 Replacement (Article 2494)

(Applicable to property insurance only)

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

4.5 Time of payment (Articles 1591, 2469 and 2473)

The Insurer shall pay the indemnity within 60 days after receiving the notice of loss or, at his request, all relevant information and vouchers, provided the Insured shall have complied with all the terms of the contract.

Any outstanding premium may be deducted from the indemnity payable.

4.6 Property of others

(Applicable to property insurance only)

Where a claim is made as a result of loss of or damage to property not owned by the Insured, the Insurer reserves the right to pay the indemnity to the Insured or to the owner of the property and to deal directly with such owner.

4.7 Waiver

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

4.8 Limitation of actions (Article 2925)

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

4.9 Subrogation (Article 2474)

Unless otherwise provided, the Insurer shall be subrogated to the extent of the amount paid or the liability assumed therefor under this policy to 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.

5. OTHER INSURANCE

5.1 Property insurance (Article 2496)

The Insured who, without fraud, is insured by several Insurers, under several policies, for the same interest and against the same risk so that the total amount of indemnity that would result from the separate performance of such policies would exceed the loss incurred may be indemnified by the Insurer or Insurers of his choice, each being liable only for the amount he has contracted for.

No clause suspending all or part of the performance of the contract by reason of other insurance may be used against the Insured.

Unless otherwise agreed, the indemnity is apportioned among the Insurers in proportion to the share of each in the total coverage, except in respect of specific insurance, which constitutes primary insurance.

5.2 Liability insurance

The liability insurance provided under this policy is primary insurance except when stated to apply in excess of, or contingent upon the absence of, other insurance. When this insurance is primary and the Insured has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the Insurer's liability under this policy shall not be reduced by the existence of such other insurance. When both this insurance and other insurance apply to the loss on the same basis whether primary, excess or contingent, the Insurer shall not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

Contribution by equal share

If all of such other collectible insurance provides for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than would be payable if each Insurer contributed an equal share until the share of each Insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining Insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.

Contribution by limits

If any such other insurance does not provide for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

6. CANCELLATION (Articles 2477 and 2479)

This policy may be cancelled at any time:

- (a) By mere written notice from each of the Named Insureds. Termination takes effect upon receipt of the notice and the Insured shall therefore be entitled to a refund of the excess of the premium actually paid over the short-term rate for the expired time.
- (b) By the Insurer giving written notice to each Named Insured. Termination takes effect 15 days following receipt of such notice by the Insured at his last known address and the Insurer shall refund the excess of premium actually paid over the pro rata premium for the expired time. If the premium is subject to adjustment or determination as to amount, the refund shall be made as soon as practicable.

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 representative, but do not include any premium or part thereof paid to the Insurer by a representative unless actually paid to the representative by the Insured.

7. NOTICE

Any notice to the Insurer may be sent by any recognized means of communication to the Insurer or its authorized representative. Notice may be given to the named Insured by letter personally delivered to him or by mail addressed to him at his last known address.

It is incumbent upon the sender to prove that such notice was received.

DATA EXCLUSION

APPLICABLE TO ALL PROPERTY COVERAGES OF THIS POLICY

This endorsement replaces any other exclusion in this Policy for disturbance or erasure of electronic recordings by electric or magnetic injury and any electronic date recognition or misinterpretation of date exclusion.

SECTION A – Applicable to all coverages other than those indicated for Section B:

1. This Policy does not insure **"Data"**.
2. This Policy does not insure loss or damage caused directly or indirectly by **"Data Problem"**, regardless of any other cause or event that contributes concurrently or in any sequence to such loss or damage, and any business interruption or extra expense loss resulting from such loss or damage, except as follows:
 - a. If loss or damage caused by **"Data Problem"** results in the occurrence of further loss of or damage to property insured that is directly caused by:
 - (i) **"Named Perils"** as defined in this endorsement; or
 - (ii) the following perils only if otherwise insured and not otherwise excluded:
 - (a) escape of water from any tank, apparatus or pipe;
 - (b) flood;
 - (c) freeze.this exclusion 2 shall not apply to such resulting loss or damage.
 - b. If **"Data Problem"** is the direct result of:
 - (i) **"Named Perils"** as defined in this endorsement; or
 - (ii) the following perils, only if otherwise insured and not otherwise excluded:
 - (a) escape of water from any tank, apparatus or pipe;
 - (b) earthquake;
 - (c) flood;
 - (d) sewer back-upat the premises of the Insured, this exclusion 2 shall not apply to resulting business interruption or extra expense loss, if insured under this policy.

SECTION B – Applicable to Accounts Receivable, Valuable Papers and Records, and Electronic Data Processing, Computer, and Office Contents Coverages:

1. This Policy does not insure loss or damage caused directly or indirectly by **"Data Problem"** regardless of any other cause or event that contributes concurrently or in any sequence to such loss or damage, and any business interruption or extra expense loss resulting from such loss or damage, except as follows:
 - a. If loss or damage caused by **"Data Problem"** results in the occurrence of further loss of or damage to property insured that is directly caused by:
 - (i) **"Named Perils"** as defined in this endorsement; or
 - (ii) the following perils only if otherwise insured and not otherwise excluded:
 - (a) escape of water from any tank, apparatus or pipe;
 - (b) flood;
 - (c) freezeat the premises of the Insured, this exclusion shall not apply to such resulting loss or damage.
 - b. If **"Data Problem"** is the direct result of:
 - (i) **"Named Perils"** as defined in this endorsement; or
 - (ii) the following perils only if otherwise insured and not otherwise excluded:
 - (a) escape of water from any tank, apparatus or pipe;
 - (b) earthquake;
 - (c) flood;
 - (d) sewer back-upat the premises of the Insured, this exclusion shall not apply.

DEFINITIONS:

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

"Data Problem" means:

- 1) erasure, disturbance, destruction, corruption, misappropriation, misinterpretation of **"Data"**;
- 2) error in creating, amending, entering, deleting or using **"Data"**; or
- 3) inability to receive, transmit or use **"Data"**.

"Named Perils" means:

A. FIRE OR LIGHTNING

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

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

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

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

C. IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE:

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

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

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

D. SMOKE: The term "Smoke" means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability hereunder for any cumulative damage.

E. LEAKAGE FROM FIRE PROTECTIVE EQUIPMENT: The term Leakage from Fire Protective Equipment means the leakage or discharge of water or other substance from within the equipment used for fire protection purposes for the "premises" described on the "Declarations Page" or for adjoining premises and loss or damage caused by the fall or breakage or freezing of such equipment.

F. WINDSTORM OR HAIL: There shall in no event be any liability hereunder for loss or damage:

- (i) to the interior or the 'buildings' insured or their contents unless damage occurs concurrently with and results from an aperture caused by a windstorm or hail;
- (ii) directly or indirectly caused by any of the following whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, tsunamis, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslide.

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

INSURING AGREEMENTS

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

The terms, limitations, exclusions, provisions and other conditions in this endorsement apply to all Property and Business Interruption coverages of this policy, except as modified or supplemented by forms or endorsements attached.

1. INSURING AGREEMENT

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

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

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

2. REMOVAL

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

3. DEBRIS REMOVAL

The following extension of coverage shall not increase the applicable amounts of insurance within this policy.

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

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

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

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

Extensions of coverage (a) and (b) do not apply to cost or expenses:

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

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

4. ADDITIONAL EXCLUSION – BUILDING BY-LAWS

This policy does not insure against loss or damage caused directly or indirectly, proximately or remotely, arising in consequence of or contributed to by the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which by-law, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss.

5. DEFINITIONS

Wherever used in this endorsement:

- (a) **"Clean up"** means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to any of these processes.
- (b) **"Coverage territory"** means anywhere within Canada or the continental United States of America.
- (c) **"Declarations Page"** means the Declarations Page applicable to this form.
- (d) **"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.
- (e) **"Premises"** means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described in the "Declarations Page" and in or on vehicles within 100 metres (328 feet) of such locations.

ADDITIONAL CONDITIONS

I. LIBERALIZATION

If the Insurer broadens the coverage on any form during the policy period, without an additional premium charge, the Insured will automatically receive the benefit of the broadened coverage.

II. TERRITORY

Unless otherwise provided, the Insurer is liable only for loss or damage caused by Perils Insured to insured property while located within the "coverage territory".

COMMERCIAL BUILDING, EQUIPMENT AND STOCK - BROAD FORM

1.A PROPERTY INSURED

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

"BUILDING"

"EQUIPMENT"

"STOCK"

"CONTENTS OF EVERY DESCRIPTION"

"PROPERTY OF EVERY DESCRIPTION"

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

1.B This Form also insures "Equipment" and "Stock" but only those items for which an amount of insurance is specified in the "Declarations":

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

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

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

"OTHER TRANSIT": "Equipment" and "Stock", in transit other than by parcel post.

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

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

2. DEDUCTIBLE

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

3. CO-INSURANCE

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

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

4. PERILS INSURED

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

5. EXCLUSIONS

A. PROPERTY EXCLUDED

This Form does not insure loss of or damage to:

- (a) sewers, drains or watermain located beyond the outside bearing walls or foundations of the property insured, outside communication towers, antennae (including satellite receivers) and equipment attached thereto, street clocks, exterior signs, exterior glass or vitrolite and lettering or ornamentation thereon, but this exclusion does not apply to loss or damage caused directly by "Named Perils";
- (b) property at locations, which to the knowledge of the Insured, are vacant, unoccupied or shut down for more than thirty (30) consecutive days;
- (c) electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing, unless fire or explosion as described in Clause 17.(i) ensues and then only for such ensuing loss or damage;
- (d) growing plants, trees, shrubs or flowers, all while in the open except as provided in the Extensions of Coverage Clause 6.(c);
- (e) animals, fish or birds, but this exclusion does not apply to loss or damage caused directly by "Named Perils" or from theft or attempt thereof;
- (f) money, bullion, platinum and other precious metals and alloys, securities, stamps, tickets and tokens, evidence of debt or title;
- (g) automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property, but this exclusion shall not apply to watercraft, amphibious or air cushion vehicles held for sale, unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the "premises" of the Insured;
- (h) furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, precious and semi-precious stones, and pre-recorded video tapes but this exclusion does not apply to:
 - (i) the first one thousand dollars (\$1,000) of any loss insured herein;
 - (ii) any loss or damage caused directly by "Named Perils";

- (i) property insured under the terms of any Marine Insurance, and property while waterborne, except while on a regular ferry or railway car transfer in connection with land transportation;
 - (j) property on loan or on rental or sold by the Insured under conditional sale, instalment payment or other deferred payment plan, from the time of leaving the Insured's custody, but this exclusion does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at the risk of the Insured;
 - (k) property in the custody of a sales representative outside the "premises" of the Insured, unless an amount of insurance is shown in the "Declarations" pertaining to "Sales Representative";
 - (l) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
 - (m) (i) any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure;
 - (ii) any boiler, including the piping and equipment connected thereto, which contains steam or water under steam pressure (except tanks having an internal diameter of 610 millimetres (24 inches) or less used for the storage of hot water for domestic use);
- caused directly or indirectly by explosion, rupture, bursting, cracking, burning out or bulging of such property while connected ready for use, but this exclusion does not apply to:
- (1) manually portable gas cylinders;
 - (2) explosion of natural, coal or manufactured gas;
 - (3) explosion of gas or unconsumed fuel within a furnace or within the gas passages therefrom to the atmosphere.

