



2450 Girouard Street West  
Saint-Hyacinthe, Qc J2S 3B3

Professional Liability Insurance  
Declarations Page  
**PROTEC PRO**  
Policy 169-0784

**Name and Postal Address of the Named Insured**  
SPECIMEN .

**Professional Liability (Errors and Omissions)**

**General Information**

|                              |                                                                                                      |
|------------------------------|------------------------------------------------------------------------------------------------------|
| <b>Object of Document</b>    | NEW BUSINESS                                                                                         |
| <b>Policy Period</b>         | From December 1, 2025 To December 1, 2026<br>12h01 A.M. local time at the postal address shown above |
| <b>Professional Services</b> | As described in Section 5 - Definitions                                                              |
| <b>Broker</b>                | La Turquoise (3942)<br>481 Route 131, C.P.338<br>Joliette QC J6E 3Z6                                 |
|                              | <b>Total Premium \$0.00</b>                                                                          |
| <b>Retroactive date</b>      | Not applicable                                                                                       |

  
Premier vice-président et chef de la souscription,  
Solutions spécialisées

**Professional Liability (Errors and Omissions)**

In accepting the present policy, the Insured and the Beneficiary, if any, recognize as cancelled, as from the effective date of this policy, the previous policies stated in the Declarations which are replaced by this policy, including all renewals attaching thereto.

**TRANSFER - WAIVER - CANCELLATION**

**Transfer** : for value received, I hereby, transfer and surrender to:

New Owner \_\_\_\_\_  
 Address \_\_\_\_\_  
 Mortgagee \_\_\_\_\_  
 Address \_\_\_\_\_

all my rights, titles and interest in this Policy, as well as all advantages resulting therefrom.

The Insurer accepts the above transfer, subject to the terms, provisions and conditions of said Policy and Endorsements attached thereon, but if the transfer is effected in favor of a Mortgagee or as a subsidiary guarantee, the insurance under this Policy will remain in the name of the Insured and in case of loss, indemnity will be payable to the Beneficiary, as per his interests.

**PERSON AUTHORIZED FOR THIS PURPOSE**

**Waiver of Interest** : I hereby declare having no further interest in this Policy.

**Cancellation** : In consideration of a return premium, if any, this Policy and Renewal (if any) are cancelled and surrendered to the Insurer.

| In force |       |      | Reason | New policy no. If replaced | (\$ ) Return premium |
|----------|-------|------|--------|----------------------------|----------------------|
| Day      | Month | Year |        |                            |                      |
|          |       |      |        |                            |                      |

To be completed by the broker

Cancellation method ☐ S/E ☐ P/R

-----  
 Insured

-----  
 Mortgagee

-----  
 Date

-----  
 Date

**Professional Liability (Errors and Omissions)****Coverage Details**

Insurance is provided subject to the Declarations, Terms and Conditions of the Policy, its Forms, Limits of Liability and Deductible shown hereunder. Unless otherwise stated in a Form, a Deductible amount will only apply where a value is indicated below.

| <b>Coverage</b>                                              | <b>Form</b> | <b>\$ Deductible</b> | <b>\$ Amount</b> |
|--------------------------------------------------------------|-------------|----------------------|------------------|
| Professional Liability Policy – General Terms and Conditions | 520.0-1     |                      |                  |
| Aggregate limit for the entire contract                      |             |                      | 2,000,000        |
| Professional Liability Coverage Section                      | 520.0-1     |                      |                  |
| (A) Professional Liability Coverage                          |             |                      |                  |
| i) Each loss                                                 |             | 0                    | 1,000,000        |
| ii) Aggregate limit                                          |             |                      | 2,000,000        |
| (B) Vicarious Liability Coverage                             |             |                      |                  |
| i) Each loss                                                 |             | 0                    | 1,000,000        |
| ii) Aggregate limit                                          |             |                      | 2,000,000        |
| (C) Personal Injury Coverage                                 |             |                      |                  |
| i) Each loss                                                 |             | 0                    | 250,000          |
| ii) Aggregate limit                                          |             |                      | 250,000          |
| (D) Disciplinary Proceedings Expenses Coverage               |             |                      |                  |
| i) Each loss                                                 |             | 0                    | 150,000          |
| ii) Aggregate limit                                          |             |                      | 150,000          |
| (E) Crisis Management Expenses Coverage                      |             |                      |                  |
| i) Each loss                                                 |             | 0                    | 50,000           |
| ii) Aggregate limit                                          |             |                      | 50,000           |
| (F) Pre-Claim Expenses Coverage                              |             |                      | Included         |
| Global aggregate limit                                       |             |                      | 1,000,000        |
| Trade and Economic Sanctions – Additional condition          | 119.5-1     |                      |                  |
| <b>Other provisions</b>                                      |             |                      |                  |
| Privacy Breach Endorsement                                   | 520.2-2     |                      |                  |
| (A) Privacy Breach Expense Coverage                          |             | 0                    | 50,000           |
| (B) Privacy Breach Liability Coverage                        |             | 0                    | 250,000          |
| Aggregate limit per coverage                                 |             |                      | 250,000          |
| Social Engineering Fraud Coverage Endorsement                | SEF         | 0                    | 10,000           |

**Professional Liability (Errors and Omissions)****Coverage Details**

Insurance is provided subject to the Declarations, Terms and Conditions of the Policy, its Forms, Limits of Liability and Deductible shown hereunder. Unless otherwise stated in a Form, a Deductible amount will only apply where a value is indicated below.

| <b>Coverage</b>                                                    | <b>Form</b> | <b>\$ Deductible</b> | <b>\$ Amount</b> |
|--------------------------------------------------------------------|-------------|----------------------|------------------|
| Not-For-Profit Outside Directorship Liability Coverage Endorsement | Non-profit  |                      |                  |
| i) Each loss                                                       |             | 0                    | 250,000          |
| ii) Aggregate limit                                                |             |                      | 250,000          |
| Employee Benefit Programs Liability Coverage Endorsement           | Empl ben    |                      |                  |
| i) Each loss                                                       |             | 0                    | 250,000          |
| ii) Aggregate limit                                                |             |                      | 500,000          |

**Additional Conditions**

|                                                                        |         |
|------------------------------------------------------------------------|---------|
| Professional Services Endorsement                                      | PL322   |
| Distribution of Financial Products and Services Amendatory Endorsement | PL442   |
| Securities Exclusion Endorsement                                       | 528.7-1 |
| Professional Legal Guard Telephone Assistance                          | 512.0-1 |
| Liberalization Clause - Expiring Policy vs New Policy                  | PL212   |

**Additional Conditions****Emergency Number**

If you have a serious loss after regular business hours,  
please call:

**1 866 464 2424**

# INTACT PROFESSIONAL LIABILITY POLICY

## GENERAL TERMS AND CONDITIONS

THIS POLICY APPLIES ONLY TO CLAIMS FIRST MADE AGAINST AN INSURED DURING THE POLICY PERIOD OR APPLICABLE EXTENDED REPORTING PERIOD, WITH DEFENCE EXPENSES INCLUDED IN THE LIMITS OF LIABILITY (EXCEPT TO THE EXTENT THE INSURANCE LAWS OF THE PROVINCE OF QUEBEC APPLY). PLEASE READ THE ENTIRE POLICY CAREFULLY.

In consideration of the payment of the premium, and in reliance upon all statements made and information furnished to the Insurer shown in the Declarations Page including the **Application**, and subject to the Declarations Page and the terms, conditions and limitations of this Policy, the Insurer and the **Insureds** agree as follows:

### I. TERMS AND CONDITIONS

If any provision in these General Terms and Conditions is inconsistent or in conflict with the terms, conditions or limitations of the Professional Liability Coverage Section, such Coverage Section's terms, conditions and limitations shall control for purposes of such Coverage Section. Any defined term referenced in these General Terms and Conditions but defined in the Professional Liability Coverage Section shall, for purposes of coverage under such Coverage Section, have the meaning set forth in such Coverage Section.

### II. DEFINITIONS

(A) **"Application"** means:

- (1) the application(s) attached to and forming part of this Policy, including any materials submitted in connection to the underwriting of this Policy; and
- (2) all warranties provided to the Insurer in connection to the underwriting of this Policy or any coverage section or policy of which this Policy is a renewal or replacement; all of which are on file with the Insurer and are a part of and incorporated into this Policy. If any **Application** uses any terms or phrases that differ from terms defined in this Policy, no inconsistency between any term or phrase used in the **Application** and any term defined in this Policy will waive or change any of the terms and conditions of this Policy.

(B) **"Based Upon"** means based upon, arising out of, in relation to, or directly or indirectly resulting from.

(C) **"Circumstance"** means any fact, circumstance, **Wrongful Act** or **Personal Injury Wrongful Act** that may subsequently give rise to a **Claim**.

(D) **"Claim"** shall have the meaning set forth in the Professional Liability Coverage Section.

(E) **"Defence Expenses"** means reasonable costs, charges, fees (including, but not limited to lawyers', accountants' and experts' fees) and expenses incurred in defending or investigating any **Claim**. **Defence Expenses** does not include:

- (1) any remuneration, salaries, wages, fees, overhead or benefit expenses of any **Insured**; or
- (2) **Disciplinary Proceeding Expenses**.

(F) **"Disciplinary Proceeding Expenses"** shall have the meaning set forth in the Professional Liability Coverage Section.