B. PERILS EXCLUDED

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

- (a) by earthquake, except for ensuing loss or damage which results directly from fire, explosion, smoke or leakage from fire protective equipment, all as described in Clause 17.(i);
- (b) by flood, including waves, tides, tidal waves, tsunamis, or the rising of, the breaking out or the overflow of, any body of water, whether natural or man-made, but this exclusion does not apply to ensuing loss or damage which results directly from fire, explosion, smoke, leakage from fire protective equipment, all as described in Clause 17.(i) or leakage from a watermain; exclusions (a) and (b) do not apply to property in transit;
- (c) (i) by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings therein, foundations, basement floors, sidewalks, sidewalk lights, or by the backing up of sewers, sumps, septic tanks or drains, unless concurrently and directly caused by a peril not otherwise excluded in Clause 5.B. hereof;
- (ii) by the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings unless through an aperture concurrently and directly caused by a peril not otherwise excluded in Clause 5.B. hereof;
- (d) by centrifugal force, mechanical or electrical breakdown or derangement in or on the "premises", unless fire ensues and then only for the loss or damage caused directly by such ensuing fire;
- (e) by dampness or dryness of atmosphere, changes of temperature, contamination, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, change in colour or texture or finish, rust or corrosion, marring, scratching or crushing, but this exclusion does not apply to loss or damage caused directly by "Named Perils", rupture of pipes or breakage of apparatus not excluded under paragraph (m) of Clause 5.A. hereof, theft or attempt thereat or accident to transporting conveyance. Damage to pipes caused by freezing is insured provided such pipes are not excluded in paragraph (m) of Clause 5.A. hereof;
- (f) by smoke from agricultural smudging or industrial operations;
- (g) by rodents, insects or vermin, but this exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded in Clause 5.B. hereof;
- (h) by delay, loss of market, or loss of use or occupancy;
- (i) by any dishonest or criminal act on the part of the Insured or any other party of interest, employees or agents of the Insured, or any person to whom the property may be entrusted (bailees for hire excepted), but this exclusion does not apply to physical damage, caused directly by employees of the Insured, which results from a peril otherwise insured and not otherwise excluded under this Form;
- (j) to "buildings" by:
 - (i) snowslide, landslide, subsidence or other earth movement, except for ensuing loss or damage which results directly from fire, explosion, smoke or leakage from fire protective equipment, all as described in Clause 17.(i);
 - (ii) explosion (except with respect to explosion of natural, coal, or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire:
 - a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - b) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 - c) other vessels and apparatus and pipes connected therewith while under pressure, or while in use or in operation provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure but this exclusion does not apply to loss or damage resulting from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimetres (24 inches) or less used for the heating and storage of hot water for domestic use;
 - d) moving or rotating machinery or parts thereof;
 - e) any vessels and apparatus and pipes connected therewith while undergoing pressure tests but this exclusion does not apply to other property insured hereunder that has been damaged by such explosion;
 - f) gas turbines;
 - (iii) settling, expansion, contraction, moving, shifting or cracking unless concurrently and directly caused by a peril not otherwise excluded in Clause 5.B. hereof;

NOR DOES THIS FORM INSURE:

- (l) wear and tear, gradual deterioration, latent defect, inherent vice, or the cost of making good faulty or improper material, faulty or improper workmanship, faulty or improper design, provided, however, to the extent otherwise insured and not otherwise excluded under this Form, resultant damage to the property is insured;
- (m) mysterious disappearance or shortage of "equipment" or "stock" disclosed on taking inventory;
- (n) loss or damage sustained to "equipment" or "stock" while actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting or servicing of "equipment" or "stock", unless fire or explosion as described in Clause 17.(i) ensues and then only for such ensuing loss or damage;

- (o) disturbance or erasure of electronic recordings by electric or magnetic injury except by lightning.

6. EXTENSIONS OF COVERAGE

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

- (a) **Personal Property of Officers and Employees:** At the option of the Insured, "equipment" also includes personal property of officers and employees of the Insured. The insurance on such property:
- (i) shall not attach if it is insured by the owner unless the Insured is obliged to insure it or is liable for its loss or damage;
 - (ii) is, in any event, limited to a maximum recovery of two hundred and fifty dollars (\$250) in respect of any one officer or employee;
 - (iii) shall apply only to loss or damage occurring at a location specifically described on the "Declarations" or included in "Newly Acquired Location".
- (b) **"Building" Damage by Theft:** This Form is extended to insure damage (except by fire) to that part of a "building" occupied by the Insured directly resulting from theft or any attempt thereat and from vandalism or malicious acts committed on the same occasion, provided the Insured is the owner of such "building" or is liable for such damage and the "building" is not otherwise insured hereunder. This extension of cover shall be limited to a maximum recovery of twenty-five hundred dollars (\$2,500) in respect of any one loss. Glass and lettering or ornamentation thereon is excluded from this extension.
- (c) **Growing Plants, Trees, Shrubs or Flowers in the Open:** This Form is extended to insure loss or damage to growing plants, trees, shrubs or flowers in the open caused directly by "Named Perils" (with the exception of windstorm or hail as described in clause 17.(i) or from theft or attempt thereat. This extension of coverage shall be limited to a maximum recovery of five hundred dollars (\$500) for each growing plant, tree, shrub or flower in the open including debris removal expense. This extension of cover shall be limited to a maximum recovery of ten thousand dollars (\$10,000) in respect of any one loss.
- (d) **Consequential Loss Assumption - Cold Storage:** This Form is extended to cover loss or damage to said stock due to change in temperature resulting from damage, caused by the perils insured against, to the refrigerating or cooling apparatus, connections or supply pipes and apparatus furnishing power therefore situated within the premises only.

7. PERMISSION

Permission is hereby granted:

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

8. BREACH OF CONDITIONS

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

9. REINSTATEMENT

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

10. PROPERTY PROTECTION SYSTEMS

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

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

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

11. PREMIUM ADJUSTMENT

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

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

12. VERIFICATION OF VALUES

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

13. VALUATIONS

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

- (a) on unsold "stock" - the actual cash value of the property at the time any loss occurs, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;
- (b) on sold "stock" - the selling price after allowance for discounts;
- (c) on property of others in the custody or control of the Insured for the purpose of performing work thereon - the amount for which the Insured is liable but in no event to exceed the actual cash value at the time and place of loss plus allowance for labour and materials expended to such time;
- (d) on tenant's improvements and records - as defined in paragraphs (a) and (b) of Clause 16;

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

14. SPECIAL BASIS OF SETTLEMENT

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

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

15. PROPERTY OF OTHERS

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

16. LOCKED VEHICLE WARRANTY

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

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

17. DEFINITIONS

Wherever used in this Form:

- (a) **"Declarations"** means the Declarations Page applicable to this Form.
- (b) **"Building"** means: the building(s) described in the "Declarations" and includes:
- (i) fixed structures pertaining to the building(s) and located on the "premises";
 - (ii) additions and extensions communicating and in contact with the building(s);
 - (iii) permanent fittings and fixtures attached to and forming part of the building(s);
 - (iv) materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to the "building" or for building services;
 - (v) growing plants, trees, shrubs or flowers inside the "building" used for decorative purposes when the Insured is the owner of the "building".
- (c) **"Equipment"** means:
- (i) generally all contents usual to the Insured's business including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances other than "building" or "stock" as herein defined;
 - (ii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;
 - (iii) tenant's improvements which are defined as building improvements, alterations and betterments made at the expense of the Insured to a "building" occupied by the Insured and which are not otherwise insured, provided the Insured is not the owner of such "building". If the Insured purchased the use interest in tenant's improvements made by a predecessor tenant, this Form applies as though such tenant's improvements had been made at the expense of the Insured.
- (d) **"Stock"** means:
- (i) merchandise of every description usual to the Insured's business;
 - (ii) packing, wrapping and advertising materials; and
 - (iii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable.
- (e) **"Contents of Every Description"** means Equipment and Stock as defined above.
- (f) **"Property of Every Description"** means "Building(s)", "Equipment" and "Stock" as defined above.
- (g) **"Premises"** means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described on the "Declarations" and in or on vehicles within 100 metres (328 feet) of such locations.
- (h) **"Fire Protective Equipment"** includes tanks, watermains, hydrants, valves and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:
- (i) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - (ii) any watermains or appurtenances located outside of the described "premises" and forming a part of the public water distribution system;
 - (iii) and pond or reservoir in which the water is impounded by a dam.
- (i) **"Named Perils"** means:
- A. FIRE OR LIGHTING**
- B. EXPLOSION:** Except with respect to explosion of natural, coal or manufactured gas, there shall in no event be any liability hereunder for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the Insured:
- i) **a)** the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - b)** piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 - c)** the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion therefrom;
 - d)** smelt dissolving tanks;
 - ii) other vessels and apparatus, and pipes connected therewith, while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above

- atmospheric pressure except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders;
- iii) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
 - iv) any vessels and apparatus and pipes connected therewith while undergoing pressure tests, but this exclusion shall not apply to other property insured hereunder that has been damaged by such explosion;
 - v) gas turbines;
- The following are not explosions within the intent or meaning of this section:
- (a) electric arcing or any coincident rupture of electrical equipment due to such arcing;
 - (b) bursting or rupture caused by hydrostatic pressure of freezing;
 - (c) bursting or rupture of any safety disc, rupture diaphragm or fusible plug.
- C. IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE:** The terms "Aircraft" and "Spacecraft" include articles dropped therefrom.
- There shall in no event be any liability hereunder due to cumulative damage or for loss or damage:
- (i) caused by land vehicles belonging to or under the control of the Insured or any of his employees;
 - (ii) to aircraft, spacecraft or land vehicles causing the loss;
 - (iii) caused by any aircraft or spacecraft when being taxied or moved inside or outside of "buildings".
- D. RIOT, VANDALISM OR MALICIOUS ACTS:** The term Riot includes open assemblies of strikers inside or outside the "premises" who have quitted work and of locked-out employees.
- There shall in no event be any liability hereunder for loss or damage:
- (i) due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
 - (ii) due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under Clause 17.(i) B);
 - (iii) due to theft or attempt thereat.
- E. SMOKE:** The term "Smoke" means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability hereunder for any cumulative damage.
- F. LEAKAGE FROM "FIRE PROTECTIVE EQUIPMENT":** The term Leakage From "Fire Protective Equipment" means the leakage or discharge of water or other substance from within the equipment used for fire protection purposes for the "premises" described on the "Declarations" or for adjoining premises and loss or damage caused by the fall or breakage or freezing of such equipment.
- G. WINDSTORM OR HAIL:** There shall in no event be any liability hereunder for loss or damage:
- (i) to the interior of the "buildings" insured or their contents unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
 - (ii) directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslide.
- (j) **"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.
- (k) **"Clean Up"** means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to the aforementioned processes.

COMPREHENSIVE PROPERTY EXTENSION ENDORSEMENT

Applicable to the Commercial Building, Equipment And Stock - Broad form – 13401-2

This Policy is extended to include extensions of coverage as stated below.

The following extensions of coverage shall:

- i) not be considered for the purpose of determining the application of any Coinsurance clause.
- ii) not apply if they are more specifically insured elsewhere in this policy and/or if specific amount(s) or limit(s) are indicated on the "Declarations" for any of them.
- iii) increase the amount of insurance for this Policy by the amounts or limits stated in this endorsement (except Item 1, which does not increase the amount of insurance).

- 1. Consequential Loss Assumption Clause:** Consequential loss, destruction or damage to "stock" caused by change in temperature or humidity resulting from damage by the perils insured against hereunder to "equipment" used for refrigerating, cooling, humidifying, dehumidifying, air conditioning, heating, generating or converting power (including their connections and supply or transmission lines and pipes) only when situated on the "premises" described on the "Declarations".

The foregoing extension is subject otherwise to all the terms and conditions of this Policy (as now existing or hereafter changed) and without increasing the amount insured.

Liability under this clause shall not exceed that proportion of any loss which the amount insured hereunder bears to the total amount of fire insurance covering the property described on the "Declarations", whether collectible or not, and whether or not such other fire insurance covers against consequential loss.

Coverage under this Consequential Loss Assumption Clause excludes destruction or damage caused by, resulting from, or contributed to by Riot, Vandalism or Malicious Acts. The term Riot includes open assemblies of strikers inside or outside the "premises" who have quit work and of locked out employees.

- 2. Building By-laws:** This Policy shall, and only as a result of a peril insured against, extend to indemnify the Insured for:

- i) loss occasioned by the demolition of any undamaged portion of the "building" or structures; or
- ii) the cost of demolishing and clearing the site of any undamaged portion of the "building" or structures; or
- iii) any necessary increase in the cost of repairing, replacing, constructing or reconstructing the "building", or structures, on the same site or on an adjacent site, of like height, floor area and style, and for like occupancy; arising from the enforcement of the minimum requirements of any by-law, regulation, ordinance or law which:
 - a) regulates zoning or the demolition, repair or construction of damaged "buildings" or structures; and
 - b) is in force at the time of such loss or damage.

However, the maximum combined amount of insurance applicable to items (ii) and (iii) above shall be 15% of the amount of insurance stated on the "Declarations" for "building", or of the amount of insurance for "building" shown in the Statement of Values, or the amount of insurance stated on the "Declarations" for Building By-laws Limit, whichever is the least.

This extension, however, 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 adjacent site or prohibits continuance of like occupancy;
- ii) direct or indirect loss, damage, cost or expense, arising out of the "clean-up", removal, containment, treatment, detoxification, decontamination, stabilization, neutralization, or remediation resulting from any actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release, or escape of "pollutants".
- iii) direct or indirect loss, damage, cost or expense, for any testing, monitoring, evaluation or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

Definition

"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.

3. Inflation Protection

- a) The amount of insurance applicable to "building" shall be increased during the policy period by the proportion by which the latest published "Building Construction Index" has increased since the last "premium due date".
- b) At the "premium due date", the amount of insurance shall be increased automatically in accordance with the latest published "Building Construction Index" and the appropriate premium charged.
- c) If the amount of insurance applicable to "building" is changed at the request of the Insured during the policy period, the effective date of this endorsement is deemed to coincide with the effective date of the change.
- d) If the Policy insures two or more items, the foregoing shall apply separately to each item to which this endorsement applies.
- e) In this extension,
 - i) **"Building Construction Index"** means the Index published by Statistics Canada relating to non-residential construction;
 - ii) **"premium due date"** means the inception date of this policy or any renewal or anniversary date.

4. Exterior Signs Including Street Clocks, Communication Towers, Antennae and Satellite Receivers: This Policy is extended to cover the aforementioned property on the "premises" for loss or damage from a peril insured against excluding loss or damage caused by wear and tear, latent defect, corrosion or rust, mechanical breakdown or during installation, repairing or dismantling.

The limit of insurance with respect to this extension of coverage is \$10,000 for any one loss.

- 5. **Peak Season Increase:** The limit of liability on "stock" as stated on the "Declarations" is automatically increased by 25%, up to a maximum limit of \$150,000, to provide for seasonal variations. This increase shall not apply unless the limit of liability on "stock" shall be equal to at least 100% of the average monthly values for the 12 months preceding the date of loss or, in the event the Insured has been in business for less than 12 months, for such shorter period of time.
- 6. **Fire Department Service Charges:** This Policy is extended to cover the Insured's liability assumed by contract or agreement, prior to the loss, for Fire Department Service Charges when the Fire Department is called to save or protect the insured property from a peril insured against. The maximum recovery under this extension is \$25,000 for any one loss.
- 7. **Fire Equipment Recharge:** This Policy is extended to cover expenses actually incurred as a result of a peril insured against to recharge a fire protection or fire fighting system. The maximum recovery under this extension is \$25,000 for any one loss.
- 8. **Glass:** This Policy is extended to provide coverage for accidental breakage of all exterior glass and/or vitrolite including lettering, ornamentation or burglary alarm tape thereon provided the Insured is owner of the "building" or is legally liable for such damage. This extension shall also include the expenses incurred for boarding up damaged openings or installing temporary plates. A deductible of \$500 applies to each and every loss.
- 9. **Valuable Papers and Records:** This Policy is extended to cover the actual loss sustained by the Insured through direct physical loss or damage to Valuable Papers and Records. The term Valuable Papers and Records means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts, but excluding "money" and "securities", electronic data control tapes or discs.

The insurance provided by this extension applies:

- i) while the insured Valuable Papers and Records are contained in the "premises" specified on the "Declarations". It is a condition precedent to any right of recovery hereunder, that the Valuable Papers and Records shall be kept in receptacles (minimum of metal filing cabinets) at all times when the "premises" are not open for business, except while such valuable papers and records are in actual use or as stated in (ii) or (iii) below;
- ii) while the insured Valuable Papers and Records are being removed to, and while at a place of safety because of imminent danger of loss or damage and while being returned from such place, provided the Insured notifies the Insurer in writing within thirty (30) days of such removal;
- iii) while the Valuable Papers and Records are being conveyed outside the Insured's "premises" or temporarily in other "premises" (except for storage).

In addition to those exclusions found in the Commercial Building Equipment and Stock Broad Form, the following also apply:

This extension does not insure:

- i) loss directly resulting from errors or omissions in processing or copying unless fire or explosion ensues and then only for the direct loss caused by such ensuing fire or explosion;
- ii) loss of property held as samples or for sale or for delivery after sale;
- iii) property which cannot be replaced with other of like kind and quality.

Basis of Settlement

The limit of the Insurer's liability for loss shall not exceed the actual cash value of the property at the time of loss, nor what it would cost to repair or replace the property with other of like kind and quality, subject to a maximum recovery of \$25,000 for any one loss.

The Insurer may pay for the loss in "money" or may repair or replace the property and may settle any claim for loss of the property either with the Insured or the owner thereof. Any property so paid for or replaced shall become the property of the Insurer. The Insured or Insurer, upon recovery of any such property, shall give notice thereof as soon as practicable to the other and the Insured shall be entitled to the property upon reimbursing the Insurer for the amount so paid or the cost of replacement.

- 10. Accounts Receivable:** This Policy is extended to cover against all risks of direct physical loss or damage to the Insured's records of accounts receivable occurring during the policy period.

This extension insures:

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

This insurance shall apply only while records of accounts receivable are contained in the "premises" described on the "Declarations". It is a condition precedent to any right of recovery hereunder that, except while in actual use, such records be kept in receptacles (minimum of metal filing cabinets), when the "premises" are not open for business.

This insurance also applies while records of accounts receivable are being removed to and while at a place of safety because of imminent danger of loss or damage and while being returned therefrom, provided the Insured notifies the Insurer in writing within thirty (30) days of such removal.

In addition to those exclusions found in the Commercial Building Equipment and Stock Broad Form, the following also apply:

This extension does not apply:

- i) to loss due to bookkeeping, accounting or billing errors or omissions;
- ii) to loss, the proof of which as to factual existence, is dependent upon an audit of records or an inventory computation; but this shall not preclude the use of such procedures in support of claim for loss which the Insured can prove, through evidence wholly apart therefrom, is due solely to a risk of loss to records of accounts receivable not otherwise excluded hereunder;
- iii) to loss due to alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of "money", "securities" or other property but only to the extent of the wrongful giving, taking, obtaining or withholding.

Basis of Settlement

When there is a proof of loss covered by these extensions but the Insured cannot accurately establish the total amount of accounts receivable outstanding on the date of loss, such amount shall be based on the Insured's monthly statements and shall be computed as follows;

- 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 part thereof for which the Insured has furnished monthly statements to the Insurer, as compared with such average for the same months of the preceding year;
- iii) the amount determined under (i) above, increased or decreased by the percentage calculated under (ii) above, shall be the agreed total amount of accounts receivable on the last day of the fiscal month in which said loss occurs;
- iv) the amount determined under (iii) above shall be increased or decreased in conformity with the "normal" fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the business since the last day of the last fiscal month for which statement has been rendered.

There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by the Insured, and an amount to allow for probable bad debts which would normally have been uncollectible by the Insured. On deferred payment accounts receivable, unearned interest and service charges shall be deducted.

Inspection and Audit

The Insurer shall be permitted to inspect the "premises" and the receptacles in which the records of accounts receivable are kept by the Insured, and to examine and audit the Insured's books and records at any time during the policy period and any extension thereof and within three years after the final termination of this Policy, as far as they relate to the subject matter of any outstanding record of accounts receivable submitted by the Insured and the amount of recoveries of accounts receivable on which the Insurer has made any settlement.

Recoveries

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

The limit of insurance for this extension of coverage is \$25,000 for any one loss.

- 11. **"Fine Arts"**: This Policy is extended to cover for direct physical loss or damage to "Fine Arts". The term "Fine Arts" includes paintings, etchings, pictures, tapestries and other bona fide works of art (such as valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass and bric-a-brac) of rarity, historical value or artistic merit.

Territorial Limits

Coverage on insured property applies within the territorial limits of Canada and the United States of America, excluding the "premises" of fair grounds or of any national or international exposition.

In addition to those exclusions found in the Commercial Building Equipment and Stock Broad Form, the following also apply:

This extension does not insure:

- i) Breakage of glassware, statuary, marbles, bric-a-brac, porcelains and other fragile articles unless caused by:
 - a) fire, explosion, falling object striking the exterior of the "building", impact by aircraft or land vehicle, lightning, smoke, vandalism or malicious acts, windstorm or hail or by accident to land, water or air conveyances, or by theft or attempt thereof;
 - b) earthquake or flood, if otherwise insured under this Policy.
- ii) Loss or damage to any property while undergoing any process or while being actually worked upon where any loss or damage is due thereto.

Packing Condition

It is agreed by the Insured that the property insured hereunder is packed and unpacked by competent packers.

The limit of insurance for this extension of coverage is \$25,000 for any one loss.

- 12. **"Extra Expense"**: This Policy is extended to insure the necessary "Extra Expense" incurred by the Insured in order to continue as nearly as practicable the "normal" conduct of the Insured's business following damage to or destruction by the perils insured against to the "building(s)" or contents thereof at the "premises" described on the "Declarations". The Insurer shall be liable for "Extra Expense" so incurred, for not exceeding such length of time, herein referred to as the Period of Restoration, commencing with the date of loss and not limited by the date of expiration of this Policy, as shall be required with the exercise of due diligence and dispatch to repair, rebuild, or replace such part of the described "building(s)" or contents thereof as may be destroyed or damaged.

Definitions

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

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

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

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

In addition to those exclusions found in the Commercial Building Equipment and Stock Broad Form, the following also apply:

The Insurer shall not be liable for:

- i) loss due to fines or damages for breach of contract for late or non-completion of orders, or for any penalties of whatever nature;
- ii) loss due to suspension, lapse or cancellation of any lease or license, contract or order;
- iii) the cost of compiling books of account, abstracts, drawings, card index systems or other records including film, tape, disc, drum, cell or other magnetic recording or storage media for electronic data processing;
- iv) any increase of loss due to interference at the described "premises" by strikers or other persons, with rebuilding, repairing or replacing property, or with the resumption or continuation of business;

The limit of insurance for this extension of coverage is \$25,000 for any one loss.

- 13. Professional Fees:** In the event of loss or damage from a peril insured against, the Insurer will pay reasonable fees to auditors, accountants, architects, engineers or other professionals other than public adjusters and the Insured's own employees for producing and certifying particulars or details of the Insured's business required by the Insurer in order to arrive at the amount of loss payable under this Policy.

This extension applies only to fees incurred in establishing the quantum of a loss, liability for which is otherwise accepted by the Insurer. This extension may also apply to any Business Interruption loss covered under this Policy.

The limit of insurance for this extension of coverage is \$10,000 for any one loss.

- 14. Debris Removal:** This Policy is extended to provide an additional amount of insurance of \$50,000 for debris removal expense coverage as outlined in the Insuring Agreements.

- 15. "Money" and "Securities":** This Policy is extended, subject to a limit of insurance of \$2,500, to cover loss of "money" and "securities" by actual destruction, disappearance or wrongful abstraction thereof, while such property is:

- i) within the "premises";
- ii) within any bank or similar recognized place of safe deposit;
- iii) being conveyed outside the "premises" by the Insured, a partner of the Insured or an employee of the Insured directly to and from the "premises", any bank or similar recognized place of safe deposit;
- iv) within the living quarters in the home of the Insured, a partner of the Insured or an employee of the Insured;

Additional Exclusions:

This extension does not insure loss:

- a) due to the giving up or surrendering of "money" or "securities" in any exchange or purchase;
- b) due to accounting or arithmetical errors or omissions;

- c) of "money" contained in a coin operated amusement device or vending machine, unless the amount of "money" deposited within the device or machine is recorded by a continuous instrument therein;
- d) of potential income, including but not limited to interest and dividends, not realized by the Insured because of a loss covered under this extension;
- e) of "money" or "securities" which have been transferred to a person or a place outside the "premises" on the basis of unauthorized instructions;
- f) of "money" or "securities" while in the custody of any armoured motor vehicle company.