(G) **"Domestic Partner"** means any common law partner or any natural person qualifying as a domestic partner under the provisions of any applicable federal, provincial, territorial, state or local law or under the provisions of any formal program established by a **Named Insured**.

(H) **"Executive"** shall have the meaning set forth in the Professional Liability Coverage Section.

(I) **"Extended Reporting Period"** shall have the meaning set forth in Section **X. EXTENDED REPORTING PERIOD** of these General Terms and Conditions.

(J) **"First Named Insured"** means the natural person or entity stated in the Declarations Page.

(K) **"Insured"** shall have the meaning set forth in the Professional Liability Coverage Section.

(L) **"Insured Person"** shall have the meaning set forth in the Professional Liability Coverage Section.

(M) **"Loss"** shall have the meaning set forth in the Professional Liability Coverage Section.

(N) **"Named Insured"** means the **First Named Insured** and:

- (1) if the **First Named Insured** is a natural person, a corporation owned solely by such **First Named Insured** and/or their lawful spouse or **Domestic Partner** and incorporated for the purpose of limiting personal liability, including tax liability; provided, that such corporation has no other employees; or
- (2) if the **First Named Insured** is an entity, any **Subsidiary**, subject to the provisions of Section **XI. CHANGES IN EXPOSURE** of these General Terms and Conditions.

(O) **"Personal Injury Wrongful Act"** shall have the meaning set forth in the Professional Liability Coverage Section.

(P) **"Policy Period"** means the period from the inception date to the expiration date of this Policy stated in the Declarations Page or to any earlier cancellation of this Policy.

(Q) **"Similar Legislation"** means any similar provision of any federal, provincial, territorial, state or local statutory, civil or common law anywhere in the world.

(R) **"Subsidiary"** means, subject to the provisions of Section **XI. CHANGES IN EXPOSURE** of these General Terms and Conditions, any entity during any time which the **First Named Insured** has more than fifty percent (50%) ownership in such entity, either directly or through one or more **Subsidiaries**.

(S) **"Wrongful Act"** shall have the meaning set forth in the Professional Liability Coverage Section.

### III. LIMITS OF LIABILITY

(A) **Policy Aggregate Limit of Liability**

The Policy Aggregate Limit of Liability stated in the Declarations Page is the maximum limit of the Insurer's liability for all **Loss** under this Policy resulting from all **Claims** for which this Policy provides coverage.

(B) **Coverage Section Aggregate Limit of Liability**

Subject to (A) above, the Coverage Section Aggregate Limit of Liability stated in the Declarations Page for the Professional Liability Coverage Section is the maximum limit of the Insurer's liability for all **Loss** resulting from all **Claims** for which such Coverage Section provides coverage.

(C) **Specific Insuring Agreement Limits of Liability**

Subject to (A) and (B) above:

- (1) the Each Claim Limit of Liability stated in the Declarations Page for any Insuring Agreement under the Professional Liability Coverage Section shall be the maximum limit of the Insurer's liability for all **Loss** under such Insuring Agreement resulting from each **Claim** for which such Insuring Agreement provides coverage; and
- (2) the Aggregate Limit of Liability stated in the Declarations Page for any Insuring Agreement under the Professional Liability Coverage Section shall be the maximum limit of the Insurer's liability for all **Loss** under such Insuring Agreement resulting from all **Claims** for which such Insuring Agreement provides coverage.

If no such amounts are stated, then no coverage shall be available under such Insuring Agreement.

(D) **Defence Expenses**

**Defence Expenses** are part of and not in addition to the applicable Limits of Liability stated in the Declarations Page, and payment of **Defence Expenses** by the Insurer will reduce, and may exhaust, such applicable Limits of Liability, unless Section XXVII. **QUEBEC LAW CONFORMITY** of these General Terms and Conditions applies.

(E) **Related Claims**

All **Claims** for **Wrongful Acts** or **Personal Injury Wrongful Acts Based Upon** the same or related facts, circumstances, situations, transactions or events or the same or related series of facts, circumstances, situations, transactions or events, whether related logically, causally or in any other way, shall be deemed a single **Claim**. Such **Claim** shall be deemed to have been first made when the earliest of such **Claims** was first made against any **Insured**.

(F) **Applicability of the Limits of Liability**

- (1) If this **Policy Period** is extended for an additional period of less than twelve (12) months, the additional period shall be deemed part of the **Policy Period** for purposes of determining the Limits of Liability.
- (2) No **Extended Reporting Period** shall in any way increase the Insurer's Limits of Liability stated in the Declarations Page and the Insurer's Limits of Liability for **Claims** made during any **Extended Reporting Period** shall be part of, and not in addition to, the applicable Limits of Liability stated in the Declarations Page.

**IV. DEDUCTIBLES**

- (A) The obligation of the Insurer to pay on behalf of or to reimburse an **Insured** applies only to the amount of **Loss** in excess of any applicable Deductible amount stated in the Declarations Page.
- (B) In the event that different Deductibles apply to a **Claim**, it is understood and agreed that only the highest applicable Deductible shall apply to such **Claim**.

**V. SPOUSES, ESTATES AND LEGAL REPRESENTATIVES**

- (A) Subject to all limitations, conditions, provisions and other terms of these General Terms and Conditions and of the Professional Liability Coverage Section, coverage shall extend to **Claims** for the **Wrongful Acts** or **Personal Injury Wrongful Acts** of an **Insured Person** made against:
  - (1) the estate, heirs, legal representatives or assigns of such **Insured Person** if such **Insured Person** is deceased, or the legal representatives or assigns of such **Insured Person** if such **Insured Person** is legally incompetent, insolvent or bankrupt; or
  - (2) the lawful spouse or **Domestic Partner** of such **Insured Person** solely by reason of such spouse's or **Domestic Partner's** status as a spouse or **Domestic Partner**, or such spouse's or **Domestic Partner's** ownership interest in property which the claimant seeks as recovery for a **Wrongful Act** or **Personal Injury Wrongful Act** committed or allegedly committed by such **Insured Person**.
- (B) All provisions of these General Terms and Conditions and of the Professional Liability Coverage Section, including, without limitation, the Deductible, that are applicable to **Loss** incurred by the **Insured Person** shall also apply to **Loss** incurred by the estate, heirs, legal representatives, assigns, spouse and/or **Domestic Partner** of such **Insured Person**. The coverage extended pursuant to this Section V. shall not apply with respect to any **Loss** resulting from an actual or alleged act, error or omission by an **Insured Person's** estate, heirs, legal representatives, assigns, spouse or **Domestic Partner**.

**VI. CLAIM DEFENCE, REPORTING AND SETTLEMENT**

(A) **Duty to Defend**

The Insurer will have the right and duty to defend any **Claim** covered under the Professional Liability Coverage Section through counsel of its choice, even if the allegations of such **Claim** are groundless, false, or fraudulent; provided, that the Insurer's obligation to defend any **Claim** covered under such Coverage Section is subject to the Insurer's applicable Limits of Liability stated in the Declarations Page. In the event the Insurer's applicable Limits of Liability have been exhausted by the payment of **Loss**, the Insurer will have no obligation to defend or continue to defend any **Claim**.

(B) **Notice of Claims**

If, during the **Policy Period** or any applicable **Extended Reporting Period**, any **Claim** is first made against an **Insured**, the **Insureds** must, as a condition precedent to any right to coverage under the Professional Liability Coverage Section, give the Insurer written notice of such **Claim**:

- (1) if the **First Named Insured** is a natural person, as soon as practicable after the **First Named Insured** first becomes aware of such **Claim**; or
- (2) if the **First Named Insured** is an entity, as soon as practicable after any **Executive** first becomes aware of such **Claim**,

but in no event later than:

- (a) sixty (60) days after expiry or termination of this Policy with respect to any **Claim** first made during the **Policy Period**; or
- (b) sixty (60) days after the end of the **Extended Reporting Period** with respect to any **Claim** first made during any applicable **Extended Reporting Period**.

Timely and sufficient notice by one **Insured** of a **Claim** shall be deemed timely and sufficient notice for all **Insureds** involved in the **Claim**. Such notice shall give full particulars of the **Claim**, including, but not limited to:

- (i) a description of the **Claim** and **Wrongful Act** or **Personal Injury Wrongful Act**;
- (ii) the identities of all potential claimants and any **Insureds** involved;
- (iii) a description of the injury or damages that resulted from such **Wrongful Act** or **Personal Injury Wrongful Act**;
- (iv) information on the time, place and nature of the **Wrongful Act** or **Personal Injury Wrongful Act**; and
- (v) the manner in which the **Insureds** first became aware of such **Wrongful Act** or **Personal Injury Wrongful Act**.

(C) **Notice of Circumstances**

If, during the **Policy Period**, an **Insured** first becomes aware of a **Circumstance** and:

- (1) gives the Insurer written notice of such **Circumstance** with full particulars as soon as practicable thereafter but in any event before the end of the **Policy Period**; and
- (2) requests coverage under the Professional Liability Coverage Section for any **Claim** subsequently arising from such **Circumstance**;

then any **Claim** subsequently made against an **Insured** arising out of such **Circumstance** shall, subject to paragraph (E) **Related Claims** of Section III. **LIMITS OF LIABILITY** of these General Terms and Conditions, be treated as if it had been first made during the **Policy Period**. The full particulars required in any notice given under paragraph (1) above must include, without limitation:

- (a) a description of such **Circumstance**;
- (b) the identities of all potential claimants and any **Insureds** involved;
- (c) a description of the injury or damages that have resulted and/or may result from such **Circumstance**;
- (d) information on the time, place and nature of such **Circumstance**;
- (e) the manner in which the **Insureds** first became aware of such **Circumstance**; and
- (f) the reasons why the **Insureds** believe such **Circumstance** is likely to result in a **Claim** being made.