Definitions:

Where used in this form:

- i) "money" means currency, coins, bank notes, and bullion;
- ii) "Securities" means all negotiable and non-negotiable instruments representing "money" or other property, including but not limited to cheques, drafts, tokens, tickets, bills of lading, warehouse receipts, revenue and other stamps in current use.

16. Brands and Labels: If the Insurer exercises the option to take over all or any part of merchandise involved in a loss, the Insured reserves the right to first remove therefrom their trade marks, guarantees, name or other evidence of their interest therein or connected therewith and where the removal of such marks is impossible or impractical, the contents may be transferred to bulk containers. The cost of such removal or transfer is covered by this Policy.

17. Arson Award: In the event of loss or damage by fire that results from an act of arson for which coverage is afforded under this Policy, the Insurer will reimburse the Insured for rewards paid for information directly leading to convictions for that act of arson. The Insurer's total liability under this extension of coverage shall not exceed \$10,000.

18. Land and Water Pollution "Clean Up"

Indemnity Agreement

- a) The Insurer will indemnify the Insured for expenses incurred to "clean up" "pollutants" from land or water at the "premises" provided the spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "pollutants":
 - i) is occasioned by loss or damage to property insured at the "premises" for which insurance is afforded under the Commercial Building Equipment and Stock Broad Form;
 - ii) is sudden, unexpected and unintended from the standpoint of the Insured and
 - iii) first occurs during the policy period.

Limit of Insurance

- b) The maximum amount of insurance for this extension of coverage during any one policy period shall not exceed in the aggregate \$10,000.

No Automatic Reinstatement

- c) Notwithstanding the Reinstatement Clause in this Policy, following a loss under this extension of coverage, the amount of insurance specified above will be reduced by the amount payable.

Additional Exclusions

- d) The Insurer shall not be liable for:
 - i) expenses for "clean up" away from or beyond the "premises" resulting from any spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", even if the "pollutants" emanated from the "premises".
 - ii) expenses for "clean up" of any spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "pollutants" that began before the effective date of this extension of coverage.
 - iii) fines, penalties, punitive or exemplary damages;
 - iv) expenses incurred for the "clean up" of "pollutants" at or from any "premises", site or location which is or was at any time used by or for any insured or others for the handling, storage, processing or treatment of waste.

Additional Conditions

e) i) Reporting Period

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

ii) Other Insurance

The insurance afforded by this extension of coverage shall apply as excess over any other valid and collectible insurance available to the Insured or any other interested party.

Definitions

f) Wherever used in this extension of coverage:

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

ii) **"Premises"** means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described on the "Declarations".

iii) "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.

19. Master Key: This Policy is extended to cover loss, subject to a limit of insurance of \$5,000, caused by the necessary replacement of locks and keys if the master keys are stolen. This extension of coverage only covers the cost of the replaced locks and keys including any labour cost for installation and is subject to a deductible of \$500.

20. Exhibitions: This Policy is extended to cover direct physical loss or damage to Equipment and "stock" while temporarily on exhibition at locations not owned or usually occupied by the Insured. The limit of insurance for this extension of coverage is \$25,000 at any one exhibition.

21. Personal Property of Officers and Employees: The limit of insurance referred to in Clause 6(a)(ii) of the Commercial Building, Equipment and Stock Broad Form is amended to read \$1,000 in respect of any one officer or employee subject to an aggregate limit of \$25,000 in any one occurrence.

The limit(s) or amount(s) referred to herein shall not apply if specific limit(s) or amount(s) are indicated on the "Declarations" for any of the following extensions of coverage which apply only while the described property is within Canada or the Continental United States of America (excluding Alaska):

22. Temporary Locations: "Equipment" and "stock" other than at a specified location except while in transit, but there shall be no liability under this extension at any location owned, rented or controlled in whole or in part by the Insured.

The limit of insurance for this extension of coverage is \$25,000 for any one loss.

23. Newly Acquired Locations: "Building", "Equipment" and "stock" at any acquired location that is owned, rented or controlled by the Insured in whole or in part or in or on vehicles within 100 metres (328 feet) of such location. The following limits of insurance attach at the time of the acquisition and extend for a period of 30 days or to the date of endorsement of this Policy adding such location whichever first occurs.

The limit of insurance for this extension of coverage is \$500,000 for "building" and \$250,000 for "equipment" and "stock" for any one loss.

24. Parcel Post: "Equipment" and "stock" in any one package in course of transit by parcel post.

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

25. Other Transit: "Equipment" and "stock", in transit other than by parcel post.

The limit of insurance for this extension of coverage is \$10,000 for any one loss.

26. Sales Representative: "Equipment" and "stock", whether in transit or otherwise, in the custody of a sales representative of the Insured.

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

27. Off Premises Power Interruption: This extension insures, subject to all the terms and provisions of this policy, Loss of income (as defined in the Business Interruption Form attached if applicable to this policy) due to the interruption of incoming power resulting from an occurrence insured hereunder to property owned by the public utility company or any other company providing power to the Insured.

This cover does not attach until forty-eight (48) hours following the initial interruption.

Limit of loss: \$25,000 any one occurrence.

28. Growing, Plants, Trees, Shrubs or Flowers in the open: This extension insures, subject to all the terms and provisions of this policy, for not more than the following amounts:

- i) \$1,000 any one plant, tree or shrub, and
- ii) \$10,000 in any one occurrence.

ADDITIONAL DEFINITIONS

a. "Building" means: the building(s) described in the "Declarations" and includes:

- i) fixed structures pertaining to the building(s) and located on the "premises";
- ii) additions and extensions communicating and in contact with the building(s);
- iii) permanent fittings and fixtures attached to and forming part of the building(s);
- iv) materials, "equipment" and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to the "building" or for building services;
- v) growing plants, trees, shrubs or flowers inside the building used for decorative purposes when the Insured is the owner of the building.

b. "Declarations" means: the first pages of your policy which contains specific informations.

c. "Equipment" means:

- i) generally all contents usual to the Insured's business including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances other than "building" or "stock" as herein defined;
- ii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;
- iii) tenant's improvements which are defined as "building" improvements, alterations and betterments made at the expense of the Insured to a "building" occupied by the Insured and which are not otherwise insured, provided the Insured is not the owner of such "building". If the Insured purchased the use interest in tenant's improvements made by a predecessor tenant, this Form applies as though such tenant's improvements had been made at the expense of the Insured;

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

e. "Property of Every Description" means: "building(s)", "equipment" and "stock" as defined above;

f. "Stock" means:

- i) merchandise of every description usual to the Insured's business;
- ii) packing, wrapping and advertising materials; and
- iii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;

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

PROPERTY OCCURANCE DEDUCTIBLE ENDORSEMENT

Applicable to PROPERTY and LOSS OF EARNINGS COVERAGES

For each loss involving one or more coverages under this policy, the Insurer shall be liable only for the amount by which the adjusted claim exceeds the highest single deductible amount stipulated in the Declarations page. This deductible shall only be applied once for the affected coverages.

However, if this policy provides coverage for flood and/or earthquake and/or sewer backup, the deductibles for these coverages shall be fully applied.

All other terms and conditions of the policy remain unchanged

SEWER BACK-UP ENDORSEMENT

This endorsement changes the policy.

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

1. INSURED PERIL

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

2. DEDUCTIBLE

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

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

3. LIMIT OF INSURANCE

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

4. DEFINITION

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

All other terms and conditions of the policy remain unchanged.

REPLACEMENT COST ENDORSEMENT

Applicable only to those items indicated in the Declarations Page.

1. The Insurer agrees to amend the basis of settlement from actual cash value to replacement cost subject to the following provisions:
 - a) replacement shall be effected by the Insured with due diligence and dispatch;
 - b) replacement shall be on the same site or on an adjacent site;
 - c) settlement on a replacement cost basis shall be made only when replacement has been effected by the Insured and in no event shall it exceed the amount actually and necessarily expended for such replacement;
 - d) failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this endorsement had not been in effect;
 - e) any other insurance effected by or on the behalf of the Insured in respect of the perils insured against by this Policy on the property to which this endorsement is applicable shall be on the basis of replacement cost as defined herein;
 - f) this endorsement applies separately to each item(s) to which this clause applies.
2. Any reference to actual cash value in a co-insurance clause in this Policy is deemed to be a reference to replacement cost of the property insured.
3. In this endorsement:
 - a) "replacement cost" means the cost of replacing, repairing, constructing or re-constructing (whichever is the least) the property on the same site with new property of like kind and quality and for like occupancy without deduction for depreciation; and
 - b) "replacement" includes repair, construction or re-construction with new property of like kind 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 shall be deemed to be new property of like kind and quality for the purposes of this endorsement.
5. **Exclusions**
This endorsement does not apply to:
 - a) stock;
 - b) patterns, dies, moulds;
 - c) paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelain, rare glassware, bric-a-brac or other articles of art, rarity or antiquity;
 - d) manuscripts and records meaning books of account, drawings, card index systems and other records, media, data storage devices, and programme devices for electronic electro-mechanical data processing or for electronically controlled equipment;
 - e) any increase in the cost of replacement occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.

All other terms and conditions of this Policy remain unchanged.

THEFT EXCLUSION

The following exclusion is added to the commercial building, equipment and stock broad form: burglary, theft or attempt thereat, all damages in consequence of a burglary, theft or attempt thereat.

All other terms and conditions of this policy remain unchanged.

ILLEGAL DRUG OPERATIONS EXCLUSION

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

This endorsement modifies the insurance provided under the property form(s) to which it is attached and is subject to the terms, limitations, exclusions, provisions and other conditions of the policy.

This insurance does not cover loss or damage to "building", "equipment" or "stock" caused directly or indirectly by or resulting from:

- a) illegal "drug operations"; or
- b) any activity or decision of a government agency or other entity to prevent, respond to or terminate illegal "drug operations",

where the Insured or any agent of the Insured knew or ought to have known of the illegal "drug operations" prior to the loss or damage.

This exclusion does not apply if, upon becoming aware of illegal "drug operations" and prior to the loss or damage, the Insured or any agent of the Insured immediately notifies the police and the Insurer.

This exclusion does not apply to the lost or damaged property with respect to the proportional interest of any natural person who is the spouse or partner (if the Insured is a partnership) of the Insured, who:

- i) was not aware of the illegal "drug operations"; or
- ii) upon becoming aware of such illegal "drug operations" prior to the loss or damage, immediately advises the police and the Insurer; and
- iii) did not consent to such illegal "drug operations".

DEFINITION

"Drug operations" means growing, cultivating, harvesting, processing, manufacturing, distributing, selling or storing of any substances falling within the Controlled Drugs and Substances Act.

EXTENDED BUSINESS INCOME INTERRUPTION INSURANCE - PROFITS

Words and phrases that appear in quotation marks have special meaning as defined in Clause 10.

1. INDEMNITY AGREEMENT

In the event that the "Business" shall be interrupted as a direct result of "Damage", the Insurer shall pay to the Insured the loss of "Business Income" suffered during the "Indemnity Period" in consequence thereof, in accordance with the terms and conditions of this Form.