**(D) Insurer's Consent**

The **Insured** shall not admit any liability, settle or attempt to settle a **Claim**, pay any **Loss**, incur any **Defence Expenses** or **Disciplinary Proceeding Expenses** or assume any contractual obligation without the Insurer's prior written consent.

**(E) First Named Insured's Consent to Settlements**

The Insurer shall have the right to investigate any **Claim** and negotiate the settlement thereof, as it deems expedient, but the Insurer shall not make any settlement without the consent of the **First Named Insured**. If the **First Named Insured** refuses to consent to a settlement acceptable to the claimant in accordance with the Insurer's recommendation, then, subject to the applicable Limits of Liability stated in the Declarations Page, the Insurer's liability for such **Claim** will not exceed:

- (1) the amount for which the **Claim** could have been settled plus **Defence Expenses** incurred up to the date the **First Named Insured** refused to settle such **Claim** (the "Settlement Amount"); plus
- (2) fifty percent (50%) of any **Loss** in excess of the Settlement Amount incurred in connection with such **Claim**. The remaining fifty percent (50%) of **Loss** in excess of the Settlement Amount will be carried by the **Insureds** at their own risk and will be uninsured.

**VII. ALLOCATION**

If there is a **Claim** under the Professional Liability Coverage Section in which both **Loss** covered by such Coverage Section and loss not covered by such Coverage Section are incurred, either because such **Claim** made against an **Insured** includes both covered and uncovered matters, or because such **Claim** is made against both **Insureds** and others not included within the definition of "**Insured**", then such covered **Loss** and uncovered loss shall be allocated as follows: all loss incurred by the **Insureds** in connection with such **Claim** shall be allocated between covered **Loss** and uncovered loss based upon the relative legal and financial exposures of, and relative benefits obtained in connection with the defence and/or settlement of the **Claim** by, the **Insured Persons**, the **Named Insured** and others. The **Insureds** and the Insurer agree to use their best efforts to determine a fair and proper allocation. In the event that the Insurer and the **Insureds** do not reach an agreement with respect to an allocation, then the Insurer shall be obligated to make an interim payment of the amount of **Loss** which the parties agree is not in dispute until a final amount is agreed upon or determined pursuant to the provisions of Section XXV. **ALTERNATIVE DISPUTE RESOLUTION** of these General Terms and Conditions.

**VIII. NOTICE**

- (A) Any notice to the Insurer of any **Claim**, **Circumstance** or request for coverage under an expense Insuring Agreement shall be deemed notice under this Policy in its entirety.
- (B) Notice to the Insurer of any **Claim** or **Circumstance** shall be sent to the address designated in the Declarations Page or specialtyclaims@intact.net.
- (C) All other notices to the Insurer shall be sent to the address designated in the Declarations Page.
- (D) Notice to the **Insured** shall be sent to the **First Named Insured** at the address designated in the Declarations Page.
- (E) Proof of receipt of the notices is the responsibility of the sender.

**IX. TERRITORY**

This Policy applies to **Wrongful Acts** or **Personal Injury Wrongful Acts** committed or allegedly committed anywhere in the world; provided, that **Claims** must be made in Canada or the United States of America, including its territories or possessions.

**X. EXTENDED REPORTING PERIOD**

If the Professional Liability Coverage Section is:

- (A) terminated for any reason, other than non-payment of premium; or
- (B) not renewed for any reason;

by the Insurer or the **First Named Insured**, then solely with respect to such Coverage Section, an additional period of time during which **Claims** may be reported under this Policy (an "**Extended Reporting Period**") shall be made available as described in this Section X., but any such **Extended Reporting Period** shall apply only to **Claims** for **Wrongful Acts** or **Personal Injury Wrongful Acts** committed or allegedly committed before:

- (1) the effective date of such termination or non-renewal ("Termination Date"); or
  - (2) the effective date of any event described in paragraph (B) **Acquisition by Another Organization** or (C) **Cessation of Subsidiary** of Section XI. **CHANGES IN EXPOSURE** of these General Terms and Conditions,
- whichever is earlier.

No **Extended Reporting Period** shall in any way increase the Insurer's Limits of Liability stated in the Declarations Page, and the Insurer's Limits of Liability for **Claims** made during any **Extended Reporting Period** shall be part of, and not in addition to, the applicable Limits of Liability stated in the Declarations Page. The offer of renewal terms, conditions, limits of liability, deductibles or premium different from those in effect prior to renewal shall not constitute cancellation or refusal to renew for purposes of this Section X.

The **First Named Insured** may purchase an **Extended Reporting Period** for the period of time stated below by notifying the Insurer in writing of their intention to do so no later than sixty (60) days after the Termination Date. The additional premium for an **Extended Reporting Period** shall equal the percentage, as stated below, of the full annual premium (including any premium adjustments made during the **Policy Period**) for the Professional Liability Coverage Section, and must be paid no later than sixty (60) days after the Termination Date. The entire additional premium shall be deemed fully earned upon inception of such **Extended Reporting Period**.

**Extended Reporting Period Option:**

100% for an **Extended Reporting Period** of one (1) year

If no election to purchase an **Extended Reporting Period** is made as described above, or if the additional premium for any such **Extended Reporting Period** is not paid within sixty (60) days after the Termination Date, there will be no right to purchase any **Extended Reporting Period** at any later time.

## XI. CHANGES IN EXPOSURE

### (A) Acquisition/Creation of Another Organization

If, before or during the **Policy Period**, any **Named Insured** entity acquires:

- (1) more than fifty percent (50%) ownership in another organization or creates another organization which, as a result of such acquisition or creation, becomes a **Subsidiary**; or
- (2) another organization by merger into or consolidation with the **Named Insured** entity such that the **Named Insured** entity is the surviving entity;

then coverage under the Professional Liability Coverage Section shall be provided for such other organization and its **Insureds** solely for **Wrongful Acts** or **Personal Injury Wrongful Acts** committed or allegedly committed after the effective date of such acquisition or creation, unless the Insurer agrees, after presentation of a complete **Application** and all other appropriate information, to provide coverage by written endorsement for **Wrongful Acts** or **Personal Injury Wrongful Acts** committed or allegedly committed by such **Insureds** before such acquisition or creation.

### (B) Acquisition by Another Organization

If the **First Named Insured** is an entity and:

- (1) the **First Named Insured** merges into or consolidates with another organization where the **First Named Insured** is not the surviving entity; or
- (2) another organization or person or group of organizations and/or persons acting in concert acquires more than fifty percent (50%) ownership in the **First Named Insured**;

then coverage under the Professional Liability Coverage Section shall continue until termination of such Coverage Section, but only with respect to **Claims** for **Wrongful Acts** or **Personal Injury Wrongful Acts** committed or allegedly committed by the **Insureds** before the effective date of such merger, consolidation or acquisition.

Upon the occurrence of any event described in paragraph (B)(1) or (B)(2) above, the entire premium for this Policy shall be deemed fully earned. The **First Named Insured** shall give written notice of such merger, consolidation or acquisition to the Insurer as soon as practicable, but in no event later than ninety (90) days after the date of such merger, consolidation or acquisition, together with such other information as the Insurer may require. Upon receipt of such notice and information and at the request of the **First Named Insured**, the Insurer shall provide to the **First Named Insured** a quotation for an extension of coverage (for such period as may be negotiated between the Insurer and the **First Named Insured**) with respect to **Claims** for **Wrongful Acts** or **Personal Injury Wrongful Acts** committed or allegedly committed by the **Insureds** before such merger, consolidation or acquisition. Any coverage extension pursuant to such quotation shall be subject to such additional or different terms, conditions and limitations of coverage and payment of such additional premium as the Insurer, in its sole discretion, may require.

### (C) Cessation of Subsidiary

In the event a **Named Insured** entity ceases to be a **Subsidiary** before or during the **Policy Period**, then coverage under the Professional Liability Coverage Section with respect to such former **Subsidiary** and its **Insureds** shall continue until termination of such Coverage Section, but only with respect to **Claims** for **Wrongful Acts** or **Personal Injury Wrongful Acts** committed or allegedly committed while such **Named Insured** entity was a **Subsidiary**.

## XII. VALUATION AND FOREIGN CURRENCY

All premiums, limits, deductibles, loss and other amounts under this Policy are expressed and payable in Canadian currency. Except as otherwise provided in the Professional Liability Coverage Section, if a judgment is rendered, a settlement is denominated or any element of loss under this Policy is stated in a currency other than Canadian dollars, payment under this Policy shall be made in Canadian dollars at the rate of exchange published by the Bank of Canada on the date the judgment becomes final, the amount of the settlement is agreed upon or any element of loss is due, respectively.

## XIII. ASSISTANCE AND COOPERATION

In the event of a **Claim**, the **Insureds** shall, as a condition precedent to any right to coverage under the Professional Liability Coverage Section, provide the Insurer with all information, assistance and cooperation that the Insurer reasonably requests. At the Insurer's request, the **Insureds** shall assist in:

- (A) investigating, defending and settling **Claims**;
- (B) enforcing any right of contribution or indemnity against another who may be liable to any **Insured**;
- (C) the conduct of actions, suits, appeals or other proceedings, including, but not limited to; attending trials, hearings and depositions;
- (D) securing and giving evidence; and
- (E) obtaining the attendance of witnesses.

## XIV. SUBROGATION

Except as otherwise provided in the Professional Liability Coverage Section, in the event of any payment hereunder, the Insurer shall be subrogated to the extent of any payment to all of the rights of recovery of the **Insureds**. The **Insureds** shall execute all papers and do everything necessary to secure such rights, including the execution of any documents necessary to enable the Insurer effectively to bring suit in its name. The **Insureds** shall do nothing that may prejudice the Insurer's position or potential or actual rights of recovery. The obligations of the **Insureds** under this Section **XIV** shall survive the expiration or termination of this Policy.

(A) In no event, however, shall the Insurer seek subrogation against any **Insured** under this Policy unless:

- (1) such **Insured** has been convicted of a criminal act in the underlying **Claim**;
- (2) it has been determined by a final and non-appealable adjudication in the underlying **Claim**, that such **Insured** committed a deliberately fraudulent or dishonest act or omission, or willfully violated any statute, rule or law; or
- (3) it has been determined by a final and non-appealable adjudication in the underlying **Claim**, that such **Insured** gained any profit, remuneration or advantage to which such **Insured** was not legally entitled.

(B) In the event the Insurer recovers any amounts paid under this Policy, the Insurer will reinstate the applicable Coverage Section Aggregate Limit of Liability, net of the costs and expenses incurred to recover such amounts. The Insurer assumes no duty to seek a recovery of any amounts paid under this Policy and shall, in its sole discretion, determine the amounts to be credited towards the reinstatement of the Coverage Section Aggregate Limit of Liability.

## XV. NO ACTION AGAINST INSURER

Except as otherwise provided in the Professional Liability Coverage Section or Section **XXV. ALTERNATIVE DISPUTE RESOLUTION** of these General Terms and Conditions:

- (A) No action shall be taken against the Insurer by any **Insured** unless, as conditions precedent thereto, the **Insureds** have fully complied with all of the terms of this Policy and the amount of such **Insured's** obligation to pay has been finally determined either by judgment against such **Insured** after adjudicatory proceedings, or by written agreement of such **Insured**, the claimant and the Insurer.
- (B) No individual or entity shall have any right under this Policy to join the Insurer as a party to any **Claim** to determine the liability of any **Insured**; nor shall the Insurer be impleaded by any **Insured** or their legal representative in any such **Claim**.

#### XVI. FIRST NAMED INSURED RIGHTS AND OBLIGATIONS

The **First Named Insured** will act on behalf of all **Insureds** with respect to:

- (A) the giving or receiving of any notices under this Policy;
- (B) the payment of premiums to and receiving of return premiums from the Insurer;
- (C) the receiving and acceptance of any endorsements issued to form a part of this Policy; and
- (D) the exercising or declining to exercise any **Extended Reporting Period**.

#### XVII. CHANGES

Notice to or knowledge possessed by any agent or other person acting on behalf of the Insurer shall not constitute a waiver or change in any part of this Policy or prevent or estop the Insurer from asserting any right(s) under this Policy. This Policy can only be altered, waived or changed by written endorsement issued to form a part of this Policy.

#### XVIII. ASSIGNMENT

No assignment of interest under this Policy shall bind the Insurer without its written consent issued as a written endorsement to form a part of this Policy.

#### XIX. CANCELLATION/NONRENEWAL

- (A) The Insurer may only cancel this Policy because of non-payment of premium by giving the **First Named Insured** at the last mailing address known to it, written notice of cancellation by registered mail or personally delivered at least fifteen (15) days before the effective date of such cancellation. If notice is mailed, the cancellation notice begins at the receipt of the letter by the post office to which it is addressed and proof of mailing will be sufficient proof of notice, except in Quebec where the cancellation notice begins after receipt of the notice at the last known address of the **First Named Insured**.
- (B) This Policy may be cancelled by the **First Named Insured** at any time by mailing written notice to the Insurer stating when thereafter such cancellation will be effective. In such event, the earned premium will be computed *pro rata*. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.
- (C) The Insurer will not be required to renew this Policy upon its expiration. The Insurer will provide the **First Named Insured** with sixty (60) days' notice of any non-renewal. Renewal terms which differ in any manner from the terms, conditions and premium of the expiring Policy shall not constitute a refusal to renew.

#### XX. INSOLVENCY OF INSURED

The Insurer will not be relieved of any of its obligations under this Policy by the bankruptcy or insolvency of any **Insured** or their estate.

#### XXI. ENTIRE AGREEMENT

The **Insureds** agree that this Policy, including the **Application**, Declarations Page and any endorsements, constitutes the entire agreement between them and the Insurer or any of its agents relating to this insurance.

#### XXII. HEADINGS

The descriptions in the headings and sub-headings of this Policy are solely for convenience, and form no part of the terms and conditions of coverage.

#### XXIII. OTHER INSURANCE

- (A) If the **Insured** has other valid and collectible insurance against **Loss** covered by this Policy, other than another insurance policy issued by the Insurer, then this Policy will be excess over such other insurance and will not contribute, unless such other insurance is written only as specific excess insurance, in which case this Policy shall be primary.
- (B) If the **Insured** has other valid and collectible insurance against **Loss** covered by this Policy, under another policy issued by the Insurer, the policy that applies most specifically to the **Claim** will be primary and the other insurance will be excess. The Insurer's limit of liability for any one **Claim**, however, will in no event exceed the highest Limit of Liability applicable to such **Claim** under all such policies.

#### XXIV. REPRESENTATIONS AND SEVERABILITY - INCORPORATION OF APPLICATION

- (A) The Policy is issued and continued in force by the Insurer in reliance upon the statements and representations contained in the **Application** as being true, accurate and complete. Such statements and representations are incorporated in and form part of this Policy.
- (B) With respect to the statements and representations contained in the **Application**:
  - (1) subject to (2) below, no knowledge possessed by any **Insured Person** will be imputed to any other **Insured Person** to determine if coverage is available for such **Insured Person**;
  - (2) if the **First Named Insured** is a natural person, the knowledge of the **First Named Insured** shall be imputed to all **Insureds** to determine if coverage is available; and
  - (3) if the **First Named Insured** is an entity, the knowledge of any **Executive** of a **Named Insured** entity shall be imputed to such **Named Insured** entity and its **Subsidiaries** to determine if coverage is available.

#### XXV. ALTERNATIVE DISPUTE RESOLUTION

Subject to Section **VII. ALLOCATION** of these General Terms and Conditions or as provided in Section **XV. NO ACTION AGAINST INSURER** of these General Terms and Conditions:

- (A) Any dispute between the **Insured** and the Insurer (hereinafter referred to as the parties) based upon or in connection with any actual or alleged coverage under this Policy shall be submitted to an alternative dispute resolution process. The process is initiated by sending a written notice to the other party selecting either non-binding mediation or binding arbitration to resolve the dispute. In case of disagreement in the means to resolve the dispute between the parties, the **Insured's** preference will have precedence. In the event non-binding mediation is selected, the **Insured** and the Insurer shall agree on a single mediator. Each party shall retain the right to begin judicial proceedings but shall put a hold on commencing such proceedings until the mediation terminates without successful resolution.
- (B) In the event binding arbitration is selected, the **Insured** and the Insurer shall agree on an odd number of arbitrators that will constitute the arbitration panel. If the Insurer and the **Insured** do not agree on the choice of arbitrators, each shall select one arbitrator and the two arbitrators shall select a third arbitrator. The majority ruling of the arbitration panel shall be final and binding upon the **Insured** and the Insurer on the matters disputed. The arbitration award shall not include legal expenses or other fees related to the arbitration process.

(C) The arbitrators and mediators must be disinterested and have sufficient experience in mediating or arbitrating legal, corporate management or insurance issues similar to the matters in dispute. Each party shall share equally the expenses of the process elected.

The terms of this Section **XXV.** shall be interpreted in conformity with the alternative dispute resolution legislation or act applicable at the domicile of the **First Named Insured.**

#### **XXVI. STATUTORY CONFORMITY**

The terms of this insurance that are in conflict with the terms of any applicable laws construing this insurance are amended to conform to such laws.

#### **XXVII. QUEBEC LAW CONFORMITY**

Only to the extent required under the insurance laws of the province of Quebec:

- (A) **Defence Expenses** and **Disciplinary Proceeding Expenses** shall be in addition to the applicable Limits of Liability stated in the Declarations Page;
- (B) no Deductible shall apply to **Defence Expenses** or **Disciplinary Proceeding Expenses**;
- (C) the portion of **Loss** that represents interest accruing on a judgment or settlement that is within the applicable Limits of Liability stated in the Declarations Page shall be in addition to such Limits of Liability.