2. LIMITS OF INSURANCE

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

3. CO-INSURANCE

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

4. DETERMINATION OF PAYMENT

This insurance, subject to the limit of the amount of insurance stated on the "Declarations", is limited to loss of "Business Income" due to (a) Reduction of "Revenue" and (b) Increase in Cost of Operations and the amount payable will be:

- a) **IN RESPECT OF REDUCTION OF "Revenue":** The amount obtained by multiplying the "Revenue Shortfall" by the "Business Income Percentage";
 - b) **IN RESPECT OF INCREASE IN COST OF OPERATIONS:** The additional expenditure necessarily incurred for the sole purpose of avoiding or diminishing the reduction in revenue which but for that expenditure would have taken place during the "Indemnity Period" in consequence of the "Damage", but not exceeding the sum obtained by multiplying the amount of the reduction thereby avoided by the "Business Income Percentage";
- less any sum saved during the "Indemnity Period" in respect of such of the charges and expenses of the "Business" payable out of "Business Income" as may cease or be reduced in consequence of the "Damage".

5. PAYROLL

This clause applies only when an amount is shown on the "Declarations" for "Ordinary Payroll".

"Ordinary Payroll" is insured for a period of time not exceeding 90 consecutive days (or such other period specified on the "Declarations" for ordinary payroll) immediately following the date of "Damage", which may continue during a total or partial suspension of business, insuring only to the extent necessary to resume the "Normal" business of the Insured with the same quality of service which existed immediately preceding the "Damage", and which would have been earned had no "Damage" occurred.

The Insurer shall not be liable, in the event of loss, for a greater proportion of the loss under this clause than the amount hereby insured under this clause bears to 80% of "Ordinary Payroll" that would have been earned (had no "Damage" occurred) during the 90 consecutive days (or such other period specified on the "Declaration" for ordinary payroll) immediately following the date of "Damage".

6. INTERRUPTION BY CIVIL AUTHORITY

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

7. ALTERNATE TRADING

If during the "Indemnity Period" goods shall be sold or services shall be rendered elsewhere than at the "Premises" for the benefit of the business, either by the Insured or by others on his behalf, the money paid or payable in respect of such sales or service shall be brought into account in arriving at the "Revenue" during the "Indemnity Period".

8. OBLIGATION TO MINIMIZE LOSS

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

9. PREMIUM ADJUSTMENT

If within 12 months after the expiry or anniversary date of this policy the Insured shall file with the Insurer a premium adjustment application Form showing that 100% of "Business Income" as defined herein, certified by the Insured's auditors as earned during the Insured's financial year most nearly concurrent with the annual term of the policy (or a proportionately increased multiple thereof where the maximum "Indemnity Period" exceeds twelve (12) months) **was less than the total amount of insurance on "Business Income" under this Form**, then the Insurer will allow in respect of the difference a return of premium not exceeding 50% of the premium paid by the Insured under this Form in respect of such "Business Income". The Insurer reserves the right to inspect the Insured's books and records which relate to this insurance for verification of any statement filed for the purpose of adjusting the premium of this insurance.

10. DEFINITIONS

- a) **"Business"** means the business of the Insured as specified on the "Declarations".
- b) **"Business Income"** means the amount by which the sum of the "Revenue" and the amounts of closing stock and work in progress shall exceed the sum of the amounts of opening stock and work in progress and the amount of the "Variable Operating Expenses".
Note: The amounts of the opening and closing stocks and work in progress shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.
- c) **"Damage"** means the direct physical loss of or damage to property at the "Premises" from a Peril Insured.
- d) **"Declarations"** means the Declarations applicable to this Form.
- e) **"Indemnity Period"** means the period beginning with the occurrence of the "Damage" and ending not later than 12 consecutive calendar months (or such other period if so specified on the "Declaration" as the maximum indemnity period) thereafter during which the results of the "Business" shall be affected in consequence of the "Damage". However, if media for, or programming records pertaining to, electronic data processing or electronically controlled equipment including data thereon be lost or damaged by a peril insured against then the "Indemnity Period" in respect thereof shall not extend beyond:
 - i) 30 consecutive days after the occurrence of such "Damage"; or
 - ii) the date upon which liability ceases under this Form for loss arising from other property lost or damaged by the same occurrence;whichever shall be the later.
- f) **"Normal"** means the condition which would have existed had no loss occurred.
- g) **"Ordinary Payroll"** means the entire payroll expense for all employees of the Insured other than salaries to permanent staff and wages to foremen and important employees whose services would not be dispensed with should the business be interfered with or interrupted.
- h) **"Premises"** means the entire area within the property lines and areas under adjoining sidewalks and driveways at the location(s) described on the "Declarations" and in or on vehicles within 100 metres (328 feet) of such location(s).
- i) **"Revenue"** means the money paid or payable to the Insured for goods sold and delivered and for services rendered in course of the "Business" at the "Premises" after allowing for returns and discounts.
- j) **"Revenue Shortfall"** means the amount by which the "Revenue" during the "Indemnity Period" in consequence of the "Damage" falls short of the "Expected Revenue".
- k) **"Variable Operating Expenses"** means:
 - i) all purchases (less discounts received);
 - ii) packing materials;
 - iii) delivery and freight (other than by own vehicles);
 - iv) "Ordinary Payroll"Note: The words and expressions used in this definition shall have the meaning usually attached to them in the books and accounts of the Insured.

To the following adjustments shall be made as may be necessary to provide for the trend of the "Business" and for variations in or other circumstances affecting the "Business" either before or after the "Damage" or which would have affected the "Business" had the "Damage" not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the "Damage" would have been obtained during the relative period after the "Damage".

- l) **"Business Income Percentage"** means the percentage obtained by dividing the "Business Income" by the "Revenue" during the financial year immediately before the date of the "Damage".
- m) **"Annual Revenue"** means the "Revenue" during the twelve months immediately before the date of the "Damage".
- n) **"Expected Revenue"** means the "Revenue" during the period corresponding with the "Indemnity Period" in the twelve months immediately before the date of the "Damage" appropriately adjusted where the "Indemnity Period" exceeds twelve months.

COMMERCIAL CRIME FORM

SECTION A – INSURING AGREEMENTS

Coverage is provided only under the Insuring Agreements for which an amount of insurance is specified on the "Declarations Page" and applies to loss that the Insured sustains resulting directly from an "occurrence":

- (a) taking place during the policy period specified on the "Declarations Page", except as otherwise provided in:
 - (i) Condition 14 - Loss Sustained During Prior Insurance Issued by the Insurer or Any Affiliate; or
 - (ii) Condition 15 - Loss Sustained During Prior Insurance Not Issued by the Insurer or Any Affiliate; and
- (b) taking place within the "coverage territory", except as otherwise provided in Insuring Agreements 2, 4, 5, 6 and 9; and
- (c) that is "discovered" by the Insured during the policy period specified on the "Declarations Page", or during the period of time provided for under Condition 9 - Extended Discovery Period.

Subject to the above, the most the Insurer will pay for loss resulting directly from an "occurrence" is the amount of insurance specified on the "Declarations Page" for the applicable Insuring Agreement.

In addition to the terms, limitations, exclusions, provisions and other conditions in this form, all Insuring Agreements are subject to the Common Exclusions form attached to this policy.

1. CLAIMS PREPARATION COSTS

The Insurer will pay for:

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

All such costs and fees must be:

- (i) incurred by the Insured at the request of the Insurer; and
- (ii) associated with a claim under this insurance, for which liability has been otherwise accepted by the Insurer.

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

2. COMPUTER THEFT & FUNDS TRANSFER FRAUD

(a) The Insurer will pay for:

- (i) loss resulting directly from a fraudulent:
 - (1) entry of "electronic data" or "computer program" into; or
 - (2) change of "electronic data" or "computer program" within; any "computer system" owned, leased or operated by the Insured, provided such fraudulent entry or change causes:
 - (A) "money", "securities" or "other property" to be transferred, paid or delivered; or
 - (B) the Insured's account at a "financial institution" to be debited or deleted.
- (ii) loss resulting directly from a "fraudulent instruction" directing a "financial institution" located within the "coverage territory" to debit the Insured's "transfer account" and transfer, pay or deliver "money" or "securities" from that account.

(b) As used in Paragraph 2 (a) (i), fraudulent entry or fraudulent change of "electronic data" or "computer program" shall include such entry or change made by an "employee" acting, in good faith, upon a "fraudulent instruction" received from a computer software contractor who has a written agreement with the Insured to design, implement or service "computer programs" for a "computer system" covered under this Insuring Agreement.

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

3. CUSTOMERS INTEREST

If an amount of insurance is specified on the "Declarations Page" for Insuring Agreement 3 – Customers Interest, and either Insuring Agreement 4 or 5 – Employee Theft are also insured, then such Employee Theft Insuring Agreement is extended to cover loss resulting directly from the "theft" of "money", "securities" or "other property", by an "employee" acting alone or in collusion with others, which is sustained by a "client" within the client's premises.

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

Regardless of the amount of insurance specified on the "Declarations Page" for Employee Theft, the most the Insurer will pay under Insuring Agreement 3 - Customers Interest resulting directly from an "occurrence" is as specified on the "Declarations Page" for Customers Interest.

4. EMPLOYEE THEFT- Per Occurrence

The Insurer will pay for loss of or damage to "money", "securities", or "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons. For the purposes of this Insuring Agreement, "theft" shall also include "forgery".

The amount of insurance specified on the "Declarations Page" for Insuring Agreement 4 – Employee Theft - Per Occurrence applies to each "occurrence".

This Insuring Agreement is extended to cover loss caused by any "employee" while outside of the "coverage territory" for a period of not more than 90 days.

5. EMPLOYEE THEFT - Per Employee

The Insurer will pay for loss of or damage to "money", "securities", or "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons. For the purposes of this Insuring Agreement, "theft" shall also include "forgery".

The amount of insurance specified on the "Declarations Page" for Insuring Agreement 5 – Employee Theft - Per Employee applies to each "employee".

This Insuring Agreement is extended to cover loss caused by any "employee" while outside of the "coverage territory" for a period of not more than 90 days.

6. FORGERY OR ALTERATION

The Insurer will pay for loss resulting directly from "forgery" or alteration of cheques, drafts, promissory notes, bills of exchange, or similar written promises, orders or directions to pay a sum certain in "money" that are:

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

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

This Insuring Agreement covers loss sustained by the Insured resulting directly from an "occurrence" taking place anywhere in the world.

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

7. MONEY AND SECURITIES

The Insurer will pay for loss or damage resulting directly from:

- (a) the actual destruction, disappearance, robbery or "theft" of "money" or "securities":
 - (i) at the "premises" or at any "financial institution premises" committed by a person present inside such "premises" or "financial institution premises";
 - (ii) outside the "premises" while:
 - (1) in the care and custody of a "messenger" or any armoured transportation service; or
 - (2) located in the ordinary residence of any "messenger".
- (b) robbery or attempted robbery, "theft" or attempted "theft":
 - (i) of "other property" at the "premises";
 - (ii) to the "premises" or its exterior provided the Insured is the owner of the "premises" or is legally liable for such damage;
 - (iii) of "other property" outside the "premises":
 - (1) in the care and custody of a "messenger" or any armoured transportation service; or
 - (2) that is located in the ordinary residence of any "messenger".

Any coverage provided above with respect to "money", "securities" or "other property" being conveyed by an armoured transportation service is in excess of any reimbursement available to the Insured from such armoured transportation service.

8. MONEY ORDERS AND COUNTERFEIT PAPER CURRENCY

The Insurer will pay for loss resulting directly from the Insured having accepted in good faith, in exchange for merchandise, "money" or services:

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

9. TELEPHONE FRAUD

The Insurer will pay for long distance telephone charges incurred by the Insured resulting directly from the fraudulent access and use of the Insured's "telephone systems" whether or not access is initiated from the "premises".

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

This Insuring Agreement covers loss sustained by the Insured resulting directly from an "occurrence" taking place anywhere in the world.

10. UNAUTHORIZED BUSINESS CARD USE

The Insurer will pay for loss resulting directly from the unauthorized use of credit, debit and charge cards issued in the Insured's business name.

This Insuring Agreement does not apply:

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

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

SECTION B – DEDUCTIBLE

The Insurer will not pay for loss resulting directly from an "occurrence" that does not exceed the deductible amount. If the amount of loss is larger than the deductible amount as specified on the "Declarations Page" the Insurer will pay for the amount of the loss that is in excess of the deductible amount, up to the amount of insurance for the applicable Insuring Agreement.