SPECIMEN

# PROFESSIONAL LIABILITY COVERAGE SECTION

THIS COVERAGE SECTION APPLIES ONLY TO CLAIMS FIRST MADE AGAINST AN INSURED DURING THE POLICY PERIOD OR APPLICABLE EXTENDED REPORTING PERIOD, WITH DEFENCE EXPENSES INCLUDED IN THE LIMITS OF LIABILITY (EXCEPT TO THE EXTENT THE INSURANCE LAWS OF THE PROVINCE OF QUEBEC APPLY). PLEASE READ THE ENTIRE POLICY CAREFULLY.

In consideration of payment of the premium, and in reliance upon all statements made and information furnished to the Insurer including the **Application**, and subject to the Declarations Page, the General Terms and Conditions and the terms, conditions and limitations of this Coverage Section, the Insurer and the **Insureds** agree as follows:

## I. INSURING AGREEMENTS

### (A) Professional Liability Coverage

The Insurer will pay, on behalf of an **Insured**, **Loss** from any **Claim** first made against an **Insured** during the **Policy Period** or applicable **Extended Reporting Period** for a **Wrongful Act** committed or allegedly committed on or after the **Retroactive Date** by an **Insured**.

### (B) Vicarious Liability Coverage

The Insurer will pay, on behalf of an **Insured**, **Loss** from any **Claim** first made against an **Insured** during the **Policy Period** or applicable **Extended Reporting Period** for a **Wrongful Act** committed or allegedly committed on or after the **Retroactive Date** by any entity or natural person, other than an **Insured**, for whose **Wrongful Acts** an **Insured** is legally liable.

### (C) Personal Injury Coverage

The Insurer will pay, on behalf of an **Insured**, **Loss** from any **Claim** first made against an **Insured** during the **Policy Period** or applicable **Extended Reporting Period** for a **Personal Injury Wrongful Act** committed or allegedly committed on or after the **Retroactive Date** by an **Insured**.

### (D) Disciplinary Proceedings Expenses Coverage

The Insurer will pay, on behalf of an **Insured**, **Disciplinary Proceeding Expenses** incurred by such **Insured** in connection with any **Disciplinary Proceeding** first commenced against such **Insured** during the **Policy Period** or applicable **Extended Reporting Period**.

### (E) Crisis Management Expenses Coverage

The Insurer will pay, on behalf of a **Named Insured**, **Crisis Management Expenses** incurred by such **Named Insured** in connection with any **Crisis Management Event** that first occurs during the **Policy Period**.

### (F) Pre-Claim Expenses Coverage

In addition to the applicable Limits of Liability, at the sole discretion of the Insurer, the Insurer will pay reasonable costs, charges, fees and expenses incurred by the Insurer to monitor or investigate any **Circumstance** reported to the Insurer in accordance with Section VI. **CLAIM DEFENCE, REPORTING AND SETTLEMENT** of the General Terms and Conditions. If a **Circumstance** becomes a covered **Claim**, any costs, charges, fees or expenses incurred thereafter, whether by the Insurer or by an **Insured**, will be subject to the Deductible and will reduce, and may exhaust, the applicable Limits of Liability.

## II. DEFINITIONS

(A) "**Application**" shall have the meaning set forth in the General Terms and Conditions.

(B) "**Based Upon**" shall have the meaning set forth in the General Terms and Conditions.

(C) "**Circumstance**" shall have the meaning set forth in the General Terms and Conditions.

(D) "**Claim**" means:

- (1) a written demand for monetary, non-monetary or injunctive relief, commenced by an **Insured's** receipt of such demand;
- (2) a civil proceeding, other than an investigation or an administrative or regulatory proceeding, commenced by the service of a complaint, notice of action or similar pleading;
- (3) an administrative or regulatory proceeding, other than a **Disciplinary Proceeding** or investigation, commenced by an **Insured's** receipt of a notice of filed charges or formal investigative order or service of a complaint or similar document; or
- (4) an arbitration or mediation proceeding commenced by an **Insured's** receipt of a demand for arbitration, demand for mediation or similar document; against an **Insured** for a **Wrongful Act** or **Personal Injury Wrongful Act**, including any appeal therefrom;
- (5) an official request for **Extradition** for a **Wrongful Act** or **Personal Injury Wrongful Act**, commenced by an **Insured Person's** receipt of such request;
- (6) a written request received by an **Insured** to toll or waive a limitation period, relating to any matter outlined in paragraphs (1) through (5) above; or
- (7) for the purposes of Insuring Agreement (D) **Disciplinary Proceedings Expenses Coverage** of this Coverage Section, a **Disciplinary Proceeding** against an **Insured**, commenced by such **Insured's** receipt of notification of such proceeding.

(E) "**Crisis Management Event**" means any actual or threatened publication of information in connection with a **Claim** that did, or would reasonably be expected to, cause material public harm to a **Named Insured**.

(F) "**Crisis Management Expenses**" means reasonable costs, charges, fees and expenses incurred by a **Named Insured**, with prior written consent given by the Insurer, for services performed by any public relations, crisis management or law firm retained by such **Named Insured** to minimize potential public harm to such **Named Insured** resulting from a **Crisis Management Event**. **Crisis Management Expenses** do not include any remuneration, salaries, wages, fees, overhead or benefit expenses of any **Insured**.

(G) "**Defence Expenses**" shall have the meaning set forth in the General Terms and Conditions.

(H) "**Disciplinary Proceeding**" means any proceeding by a regulatory or disciplinary official, board, agency or committee to investigate a **Wrongful Act** committed or allegedly committed by an **Insured** on or after the **Retroactive Date**.

(I) "**Disciplinary Proceeding Expenses**" means reasonable costs, charges, fees (including, but not limited to lawyers' and experts' fees) and expenses incurred to investigate, defend or appeal a **Disciplinary Proceeding**; provided, that **Disciplinary Proceeding Expenses** does not include any:

- (1) fines, penalties or sanctions assessed against any **Insured**; or

- (2) remuneration, salaries, wages, fees, overhead or benefit expenses of any **Insured**.
- (J) **"Employee"** means any natural person whose labour or service was, is or becomes both engaged and directed by a **Named Insured**, including any part-time, seasonal and temporary employee. **Employee** also includes:
- (1) any volunteer or intern performing **Professional Services** on behalf of a **Named Insured**; or
  - (2) any individual who is leased to, and performing **Professional Services** on behalf of, a **Named Insured**, but only if such **Named Insured** provides indemnification to such leased individual in the same manner as is provided to such **Named Insured's** employees.
- Employee** does not include any **Independent Contractor**.
- (K) **"Executive"** means any natural person who was, is or becomes a duly elected or appointed director, officer, partner, member of the Board of Directors, member of the Board of Managers, duly constituted committee member, member of an Advisory Board, in-house general counsel or in-house risk manager, or an equivalent position thereof, of a **Named Insured** entity.
- (L) **"Extended Reporting Period"** shall have the meaning set forth in the General Terms and Conditions.
- (M) **"Extradition"** means any formal process by which an **Insured Person** located in any country is surrendered to any other country for trial or to answer to a criminal accusation, or the execution of a warrant for the arrest of an **Insured Person** where the execution of such warrant is an element of the formal process of extradition.
- (N) **"First Inception Date"** means the inception date of the first professional liability policy or coverage section issued by the Insurer to the **First Named Insured** and continuously renewed by the Insurer until the inception date of this Policy stated in the Declarations Page.
- (O) **"First Named Insured"** shall have the meaning set forth in the General Terms and Conditions.
- (P) **"Independent Contractor"** means any natural person who is not an **Employee** and who is performing **Professional Services** under contract or agreement with, at the direction of, and on behalf of, a **Named Insured**.
- (Q) **"Insured"** means any **Named Insured** and any **Insured Person**.
- (R) **"Insured Person"** means:
- (1) an **Employee** or **Executive** while acting in their capacity as such; or
  - (2) an **Independent Contractor** while acting in their capacity as such, but only if a **Named Insured** provides indemnification to such **Independent Contractor**.
- (S) **"Liquidated Damages"** means a sum of money stipulated by the parties to a contract as the amount of damages to be recovered for a breach of such contract.
- (T) **"Loss"** means any monetary amount which an **Insured** is legally obligated to pay as a result of a covered **Claim**, including:
- (1) compensatory damages, judgments (including pre-judgment and post-judgment interest) and settlements;
  - (2) punitive, exemplary, or multiplied damages, to the extent such damages are insurable under the law of any jurisdiction which has a substantial relationship to the **Insureds**, this Policy or to the **Claim** giving rise to such damages and which is most favourable to the insurability of such damages;
  - (3) **Defence Expenses**; and
  - (4) for the purposes of Insuring Agreement (D) **Disciplinary Proceedings Expenses Coverage** of this Coverage Section, **Disciplinary Proceeding Expenses**.
- Loss** does not include:
- (a) any amount not insurable under the law pursuant to which this Coverage Section is construed, except as provided in paragraph (2) above;
  - (b) taxes, fines or penalties, except as provided in paragraph (2) above with respect to punitive, exemplary or multiplied damages;
  - (c) any costs incurred to comply with any order for injunctive or other non-monetary relief, or to comply with an agreement to provide such relief;
  - (d) **Liquidated Damages**;
  - (e) the return of fees, commissions, expenses or other compensation paid to an **Insured**; or
  - (f) the cost of correcting, re-performing or completing any **Professional Services**.
- (U) **"Mould"** means any mould, yeast, mushroom, mildew, spore, mycotoxin or fungi, or any pathogen or micro-organism produced by, emitted from or arising out of any of the foregoing.
- (V) **"Named Insured"** shall have the meaning set forth in the General Terms and Conditions.
- (W) **"Personal Injury Wrongful Act"** means any actual or alleged:
- (1) libel, slander, product disparagement, trade libel or other form of defamation;
  - (2) invasion or infringement of the right of privacy or publicity, including false light, public disclosure of private facts, intrusion and commercial appropriation of name, persona or likeness;
  - (3) false arrest, detention or imprisonment; or
  - (4) wrongful entry or eviction, or other invasion of the right of private occupancy;
- by an **Insured** while performing **Professional Services**.
- (X) **"Policy Period"** shall have the meaning set forth in the General Terms and Conditions.
- (Y) **"Pollutant"** means:
- (1) any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by Environment and Climate Change Canada or any federal, provincial, territorial, state, county, municipal or local counterpart thereof, including, without limitation, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapour, soot, fumes, acids, alkalis, chemicals or waste materials including materials to be recycled, reconditioned or reclaimed, or
  - (2) any other air emission, odor, waste water, oil or oil product, infectious or medical waste, asbestos or asbestos product or any noise.
- (Z) **"Professional Services"** means only those services stated in the Declarations Page which are performed for others for a fee, including any such services that are performed via telephone or electronically utilizing the Internet or a network of two or more computers.
- (AA) **"Retroactive Date"** means the applicable Retroactive Date stated in the Declarations Page.
- (BB) **"Similar Legislation"** shall have the meaning set forth in the General Terms and Conditions.
- (CC) **"Wrongful Act"** means any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty committed or allegedly committed in the performance of, or failure to perform, **Professional Services**:
- (1) by an **Insured**; or
  - (2) by any entity or natural person, other than an **Insured**, for whose acts an **Insured** is legally liable.
- Wrongful Act** does not include any **Personal Injury Wrongful Act**.