With respect to Insuring Agreement 5 – Employee Theft - Per Employee, such deductible will apply separately to each "employee" involved in an "occurrence".

SECTION C – EXCLUSIONS

This insurance does not cover:

(a) Acts Committed by the Insured or Partners

Loss resulting from "theft" or any other dishonest act committed by:

- (i) the Insured; or
 - (ii) a partner of the Insured;
- whether acting alone or in collusion with other persons.

(b) Acts Committed by the Insured's Employees, Directors, Trustees or Representatives

Loss resulting from "theft" or any other dishonest act committed by any "employee", director, trustee or authorized representative of the Insured:

- (i) whether acting alone or in collusion with other persons; or
- (ii) while performing services for the Insured or otherwise.

This exclusion does not apply to Insuring Agreements 4 or 5 - Employee Theft.

(c) Confidential or Personal Information

Loss resulting from:

- (i) the disclosure of the Insured's or another person's or organization's confidential or personal information; or
- (ii) the use of another person's or organization's confidential or personal information; including, but not limited to, patents, trademarks, copyright, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information.

(d) Data Problem

Loss resulting from a "data problem".

(e) Data Security Breach

Fees, costs, fines penalties and other expenses incurred by the Insured which are related to the access to or disclosure 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 any other type of non-public information.

(f) Fungi and Spores

See Common Exclusions attached to this policy.

(g) Governmental Action

Loss resulting from the seizure or destruction of property by order of governmental authority.

(h) Indirect Loss

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

- (i) the inability of the Insured to realize income, including interest and dividends, that would have been realized had there been no loss covered under this insurance;
- (ii) payment of damages of any type for which the Insured is legally liable. This exclusion does not apply to compensatory damages arising directly from a loss covered under this insurance;
- (iii) payment of costs, fees or other expenses incurred by the Insured in establishing either the existence or the amount of loss under this insurance.

(i) Legal Fees, Costs and Expenses

Fees, costs and expenses incurred by the Insured which are related to any legal action. This exclusion does not apply to Insuring Agreement 6 - Forgery or Alteration and Insuring Agreement 10 - Unauthorized Business Card Use.

(j) Nuclear

See Common Exclusions attached to this policy.

(k) Pollution

See Common Exclusions attached to this policy.

(l) Terrorism

See Common Exclusions attached to this policy.

(m) Trading

Loss resulting from "trading" whether in the name of the Insured, or in a genuine or fictitious account.

(n) War or Military Action

See Common Exclusions attached to this policy.

ADDITIONAL EXCLUSIONS APPLICABLE TO INSURING AGREEMENT 2 – COMPUTER THEFT & FUNDS TRANSFER FRAUD

This insurance does not cover:

(a) Authorized Access

Loss resulting from a fraudulent:

- (i) entry of "electronic data" or "computer program" into; or
- (ii) change of "electronic data" or "computer program" within; any "computer system" owned, leased or operated by the Insured by a person or organization with authorized access to that "computer system", except when covered under Insuring Agreement 2 (b).

(b) Credit Card Transactions

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

(c) Exchange or Purchases

Loss resulting from the giving or surrendering of "money" or "securities" or "other property" in any exchange or purchase.

(d) Fraudulent Instructions

Loss resulting from an "employee" or "financial institution" acting upon any instruction to:

- (i) transfer, pay or deliver "money", "securities" or "other property"; or
- (ii) debit or delete the Insured's account;

which instruction proves to be fraudulent, except when covered under Insuring Agreement 2 (a) (ii) or 2 (b).

(e) Inventory Shortages

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon an inventory computation or a profit and loss computation.

ADDITIONAL EXCLUSIONS APPLICABLE TO INSURING AGREEMENTS 4 and 5 – EMPLOYEE THEFT

This insurance does not cover:

(a) Inventory Shortages

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon an inventory computation or a profit and loss computation. However, where the Insured establishes with evidence that is independent from such computations that they have sustained a loss, then the Insured may offer their inventory records and actual physical count of inventory in support of the amount of loss claimed.

(b) Prior Employee Declination

Loss caused by any “employee” of the Insured, or the Insured’s predecessor, for whom prior similar Employee Theft insurance has been declined or cancelled and has not been reinstated.

ADDITIONAL EXCLUSIONS APPLICABLE TO INSURING AGREEMENT 7 – MONEY AND SECURITIES

This insurance does not cover:

(a) Accounting or Arithmetical Errors or Omissions

Loss resulting from accounting or arithmetical errors or omissions.

(b) Books

Loss of manuscripts, books of account or records.

(c) Exchanges or Purchases

Loss resulting from the giving or surrendering of “money” or “securities” or “other property” in any exchange or purchase.

(d) Fire

Loss or damage resulting from fire, however caused, except:

- (i) to a safe or vault;
- (ii) to “money” and “securities”.

(e) Money Operated Devices

Loss of “money” contained in any money operated device, unless the amount of “money” can be verified by a continuous recording instrument in the device.

(f) Motor Vehicles

Loss of or damage to motor vehicles, trailers or semitrailers or equipment and accessories attached to them.

(g) Transfer or Surrender of Property

Loss of or damage to “money”, “securities” or “other property” that has been transferred or surrendered to a person or place outside the “premises” or “financial institution premises”:

- (i) on the basis of unauthorized instructions;
- (ii) as a result of a threat to do bodily harm to any person;
- (iii) as a result of a threat to do damage to any property;
- (iv) as a result of a threat to introduce a denial of service attack into any “computer system”;
- (v) as a result of a threat to introduce a virus or other malicious instruction into any “computer system” which is designed to damage, destroy or corrupt “electronic data” or “computer programs” stored within the “computer system”;
- (vi) as a result of a threat to contaminate, pollute or render substandard the Insured’s products or goods; or
- (vii) as a result of a threat to disseminate, divulge or utilize:
 - (1) the Insured’s confidential information;
 - (2) confidential or personal information of another person or organization; or
 - (3) weaknesses in the source code within any “computer system”.

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

- (a) had no knowledge of any threat at the time the conveyance began; or
- (b) had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

(h) Voluntary Parting

Loss resulting from the Insured, or anyone else acting on the Insured’s express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

SECTION D – CONDITIONS

This insurance is subject to the following conditions, however, if any condition is found to be in conflict with a provincial or territorial statute, or with the Quebec Civil Code, then the interpretation most favourable to the Insured shall prevail.

1. Additional Premises

If, during the policy period specified on the "Declarations Page", the Insured acquires additional "premises" (other than through consolidation or merger with, or purchase or acquisition of assets or liabilities of another entity) such "premises" will be automatically covered under this insurance, subject to the following:

- (a) This insurance only applies to "occurrences" taking place within the first 90 days after the effective date of such acquisition.
- (b) The Insured must give the Insurer written notice within 90 days of such acquisition.
- (c) Premium will be payable from the date of such acquisition to the end of the current policy period.

2. Canadian Currency Clause

All amounts of insurance, premiums and other amounts as expressed in this insurance are in Canadian currency, unless otherwise stated.

3. Cancellation as to Any Employee

This insurance is cancelled as to any "employee":

- (a) immediately upon "discovery" by:
 - (i) the Insured; or
 - (ii) any of the Insured's partners, managers, officers, directors or trustees not acting in collusion with the "employee";of "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by the Insured.
- (b) on the date specified in a notice mailed to the first Named Insured. That date will be at least 30 days after the date of mailing. The Insurer will mail or deliver their notice to the first Named Insured's last mailing address known to them. If notice is mailed, proof of mailing will be sufficient proof of notice.

4. Change of Interest

The Insured's rights and duties under this form may not be transferred without the Insurer's written consent. However, 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.

5. Changes

The terms of this insurance can only be amended or waived by an endorsement issued by the Insurer.

6. Concealment or Misrepresentation

This Insurance is void if any Insured, at any time, intentionally conceals or misrepresents any material fact or circumstance concerning:

- (a) this insurance;
- (b) the property covered under this insurance;
- (c) the Insured's interest in the property covered under this insurance; or
- (d) a claim under this insurance.

7. Consolidation - Merger

If through consolidation or merger with, or purchase or acquisition of the assets or liabilities of another entity, the Insured establishes additional "premises" or "employees", such "premises" or "employees" will automatically be covered under this form subject to the following:

- (a) This coverage only applies to "occurrences" taking place within the first 90 days after the effective date of such consolidation, merger or acquisition.
- (b) The Insured must give the Insurer written notice within 90 days of such consolidation, merger or acquisition.
- (c) Premium will be payable from the date of consolidation, merger or acquisition to the end of the current policy period.

8. Duties in the Event of Loss

After the Insured "discovers" a loss or a situation that may give rise to a claim, the Insured must:

- (a) notify the Insurer or their authorized representatives, as soon as possible. If the Insured has reason to believe that any loss involves a violation of law, the Insured must also notify the local law enforcement authorities;
- (b) submit to examination under oath at the Insurer's request and give the Insurer a signed statement of their answers;

- (c) produce for the Insurer's examination all pertinent records for investigation;
- (d) provide the Insurer with a detailed sworn proof of loss within 120 days of the loss being "discovered";
- (e) co-operate with the Insurer in the investigation and settlement of any claim; and
- (f) include with the proof of loss any document that is the basis of the claim for loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss. This duty only applies to Insuring Agreement 6 - Forgery or Alteration and Insuring Agreement 10 - Unauthorized Business Card Use.

9. Extended Discovery Period

Subject to the terms and conditions of this insurance, the Insurer will pay for loss that the Insured sustained prior to the effective date of termination of this insurance, which is "discovered" by the Insured no later than 2 years from the date of that termination. 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 this insurance.

10. Inspection and Examination

The Insurer or its authorized representative is permitted at any time to inspect the Insured's premises and to examine and audit the Insured's books of account or records. Such inspection or examination will not waive nor in any manner affect any of the terms or conditions of this insurance.

11. Joint Insured

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

- (a) The first Named Insured will act for itself and for every other Insured for all purposes of this 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, 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) Payments for loss made to the first Named Insured will constitute full settlement of the claim with respect to any Insured.
- (e) If this insurance is cancelled or terminated as to any Insured, loss sustained by that Insured is covered but only to the extent of coverage provided in Condition 9 - Extended Discovery Period.

12. Legal Action Against Insurer

The Insured may not bring any legal action against the Insurer involving loss:

- (a) unless the Insured has complied with all the terms of this insurance;
- (b) until 90 days after the Insured has filed proof of loss with the Insurer; and
- (c) unless brought within 2 years from the date the Insured "discovers" the loss.

13. Liberalization

If the Insurer broadens the coverage on this form during the policy period, without an additional premium charge, the Insured will automatically receive the benefit of the broadened coverage.

14. Loss Sustained During Prior Insurance Issued by the Insurer or Any Affiliate

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

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

- (i) partly during the policy period specified on the "Declarations Page"; and
 - (ii) partly during the policy period(s) of any prior cancelled, terminated or expired insurance that the Insurer or any affiliate had issued to the Insured or any predecessor in interest;
- and this insurance became effective at the time of cancellation, termination or on the expiry date of the prior insurance, the Insurer will first settle the amount of loss that the Insured sustained during the policy period specified on the "Declarations Page" up to the amount of insurance specified on the "Declarations Page" for the applicable Insuring Agreement. The Insurer will then settle the remaining amount of loss that the Insured sustained during the policy period(s) of the prior insurance in accordance with condition 14 (c).

(b) Loss Sustained Entirely During Prior Insurance

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

- (i) this insurance became effective at the time of cancellation, termination or on the expiry date of the prior insurance; and

- (ii) the loss would have been covered under this form had it been in effect at the time of the "occurrence".

The Insurer will first settle the amount of loss that the Insured sustained during the most recent prior insurance. The Insurer will then settle any remaining amount of loss that the Insured sustained during the policy period(s) of any other prior insurance.

(c) Amount of Insurance

The most the Insurer will pay for the entire loss under this condition 14 is the highest single amount of insurance applicable during the period of loss, regardless of whether such limit was written under this form or was written under the prior insurance issued by the Insurer. If this insurance is issued to the Insured to replace similar insurance previously provided by the Insurer, the Insured and the Insurer agree that any rights of the Insured under such prior policy are terminated by the issuance of insurance pursuant to this insurance, and the total insurance available to the Insured in respect of losses occurring in whole or in part during any prior policy term are limited by this condition 14.

(d) Deductible

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

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

15. Loss Sustained During Prior Insurance Not Issued by the Insurer or Any Affiliate

(a) Loss Sustained During Prior Insurance

If the Insured "discovers" loss during the policy period specified on the "Declarations Page", resulting directly from an "occurrence" taking place, in whole or in part, during the policy period of any prior cancelled, terminated or expired insurance that was issued to the Insured or any predecessor in interest by another Insurer, and the period of time to "discover" loss under that insurance had expired, the Insurer will pay for the loss under this insurance, provided:

- (i) this insurance became effective at the time of cancellation, termination or on the expiry date of the prior insurance; and
- (ii) the loss would have been covered under this insurance had it been in effect at the time of the "occurrence".

(b) Amount of Insurance

The most the Insurer will pay for the entire loss under this condition is the lesser of the amounts of insurance applicable during the period of loss, whether such amount of insurance was written under this insurance or was written under the prior cancelled, terminated or expired insurance.

(c) Deductible

The Insurer will apply the applicable deductible amount specified on the "Declarations Page" to the amount of loss sustained under the prior cancelled, terminated or expired insurance.

(d) The insurance provided under this condition is subject to the following:

- (i) If loss covered under this condition is also partially covered under condition 14, the amount recoverable under this condition is part of, not in addition to, the amount recoverable under condition 14.
- (ii) For loss covered under this condition that is not subject to paragraph (i) the amount recoverable under this condition is part of, not in addition to, the amount of insurance applicable to the loss covered under this insurance and is limited to the lesser of the amount recoverable under:
 - (1) This insurance as of its effective date; or
 - (2) The prior cancelled, terminated or expired insurance, had it remained in effect.

16. Non Accumulation of Liability

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

- (b) If an Insuring Agreement has been provided for more than one location under this insurance, then in no event, regardless of the number of locations or "premises", will the amount of insurance exceed the highest single amount applicable as specified on the "Declarations Page" for that Insuring Agreement in an "occurrence".
- (c) The inclusion of more than one Insured shall not increase the maximum amount of insurance specified on the "Declarations Page" for the applicable Insuring Agreement.

17. Other Insurance

If, on the happening of any loss or damage covered under this insurance there is in effect any other insurance covering the same interest then the following will apply:

- (a) in the province of Quebec the Insurer will pay their share of the covered loss. The Insurers' share is the proportion that the applicable amount of insurance specified on the "Declarations Page" bears to the total limit of all insurance covering the same loss; or
- (b) in all other jurisdictions this insurance will apply only as excess insurance over any other valid and collectible insurance that would apply in the absence of this insurance.

18. Ownership of Property - Interests Covered

The property covered under this insurance is limited to:

- (a) property that the Insured owns or leases;
- (b) property that the Insured holds for others in any capacity; or
- (c) property inside the premises of a "client" of the Insured, but only to the extent of coverage provided under Insuring Agreement 3 - Customers Interest.

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

19. Property of Others

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

20. Records

The Insured will keep records of all property covered under this insurance so that the Insurer can verify the amount of any loss.

21. Recoveries

- (a) Any recoveries, less the cost of obtaining them, made before or after settlement of loss covered by this insurance will be distributed as follows:
 - (i) to the Insured, until they are reimbursed for any loss that they have sustained that is covered by this insurance but exceeds the amount of insurance and the deductible amount, if any;
 - (ii) then to the Insurer, until they are reimbursed for the settlement made;
 - (iii) then to the Insured in respect of:
 - (1) any deductible amount incurred; and
 - (2) any loss not covered by this insurance.
- (b) Recoveries do not include:
 - (i) recovery from insurance, suretyship, reinsurance, security or indemnity taken for the Insurer's benefit; or
 - (ii) recovery of original "securities" after duplicates have been issued.

22. Reinstatement

Loss under any Insuring Agreement under this form will not reduce the applicable amount of insurance.

23. Subrogation

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

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

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

24. Termination of Insurance

- (a) This contract may be terminated,
 - (i) by the Insurer giving to the Insured:
 - (1) 15 days' notice of termination by registered mail if termination is for non-payment of premium; or
 - (2) 30 days' notice of termination by registered mail if termination is for any other reason;
 - (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 period of notice referred to in subparagraph (a) (i) of this condition starts to run on the day that the registered letter, or notification of it, is delivered:
 - (i) in the province of Quebec at the Insured's last known address;
 - (ii) at all other locations, at the Insured's postal address.

25. Territory

Unless otherwise provided in this form, the Insurer is liable only for loss of or damage to insured property while located within the "coverage territory".

26. Valuation - Settlement

The value of the following items will be determined as follows:

- (a) "money", at its face value;
- (b) "securities", at an amount up to and including their value at the close of business on the day the loss was "discovered". The Insurer may, at their option:
 - (i) pay the value of such "securities" or replace them in kind, in which event the Insured must assign to the Insurer all rights, title and interest in and to those "securities"; or
 - (ii) pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, the Insurer will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
 - (1) value of the "securities" at the close of business on the day the loss was "discovered"; or
 - (2) the amount of insurance applicable to "securities".
- (c) all "other property", or loss from damage to the "premises" or its exterior, for the actual cash value at the time of loss. The Insurer, instead of making payment, may repair or replace the lost or damaged property with property or material of like kind and quality.

Actual Cash Value

Various factors may be considered in the determination of actual cash value. The factors to be considered may 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 damage, the resale value, the normal life expectancy of the property and obsolescence.

SECTION E – DEFINITIONS

Wherever used in this form:

- 1. **"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.
- 2. **"Client"** means any entity by whom the Insured is paid to provide services.
- 3. **"Computer program"** means a set or related electronic instructions, which direct the operation and function of a computer or devices connected to it, which enable the computer or devices to receive, process, store or send "electronic data".

4. **"Computer system"** means:
 - (a) computers including personal digital assistants (PDA's) and other transportable or handheld devices, electronic storage devices and related peripheral components;
 - (b) systems and applications software; and
 - (c) related communications networks;by which "electronic data" is collected, transmitted, processed, stored or retrieved.
5. **"Coverage territory"** means anywhere within Canada or the continental United States of America.
6. **"Data"** means representations of information or concept, in any form.
7. **"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".
8. **"Declarations Page"** means the Declarations Page attached to this policy.
9. **"Discover", "discovery" or "discovered"** means:
 - (a) the time when the Insured first became aware of facts which would cause a reasonable person to assume that a loss of a type covered by this insurance has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of the loss may not then be known; or
 - (b) the time when the Insured first received notice of an actual or potential claim in which it is alleged that the Insured is liable to a third party under circumstances which, if true, would constitute a loss under this insurance.
10. **"Electronic data"** means information, facts, images or sounds stored as or on, created or used on, or transmitted to or from computer software (including systems or applications software) on data storage devices, including hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
11. **"Employee"** means:
 - (a) any natural person:
 - (i) while in the regular employment of the Insured and for 30 consecutive days immediately after termination of employment, unless such termination is due to "theft" or any other dishonest act committed by the "employee";
 - (ii) who the Insured compensates directly by salary, wages or commissions; and
 - (iii) who the Insured has the right to direct and control in the performance of such employment.
 - (b) any natural person who is a director or trustee of the Insured while performing acts within the scope of the usual duties of an "employee";

"Employee" does not mean:

 - (1) any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character;
 - (2) any natural person leased to the Insured by a labor leasing firm;
 - (3) any natural person furnished temporarily to the Insured by any third party.
12. **"Financial institution"** means a bank, savings bank, savings and loan association, trust company, credit union or similar depository institution or an insurance company. With respect to Insuring Agreement 2 – Computer Theft & Funds Transfer Fraud "financial institution" also means a stock brokerage firm or investment company.
13. **"Financial institution premises"** means the interior of that portion of any building which is occupied by a "financial institution".
14. **"Forgery"** means the signing of the name of another person or organization with intent to deceive. "Forgery" does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
15. **"Fraudulent instruction"** means:
 - (a) with regard to Insuring Agreement 2 (a) (ii):
 - (i) a computer, telegraphic, cable, teletype, telefacsimile, telephone or other electronic instruction directing a "financial institution" to debit the Insured's "transfer account" and to transfer, pay or deliver "money" or

- “securities” from that “transfer account”, which instruction purports to have been issued by the Insured, but which in fact was fraudulently issued by someone else without the Insured’s knowledge or consent;
- (ii) a written instruction (other than those covered under Insuring Agreement 6 - Forgery or Alteration) issued to a “financial institution” directing the “financial institution” to debit the Insured’s “transfer account” and to transfer, pay or deliver “money” or “securities” from that “transfer account”, through an electronic funds transfer system at specified times or under specified conditions, which instruction purports to have been issued by the Insured, but which in fact was issued, forged or altered by someone else without the Insured’s knowledge or consent; or
 - (iii) a computer, telegraphic, cable, teletype, telefacsimile, telephone or other electronic or written instruction initially received by the Insured, which instruction purports to have been issued by an “employee”, but which in fact was fraudulently issued by someone else without the Insured’s or the “employee’s” knowledge or consent.
- (b) With regard to Insuring Agreement 2 (b): A computer, telegraphic, cable, teletype, telefacsimile, telephone or other electronic, written or voice instruction directing an “employee” to enter or change “electronic data” or “computer programs” within a “computer system” covered under the Insuring Agreement, which instruction in fact was fraudulently issued by the Insured’s computer software contractor.
16. **“Messenger”** means the Insured, a partner or an officer of the Insured, or any “employee” who is duly authorized by the Insured to have the insured property in their care and custody outside the “premises”.
17. **“Money”** means:
- (a) currency, coins and bank notes in current use and having a face value;
 - (b) bullion, “cash cards”;
 - (c) traveller’s cheques, register cheques and money orders held for sale to the public; or
 - (d) in addition, under Insuring Agreement 2 - Computer Theft & Funds Transfer Fraud, Insuring Agreement 4 & 5 - Employee Theft and Insuring Agreement 6 - Forgery or Alteration, “money” includes deposits in the Insured’s account at a “financial institution”.
18. **“Occurrence”** means:
- (a) Under Insuring Agreement 4 and 5 - Employee Theft and Insuring Agreement 3 - Customers Interest:
 - (i) an individual act;
 - (ii) the combined total of all separate acts whether or not related; or
 - (iii) a series of acts whether or not related; committed by an “employee” acting alone or in collusion with other persons, during the policy period specified on the “Declarations Page”, except as provided under Conditions 14 - Loss Sustained During Prior Insurance Issued by the Insurer or Any Affiliate and 15 - Loss Sustained During Prior Insurance Not Issued by the Insurer or Any Affiliate.
 - (b) Under Insuring Agreement 6 – Forgery or Alteration:
 - (i) an individual act;
 - (ii) the combined total of all separate acts whether or not related; or
 - (iii) a series of acts whether or not related; committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the policy period specified on the “Declarations Page”, except as provided under Conditions 14 - Loss Sustained During Prior Insurance Issued by the Insurer or Any Affiliate and 15 - Loss Sustained During Prior Insurance Not Issued by the Insurer or Any Affiliate.
 - (c) Under all other Insuring Agreements:
 - (i) an individual act;
 - (ii) the combined total of all separate acts whether or not related; or
 - (iii) a series of acts whether or not related; committed by a person acting alone or in collusion with other persons, or not committed by any person, during the policy period specified on the “Declarations Page”, except as provided under Conditions 14 - Loss Sustained During Prior Insurance Issued by the Insurer or Any Affiliate and 15 - Loss Sustained During Prior Insurance Not Issued by the Insurer or Any Affiliate.
19. **“Other property”** means any tangible property other than “money” and “securities” that has intrinsic value. “Other property” does not include “computer programs”, “electronic data” or any property specifically excluded under this form.
20. **“Premises”** means the interior of that portion of any building at a location specified on the “Declarations Page” that is occupied by the Insured for the conduct of their business.