### III. EXCLUSIONS

This Coverage Section does not apply to, and no coverage will be available under this Coverage Section for, **Loss** from any **Claim**:

#### (A) PRIOR NOTICE

**Based Upon** any fact, circumstance, situation, transaction, event, **Wrongful Act** or **Personal Injury Wrongful Act** that, before the inception date of this Policy stated in the Declarations Page, was the subject of any notice given and accepted under any policy or coverage section of which this Coverage Section is a direct or indirect renewal or replacement;

#### (B) PRIOR AND PENDING LITIGATION

**Based Upon** any prior and/or pending litigation or administrative, regulatory, arbitration, mediation or disciplinary proceeding against any **Insured** as of the **First Inception Date**, or the same or substantially the same fact, circumstance, situation, transaction, event, **Wrongful Act** or **Personal Injury Wrongful Act** underlying or alleged therein;

#### (C) PRIOR KNOWLEDGE

**Based Upon** any **Wrongful Act** or **Personal Injury Wrongful Act** if, on or before the **First Inception Date**, any **Insured** knew or could have reasonably foreseen that such **Wrongful Act** or **Personal Injury Wrongful Act** did or could result in a **Claim** against any **Insured**;

#### (D) BODILY INJURY AND PROPERTY DAMAGE

for any actual or alleged bodily injury, mental anguish, humiliation, emotional distress, sickness, disease or death of any person, or damage to or destruction of any tangible property including loss of use thereof whether or not it is damaged or destroyed, provided, that this EXCLUSION (D) shall not apply to mental anguish, humiliation or emotional distress resulting from a **Personal Injury Wrongful Act**;

#### (E) PERSONAL CONDUCT

**Based Upon:**

- (1) any **Insured** gaining any personal profit, remuneration or financial advantage to which such **Insured** is not legally entitled; or
  - (2) the committing of any deliberately fraudulent, dishonest or criminal act or omission, or any willful violation of any statute, rule or law, by any **Insured**;
- provided, that:

- (a) this EXCLUSION (E) shall not apply to **Defence Expenses** incurred by an **Insured** in defending any such **Claim** until any of the foregoing conduct has been established by a final and non-appealable adjudication in any judicial or administrative proceeding other than an action or proceeding commenced by the Insurer to determine coverage under this Policy;
- (b) no conduct pertaining to any **Insured Person** shall be imputed to any other **Insured Person**; and
- (c) any conduct pertaining to any **Executive** of a **Named Insured** entity shall be imputed to such **Named Insured** entity and its **Subsidiaries**;

#### (F) LIABILITY ASSUMED UNDER CONTRACT OR AGREEMENT

**Based Upon** any actual or alleged liability assumed by any **Insured** under any express contract or agreement; provided, that this EXCLUSION (F) shall not apply to liability which would have attached in the absence of such express contract or agreement;

#### (G) INTELLECTUAL PROPERTY

**Based Upon** any actual or alleged infringement of patent, copyright or trademark or misappropriation of intellectual property, ideas or trade secrets;

#### (H) KNOWINGLY FALSE PUBLICATION

**Based Upon** any oral or written publication of material by or at the direction of any **Insured** with knowledge of its falsity;

#### (I) INSURED VS. INSURED

brought or maintained by or on behalf of any **Insured**; provided, that this EXCLUSION (I) shall not apply to any **Claim** brought or maintained by or on behalf of an **Employee** in connection with **Professional Services** provided by an **Insured** to such **Employee** in a professional/client relationship where a fee for a service has been paid;

#### (J) AFFILIATED PARTIES

brought or maintained by or on behalf of any entity:

- (1) that was or is owned, operated or controlled by any **Insured**;
- (2) that did or does own, operate or control any **Insured**; or
- (3) of which any **Insured** was or is a member of the Board of Directors, officer, member of the Board of Managers, partner or principal stockholder;

#### (K) ANTITRUST, COMPETITION ACT AND UNFAIR TRADE PRACTICES

**Based Upon** any actual or alleged price fixing (including horizontal or other price fixing of wages, hours, salaries, compensation, benefits or any other terms and conditions of employment), restraint of trade, monopolization, or violation of:

- (1) the *Competition Act*, R.S.C. 1985, c. C-34, in Canada;
- (2) the *Interstate Commerce Act of 1887*, the *Sherman Antitrust Act of 1890*, the *Clayton Act of 1914*, the *Robinson-Patman Act of 1936*, the *Cellar-Kefauver Act of 1950*, or the *Federal Trade Commission Act of 1914* in the United States of America; or
- (3) any **Similar Legislation** involving antitrust, monopoly, price fixing, price discrimination, predatory pricing or restraint of trade activities;

#### (L) BENEFIT LAW

for any actual or alleged violation of the responsibilities, duties or obligations imposed by:

- (1) the *Pension Benefit Standards Act, 1985*, R.S.C. 1985, c. 32 (2<sup>nd</sup> Supp.), the *Income Tax Act*, R.S.C. 1985, c. 1 (5<sup>th</sup> Supp.), including any rules, regulations or amendments thereunder and any of the same or similar provisions of any province or territory;
- (2) the *Employee Retirement Income Security Act of 1974*, including any rules, regulations or amendments thereunder (including amendments relating to the *Consolidated Omnibus Budget Reconciliation Act of 1985* and the *Health Insurance Portability and Accountability Act of 1996*); or
- (3) any **Similar Legislation** related to employee benefits;

#### (M) POLLUTION

- (1) **Based Upon** any actual, alleged, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of any **Pollutant**;
- (2) **Based Upon** any request, demand, direction, order, or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, any **Pollutant**; or
- (3) brought by or on behalf of any governmental authority because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, or in any way responding to, or assessing the effects of, any **Pollutant**;

#### (N) MOULD

- (1) **Based Upon** any actual, alleged, or threatened exposure to, or manifestation, dispersal, seepage, leakage, migration, release, appearance, presence, reproduction or growth of, **Mould**;
- (2) **Based Upon** any request, demand, direction, order, or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, **Mould**; or

- (3) brought by or on behalf of any governmental authority because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, or in any way responding to, or assessing the effects of, **Mould**;

(O) **NUCLEAR**

**Based Upon** any actual or alleged nuclear reaction, nuclear radiation, radioactive contamination, or radioactive substance, or the hazardous properties of nuclear or radioactive material;

(P) **SOCIAL ENGINEERING FRAUD**

**Based upon** the intentional misleading of any **Insured** through misrepresentation of a material fact which is relied upon by any **Insured** as genuine and results in the voluntary transfer, payment or delivery of money, securities or other property;

(Q) **GUARANTEES AND WARRANTIES**

**Based Upon** any express or implied warranty, guarantee, penalty clause or cost estimate;

(R) **ESTIMATE OF PROFITS AND COMMINGLING**

**Based Upon** any actual or alleged:

- (1) estimates of profits, return on capital, economic return or other estimates giving rise to forecasts of economic return; or
- (2) improper use or commingling of any funds or monies; or

(S) **WAR**

**Based Upon** any actual or alleged civil or foreign war, invasion, hostilities (whether war be declared or not), act of foreign enemy, rebellion, insurrection, revolution, military or usurped power, martial law or confiscation by order of any government or public authority.