21. **"Securities"** means negotiable and non-negotiable instruments or contracts representing "money" or "other property" and includes:
- (a) tokens, tickets, revenue or other stamps (whether represented by actual stamps or unused value in a meter) in current use;
 - (b) evidences of debt issued in connection with credit or charge cards, which cards are not issued by the Insured;
- but does not include "money".
22. **"Telephone systems"** means a private branch exchange (PBX) or electronic key system, with or without adjuncts including, but not limited to, voice mail, automated call attendant and automated call directors, that are owned or exclusively leased by the Insured and located on the Insured's "premises".
23. **"Theft"** means the unlawful taking of property to the deprivation of the Insured.
24. **"Trading"** means any transaction that deals in securities, commodities, futures, options, currencies, foreign exchange or any similar transaction.
25. **"Transfer account"** means an account maintained by the Insured at a "financial institution" from which the Insured can initiate the transfer, payment or delivery of "money" or "securities":
- (a) by means of computer, telegraphic, cable, teletype, telefacsimile, telephone or other electronic instructions; or
 - (b) by means of written instructions (other than those covered under Insuring Agreement 6 - Forgery or Alteration) establishing the conditions under which such transfers are to be initiated by such "financial institution" through an electronic funds transfer system.

CYBER RISK EXCLUSION

1. This Exclusion forms a part of the insurance policy to which it is attached and is applicable to all property, business income, inland marine, crime, and equipment breakdown coverages and applies to all endorsements, coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s) contained in these coverage forms.

The property, business income, inland marine, crime, and equipment breakdown coverages do not insure any loss, costs, damage or expense arising from or contributed to, directly or indirectly, by "cyber risk" from one or more of the following

- a. Loss of, alteration of, or damage to, corruption of, or a reduction in the functionality, availability or operation of any "computer and/or network system" or "data", whether the property of the Insured or not;
- b. Any access to or disclosure of any person's or organization's confidential, personal, proprietary or other nonpublic information in any recordable form, including without limitation expenses associated with notification, remediation, mitigation or prevention of a security breach; or
- c. Extortion threats, fraud or theft involving any "computer and/or network system", or any other electronic data system or any confidential, personal, proprietary or other nonpublic information.

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.

2. Definitions:

As used in this exclusion:

- a. "computer and/or network system" means any computer, hardware, software, process, program, microchip, integrated circuit or similar device in computer equipment or non-computer equipment, information repository, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, website or any other electronic data system, owned or operated by the Insured or any other party.
- b. "cyber risk" means an unauthorized, malicious or criminal act or series of related unauthorized, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any "computer and/or network system".
- c. "data" means representations of information or concepts, in any form.

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

Short Rate Cancellation Table

Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of the premium actually paid by the Insured over the short rate premium for the expired time as indicated in the table below. In no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.

Days force	% of returned	Days force	% of returned	Days force	% of returned	Days force	% of returned	Days force	% of returned	Days force	% of returned
1	0.95	64	0.72	127	0.55	190	0.38	253	0.24	316	0.10
2	0.94	65	0.72	128	0.54	191	0.38	254	0.24	317	0.10
3	0.93	66	0.71	129	0.54	192	0.37	255	0.24	318	0.10
4	0.93	67	0.71	130	0.54	193	0.37	256	0.23	319	0.10
5	0.92	68	0.71	131	0.54	194	0.37	257	0.23	320	0.09
6	0.92	69	0.71	132	0.53	195	0.37	258	0.23	321	0.09
7	0.91	70	0.70	133	0.53	196	0.37	259	0.23	322	0.09
8	0.91	71	0.70	134	0.53	197	0.36	260	0.23	323	0.09
9	0.90	72	0.70	135	0.53	198	0.36	261	0.22	324	0.08
10	0.90	73	0.70	136	0.52	199	0.36	262	0.22	325	0.08
11	0.89	74	0.69	137	0.52	200	0.36	263	0.22	326	0.08
12	0.89	75	0.69	138	0.52	201	0.35	264	0.22	327	0.08
13	0.88	76	0.69	139	0.51	202	0.35	265	0.21	328	0.08
14	0.88	77	0.68	140	0.51	203	0.35	266	0.21	329	0.07
15	0.87	78	0.68	141	0.51	204	0.35	267	0.21	330	0.07
16	0.87	79	0.68	142	0.51	205	0.35	268	0.21	331	0.07
17	0.86	80	0.68	143	0.50	206	0.34	269	0.21	332	0.07
18	0.86	81	0.67	144	0.50	207	0.34	270	0.20	333	0.06
19	0.85	82	0.67	145	0.50	208	0.34	271	0.20	334	0.06
20	0.85	83	0.67	146	0.50	209	0.34	272	0.20	335	0.06
21	0.84	84	0.66	147	0.49	210	0.33	273	0.20	336	0.06
22	0.84	85	0.66	148	0.49	211	0.33	274	0.19	337	0.06
23	0.83	86	0.66	149	0.49	212	0.33	275	0.19	338	0.05
24	0.83	87	0.66	150	0.48	213	0.33	276	0.19	339	0.05
25	0.83	88	0.65	151	0.48	214	0.33	277	0.19	340	0.05
26	0.82	89	0.65	152	0.48	215	0.32	278	0.19	341	0.05
27	0.82	90	0.65	153	0.48	216	0.32	279	0.18	342	0.05
28	0.82	91	0.65	154	0.47	217	0.32	280	0.18	343	0.04
29	0.82	92	0.64	155	0.47	218	0.32	281	0.18	344	0.04
30	0.81	93	0.64	156	0.47	219	0.31	282	0.18	345	0.04
31	0.81	94	0.64	157	0.46	220	0.31	283	0.17	346	0.04
32	0.81	95	0.63	158	0.46	221	0.31	284	0.17	347	0.03
33	0.80	96	0.63	159	0.46	222	0.31	285	0.17	348	0.03
34	0.80	97	0.63	160	0.46	223	0.31	286	0.17	349	0.03
35	0.80	98	0.63	161	0.45	224	0.30	287	0.17	350	0.03
36	0.80	99	0.62	162	0.45	225	0.30	288	0.16	351	0.03
37	0.79	100	0.62	163	0.45	226	0.30	289	0.16	352	0.02
38	0.79	101	0.62	164	0.45	227	0.30	290	0.16	353	0.02
39	0.79	102	0.62	165	0.44	228	0.30	291	0.16	354	0.02
40	0.79	103	0.61	166	0.44	229	0.29	292	0.15	355	0.02
41	0.78	104	0.61	167	0.44	230	0.29	293	0.15	356	0.01
42	0.78	105	0.61	168	0.43	231	0.29	294	0.15	357	0.01
43	0.78	106	0.60	169	0.43	232	0.29	295	0.15	358	0.01
44	0.77	107	0.60	170	0.43	233	0.28	296	0.15	359	0.01
45	0.77	108	0.60	171	0.43	234	0.28	297	0.14	360	0.01
46	0.77	109	0.60	172	0.42	235	0.28	298	0.14	361	0.00
47	0.77	110	0.59	173	0.42	236	0.28	299	0.14	362	0.00
48	0.76	111	0.59	174	0.42	237	0.28	300	0.14	363	0.00
49	0.76	112	0.59	175	0.42	238	0.27	301	0.14	364	0.00
50	0.76	113	0.59	176	0.41	239	0.27	302	0.13	365	0.00
51	0.76	114	0.58	177	0.41	240	0.27	303	0.13		
52	0.75	115	0.58	178	0.41	241	0.27	304	0.13		
53	0.75	116	0.58	179	0.40	242	0.26	305	0.13		
54	0.75	117	0.57	180	0.40	243	0.26	306	0.12		
55	0.74	118	0.57	181	0.40	244	0.26	307	0.12		
56	0.74	119	0.57	182	0.40	245	0.26	308	0.12		
57	0.74	120	0.57	183	0.39	246	0.26	309	0.12		
58	0.74	121	0.56	184	0.39	247	0.25	310	0.12		
59	0.73	122	0.56	185	0.39	248	0.25	311	0.11		
60	0.73	123	0.56	186	0.39	249	0.25	312	0.11		
61	0.73	124	0.56	187	0.39	250	0.25	313	0.11		
62	0.73	125	0.55	188	0.38	251	0.24	314	0.11		
63	0.72	126	0.55	189	0.38	252	0.24	315	0.10		

CANNABIS EXCLUSION

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Definitions : The following definition is added to Property and Liability coverages.

Cannabis: includes cannabis, hemp or marijuana, in any form, including all their respective seeds, oils, resins,

compounds, by-products, additives and derivatives, whether as medicine, food, drink or recreational drug.

Property section- the following exclusion is added:

We do not cover:

1. Cannabis;
2. Any equipment used in the manufacture of Cannabis;
3. Cannabis plants, or any items or paraphernalia used to grow or cultivate Cannabis plants.

General Liability section – the following exclusion is added:

Bodily Injury Claims Not Covered, the following is added:

We do not cover:

Bodily injury arising directly or indirectly for which any insured may be held liable by reason of:

1. the use, sale, manufacture, delivery, transfer or possession by any person of Cannabis;
2. the causing or contribution of rendering of any person to be under the influence of Cannabis by any means, whether intentional or not;
3. the furnishing of Cannabis to a person under the age of 18;
4. the violation of any statute, ordinance or regulation relating to the sale, gift, distribution or use of Cannabis.

CHECK VALVE WARRANTY

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

It is agreed and understood that the coverage afforded by form Sewer Backup Endorsement, is conditional upon the building being equipped with a check valve in good order and meeting the by laws and regulations in effect.

If the check valve is not in good working order or is not meeting the by laws and regulations in effect, any loss from the backing-up of sewers, sumps, septic tanks or drains will not be covered.

All other terms and conditions of this policy remain unchanged.

COMMUNICABLE DISEASE EXCLUSION

Applicable to PROPERTY and LOSS OF EARNINGS COVERAGES

1. This policy, subject to all applicable terms, conditions and exclusions, covers losses attributable to direct physical loss or physical damage occurring during the period of insurance. Consequently and notwithstanding any other provision of this policy to the contrary, this policy does not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this exclusion, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
 - 2.1. for a Communicable Disease, or
 - 2.2. any property insured hereunder that is affected by such Communicable Disease.
3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - 3.1. the substance or agent includes, but is not limited to, a virus, bacterium, 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 damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.
4. This exclusion applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

All other terms, conditions and exclusions of the policy remain the same.

COMMON EXCLUSIONS

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

The following exclusions apply to all Property, Business Interruption and Crime forms and endorsements forming part of this policy, and if applicable, will replace any existing exclusion that may be contained in such form or endorsement.

1. FUNGI AND SPORES

This policy does not insure:

- (a) loss or damage consisting of or caused directly or indirectly, in whole or in part, by any "fungi" or "spores".

This exclusion does not apply:

- (i) if the "fungi" or "spores" are directly caused by a peril not otherwise excluded in this policy; or
- (ii) to loss or damage caused directly by a resultant peril not otherwise excluded in this policy;

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

2. NUCLEAR

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

- (a) by any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any amending law) or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas, all as described in the form to which this endorsement attaches;

- (b) by contamination by radioactive material.

3. POLLUTION

This policy does not insure against:

- (a) loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", nor the cost or expense of any resulting "clean up". This exclusion does not apply:

- (i) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is directly caused by a peril not otherwise excluded in this policy; or
- (ii) to loss or damage caused directly by a resultant peril not otherwise excluded in this policy;

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

4. TERRORISM

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

5. WAR OR MILITARY ACTION

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

DEFINITIONS

Wherever used in this endorsement:

- (a) **"Clean up"** means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to any of these processes.
- (b) **"Fungi"** includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "fungi" or "spores" or resultant mycotoxins, allergens, or pathogens.
- (c) **"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.
- (d) **"Spores"** includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any "fungi".
- (e) **"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.

All other terms and conditions of the policy remain unchanged