**IV. COVERAGE SECTION SPECIFIC LIMITS OF LIABILITY**

The Limit of Liability stated in the Declarations Page for Insuring Agreement (E) **Crisis Management Expenses Coverage** of this Coverage Section is the maximum limit of the Insurer's liability for all **Crisis Management Expenses** resulting from all **Crisis Management Events**, which amount shall be in addition to, and not part of, the Policy Aggregate Limit of Liability and the Coverage Section Aggregate Limit of Liability applicable to this Coverage Section.

**V. COVERAGE SECTION SPECIFIC DEDUCTIBLE**

The following provision shall apply in addition to the provisions of Section IV. **DEDUCTIBLES** of the General Terms and Conditions:

The obligation of the Insurer to pay on behalf of a **Named Insured** under Insuring Agreement (E) **Crisis Management Expenses Coverage** of this Coverage Section applies only to the amount of **Crisis Management Expenses** in excess of the applicable Deductible amount stated in the Declarations Page.

**VI. RETIRED PROFESSIONALS**

The Insurer agrees that, in the event an **Employee** or **Executive** retires from professional practice during the **Policy Period**, the coverage provided by this Coverage Section shall be automatically extended for a maximum period of six (6) years from such **Employee's** or **Executive's** official retirement date, but only with respect to any **Claim** made against such **Employee** or **Executive Based Upon Wrongful Acts** committed or allegedly committed by such **Employee** or **Executive** prior to such official retirement date.

However, this automatic extension shall not apply if:

- (A) either a replacement policy or **Extended Reporting Period** is obtained by the **First Named Insured** and in force during the six (6) year period from such official retirement date;
- (B) such retirement is due to or occurs during an event described in paragraph (B) **Acquisition by Another Organization** or (C) **Cessation of a Subsidiary** of Section XI. **CHANGES IN EXPOSURE** of the General Terms and Conditions; or
- (C) such **Employee** or **Executive** continues to provide **Professional Services** in any capacity for or on behalf a **Named Insured**.

In no event shall the coverage provided under this Section VI. extend to any **Insured** other than such retired **Employee** or **Executive**.

## TRADE AND ECONOMIC SANCTIONS – ADDITIONAL CONDITION

This Endorsement Changes This Policy/Bond. Please Read it Carefully.

It is agreed that:

1. The following Condition is added to the conditions of this Policy/Bond:

### **TRADE AND ECONOMIC SANCTIONS**

The Insurer/Underwriter shall not provide any coverage or be liable to provide any indemnity or payment or other benefit under this Policy/Bond if and to the extent that doing so would breach any **Prohibition**.

2. The following definition is added to the **DEFINITIONS** section of this Policy/Bond:

**Prohibition** means restriction imposed by law or regulation including but not limited to:

1. trade and/or economic sanctions laws and/or regulations of Canada or any other jurisdiction or authority relevant to the parties; and
2. any activities that would be subject to a license requirement under those laws and/or regulations in respect of transit and/or export control, unless such license has been obtained prior to the activity commencing and the Insurer/Underwriter has approved the provision of insurance for the activity.

All other terms, conditions and limitations of this Policy/Bond remain unchanged.

# PRIVACY BREACH ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is agreed that:

1. Section I. **INSURING AGREEMENTS** of the Professional Liability Coverage Section is amended to include the following:

**Privacy Breach Expense Coverage:**

Upon satisfactory proof of payment by a **Named Insured**, the Insurer will reimburse such **Named Insured** for **Privacy Breach Expenses** actually paid by such **Named Insured** resulting from a **Privacy Breach Incident** that first occurs and is first discovered during the **Policy Period**.

**Privacy Breach Liability Coverage:**

The Insurer will pay, on behalf of an **Insured**, **Loss** from any **Claim** first made against an **Insured** during the **Policy Period** or applicable **Extended Reporting Period** for a **Privacy Breach Wrongful Act** committed or allegedly committed on or after the **Privacy Breach Retroactive Date**.

2. For the purposes of this endorsement only:

- a. Definition (D) **Claim** of Section II. **DEFINITIONS** of the Professional Liability Coverage Section is deleted and replaced with the following:

(D) "**Claim**" means:

- (1) a written demand for monetary relief, commenced by an **Insured's** receipt of such demand;
- (2) a civil proceeding, other than an investigation or an administrative or regulatory proceeding, commenced by the service of a complaint, notice of action or similar pleading; or
- (3) an arbitration or mediation proceeding commenced by an **Insured's** receipt of a demand for arbitration, demand for mediation or similar document; against an **Insured** for a **Privacy Breach Wrongful Act**, including any appeal therefrom; or
- (4) a written request received by an **Insured** to toll or waive a limitation period, relating to any matter outlined in paragraphs (1) through (3) above.

- b. Definition (E) **Crisis Management Event** of Section II. **DEFINITIONS** of the Professional Liability Coverage Section is deleted and replaced with the following:

(E) "**Crisis Management Event**" means any actual or threatened publication of information in connection with a **Claim** or a **Privacy Breach Incident** that did, or would reasonably be expected to, cause material public harm to a **Named Insured**.

- c. Definition (T) **Loss** of Section II. **DEFINITIONS** of the Professional Liability Coverage Section does not include:

- (a) **Privacy Breach Expenses**;
- (b) an **Insured's** economic loss, including but not limited to loss of purchase or sale price, income, profits, share value, good will or damage to reputation; or
- (c) license, fees or royalties of any kind.

- d. Definition (CC) **Wrongful Act** of Section II. **DEFINITIONS** of the Professional Liability Coverage Section does not include any **Privacy Breach Wrongful Act**.

3. For the purposes of this endorsement only, the following definitions are added to Section II. **DEFINITIONS** of the Professional Liability Coverage Section:

"**Collection Responsibilities**" means the gathering, collection, acquisition, use, obtaining, taking, disclosure, sharing, dissemination, or access to or of **Personally Identifiable Information**, including but not limited to allowing any person to assent, consent, opt-in, opt-out or withhold or withdraw assent or consent to such gathering, collection, acquisition, use, obtaining, taking, disclosure, sharing, dissemination, or access to or of their **Personally Identifiable Information**.

"**Credit Monitoring Services**" means services for monitoring credit, including related remediation services or identity restoration services, provided to any individual who is, or is reasonably believed to be, a victim of an **Information Loss**. **Credit Monitoring Services** does not include any services for:

- (1) any individual who does not have a Social Insurance Number or Social Security Number; or
- (2) any individual notified under any law, statute, ordinance or regulation outside of Canada or the United States of America, including its territories or possessions.

"**Data Breach Expenses**" means reasonable and necessary expenses for legal counsel regarding how to respond to a **Privacy Breach Incident**. **Data Breach Expenses** does not include **Forensic Expenses**.

"**Designated Vendor**" means a vendor selected and approved in writing by the Insurer to provide services to an **Insured**.

"**Forensic Expenses**" means reasonable and necessary expenses for forensic analysis of the nature, extent and severity of a **Privacy Breach Incident** and the number and identities of persons affected.

"**Hostile Cyber Activity**" means any actual or attempted:

- (1) access or use of any computer, computer system or network by unauthorized persons or organizations (including access or use by persons or organizations in a manner that exceeds their authority), regardless of whether such access affects the functionality of such computer, system or network or alters, deletes corrupts or denies access to any data stored therein; or
- (2) operations directed at any computer, computer system or network to:
  - (a) alter, delete, corrupt or deny access to any computer, computer system or network or to any data stored therein;
  - (b) partially or totally disrupt or disable the functioning of any computer, computer system or network or any related physical infrastructure; or
  - (c) cause:
    - (i) bodily injury;

- (ii) physical injury to tangible property; or
- (iii) loss of use of tangible property regardless of whether such property is physically injured; outside of any computer, computer system or network.

**“Information Loss”** means an unauthorized or accidental disclosure or loss of:

- (1) confidential and proprietary information of others; or
- (2) **Personally Identifiable Information**,

in a **Named Insured’s** care, custody or control. **Information Loss** does not include an unauthorized or accidental disclosure or loss of any such information of an **Insured**.

**“Information Risk Expenses”** means:

- (1) **Credit Monitoring Services** provided with the Insurer’s consent, but only for one (1) year after the discovery of an **Information Loss**; and
- (2) when a **Designated Vendor** reasonably recommends, reasonable expenses for the creation of a toll-free response line for persons notified of an **Information Loss**.

**“Named Insured’s Network”** means any network of computers owned, leased or operated by a **Named Insured** in support of such **Named Insured’s Professional Services**.

**“Network Security Incident”** means:

- (1) the inability of authorized persons or organizations to access or use the **Named Insured’s Network**, including an unauthorized attack on a **Named Insured’s** operating system or website that successfully corrupts, damages, destroys, deletes, or impairs the **Named Insured’s Network**;
- (2) access or use of the **Named Insured’s Network** by unauthorized persons, including access or use by persons in a manner that exceeds their authority; or
- (3) transmission of a virus or malware by an **Insured**.

**“Notification Expenses”** means the reasonable and necessary cost or expense incurred for notification to those whose **Personally Identifiable Information** was affected by an **Information Loss**, including but not limited to a voluntary notification that a **Designated Vendor** reasonably recommends. **Notification Expenses** also includes the reasonable and necessary cost or expense for providing notification of an **Information Loss** to the Office of the Privacy Commissioner of Canada and any other regulatory authority as may be required.

**“Personally Identifiable Information”** means:

- (1) an individual’s first name or first initial and last name in combination with one or more of the following data elements for such individual:
  - (a) Social Insurance Number or Social Security Number;
  - (b) driver’s license number or non-driver identification card number;
  - (c) account number, credit card number or debit card number in combination with any required security code, access code or password that would permit access to the individual’s financial account;
  - (d) information regarding medical history, mental or physical condition, medical treatment or diagnosis by a health care professional;
  - (e) health insurance policy number or subscriber identification number, any unique identifier used by a health insurer to identify the individual or any information in the individual’s application and claims history, including any appeals records; or
  - (f) biometric identifiers, including fingerprints or retina scan;
- (2) a user name or email address in combination with a password or security question and answer that would permit access to an online account; or
- (3) any other non-public personally identifiable information protected under any federal, provincial, state, local or foreign law, statute, ordinance or regulation; if such information allows an individual to be uniquely and reliably identified or contacted or allows access to the individual’s financial or medical record.

**Personally Identifiable Information** does not include publicly available information that is lawfully made available to the general public from federal, provincial, state, local or foreign government records.

**“Privacy Breach Expenses”** means the following reasonable and necessary expenses incurred through a **Designated Vendor**:

- (1) **Data Breach Expenses**;
- (2) **Information Risk Expenses**;
- (3) **Notification Expenses**; and
- (4) **Forensic Expenses**.

**Privacy Breach Expenses** does not include: (a) **Defense Expenses**; (b) any remuneration, salaries, wages, fees, overhead or benefit expenses of any **Insured**; (c) any fines, penalties, taxes, sanctions or assessments; or (d) an **Insured’s** economic loss, including but not limited to loss of purchase or sale price, income, profits, share value, good will or damage to reputation.

**“Privacy Breach Incident”** means:

- (1) an **Information Loss**; or
- (2) a **Network Security Incident**,

in connection with an **Insured’s** rendering of **Professional Services** to a client of a **Named Insured**.

**“Privacy Breach Wrongful Act”** means an actual or alleged act, error or omission by an **Insured** that directly results in:

- (1) an **Information Loss**; or
- (2) a **Network Security Incident**,

in connection with an **Insured’s** rendering of **Professional Services** to a client of a **Named Insured**.

**“Privacy Breach Retroactive Date”** means the earlier of:

- (1) the inception date of this Policy stated in the Declarations Page; or
- (2) the inception date of the first professional liability policy or coverage section issued by the Insurer to the **First Named Insured** and continuously renewed by the Insurer until the inception date of this Policy stated in the Declarations Page, but only if such policy or coverage section and all renewals thereof provided the same or similar coverage to the coverage provided by the Privacy Breach Endorsement attached to this Policy.

**"Privacy Regulation"** means any law, statute, ordinance or regulation applying to an **Information Loss** or **Collection Responsibilities** involving **Personally Identifiable Information**, including but not limited to the following:

- (1) the *Personal Information Protection and Electronic Documents Act* (PIPEDA), S.C. 2000, c. 5, in Canada;
  - (2) provincial privacy laws regulating **Personally Identifiable Information**;
  - (3) the *Personal Health Information Protection Act*, 2004 (Ontario), S.O. 2004, c. 3, Sched. A, and other provincial and territorial health information protection laws;
  - (4) the *Gramm-Leach Bliley Act*, the *Health Information Technology for Economic and Clinical Health Act* (HITECH) and the *Health Insurance Portability and Accountability Act* (HIPAA) in the United States of America;
  - (5) Section 5(a) of the *Federal Trade Commission Act* in the United States of America, but solely for alleged unfair or deceptive acts or practices in or affecting commerce in the use of **Personally Identifiable Information**; and
  - (6) the *European Union General Data Protection Regulation* (GDPR).
4. For the purposes of this endorsement only, the lead in phrase of Section III. **EXCLUSIONS** of the Professional Liability Coverage Section is deleted and replaced with the following:
- This Coverage Section does not apply to, and no coverage will be available under this Coverage Section for, any **Privacy Breach Incident**, **Privacy Breach Expenses** or **Loss** from any **Claim**:
5. For the purposes of this endorsement only, each reference to the phrase **"Wrongful Act or Personal Injury Wrongful Act"** in Exclusions (A), (B) and (C) of Section III. **EXCLUSIONS** of the Professional Liability Coverage Section is replaced with the phrase **"Wrongful Act, Personal Injury Wrongful Act or Privacy Breach Wrongful Act"**.
6. Exclusion (G) **INTELLECTUAL PROPERTY** of Section III. **EXCLUSIONS** of the Professional Liability Coverage Section shall not apply to any **Claim** for a covered **Information Loss** involving the misappropriation, misuse, gaining or taking of a confidential and proprietary business trade secret of a client of a **Named Insured** with whom such **Named Insured** has entered into a written contract or agreement.
7. For the purposes of this endorsement only, Exclusion (S) **WAR** of Section III. **EXCLUSIONS** of the Professional Liability Coverage Section is deleted and replaced with the following:

**(S) WAR, STATE-SPONSORED ACTIVITY, HOSTILE CYBER ACTIVITY, ECONOMIC SANCTIONS**

**Based Upon** any means, methods or techniques of engaging in:

- (1) War, including cyber warfare, hybrid warfare, undeclared war or civil war;
- (2) Warlike action, including action in hindering or defending against an actual or expected attack, either directly or indirectly performed, ordered or sponsored by any: (a) government, sovereign or other authority; (b) agent, branch, subdivision or entity of any government, sovereign or other authority; or (c) other person or organization acting on behalf of any government, sovereign or other authority;
- (3) Espionage, illegal activity or vandalism either directly or indirectly performed, ordered or sponsored by any: (a) government, sovereign or other authority; (b) agent, branch, subdivision or entity of any government, sovereign or other authority; or (c) other person or organization acting on behalf of any government, sovereign or other authority;
- (4) **Hostile Cyber Activity** either directly or indirectly performed, ordered or sponsored by any: (a) government, sovereign or other authority; (b) agent, branch, subdivision or entity of any government, sovereign or other authority; or (c) other person or organization acting on behalf of any government, sovereign or other authority;
- (5) Economic sanctions by any: (a) government, sovereign or other authority; (b) agent, branch, subdivision or entity of any government, sovereign or other authority; or (c) other person or organization acting on behalf of any government, sovereign or other authority; or
- (6) Insurrection, rebellion, revolution or usurped power;

including but not limited to means, methods or techniques that: (a) are physical, kinetic, cyber or economic; (b) are offensive or defensive; or (c) impact a government, sovereign or other authority, or impact individual persons, individual organizations or any group(s) of persons or organizations.

Such **Privacy Breach Incident**, **Privacy Breach Expenses** or **Loss** from any **Claim** is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such **Privacy Breach Incident**, **Privacy Breach Expenses** or **Loss** from any **Claim**.

8. For the purposes of this endorsement only, the following exclusions are added to Section III. **EXCLUSIONS** of the Professional Liability Coverage Section:
- This Coverage Section does not apply to, and no coverage will be available under this Coverage Section for, any **Privacy Breach Incident**, **Privacy Breach Expenses** or **Loss** from any **Claim**:

**COSTS TO COMPLY WITH WARRANTIES OR FOR RECALL, REMOVAL OR WITHDRAWAL**

**Based Upon** any loss, cost or expense incurred by any **Insured** or others:

- (1) to comply with any warranty for any good, product or service;
- (2) to provide, complete, correct, repair, replace, reproduce, reprint, restore, upgrade, supplement or otherwise improve any good, product or service;
- (3) for the recall, removal or withdrawal of any good, product or service from the market or from use by any person or organization for any reason; or
- (4) for the adjustment, inspection or disposal of any good, product or service;

**FORCE MAJEURE**

**Based Upon** fire, smoke, explosion, lightning, wind, flood, earthquake, volcanic eruption, tidal wave, landslide, hail or act of God;

**PERSONAL AND ADVERTISING INJURY**

**Based Upon** any actual or alleged:

- (1) libel, slander, product disparagement, trade libel or other form of defamation;
- (2) invasion or infringement of the right of privacy or publicity, including false light, public disclosure of private facts, intrusion and commercial appropriation of name, persona or likeness;
- (3) false arrest, detention or imprisonment;
- (4) malicious prosecution; or
- (5) wrongful entry or eviction, or other invasion of the right of private occupancy;

provided, that paragraph (2) of this Exclusion shall not apply to any **Claim** for a covered **Information Loss**;

## EXTORTION/RANSOMWARE

**Based Upon** any actual or attempted obtaining of money or other property from any **Insured** through an actual or threatened **Privacy Breach Incident** including, but not limited to, any form of extortion or ransomware;

## POWER, COMMUNICATIONS, DATA TRANSMISSION OR SERVICES INTERRUPTION

**Based Upon** any actual or alleged interruption, outage, surge, brownout, blackout, malfunction, defect or other failure of any power, telephone, telecommunications, wireless communications, internet, satellite or data transmission lines, equipment, facilities, infrastructure, systems or services; provided, that this exclusion shall not apply to a failure if the infrastructure responsible for such failure was under any **Named Insured's** operational control at the time of such failure;

## RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION IN VIOLATION OF LAW

**Based Upon** any actual or alleged violation of the responsibilities, duties or obligations imposed under:

- (1) the Canadian Radio-television and Telecommunications Commission (CRTC) *Unsolicited Telecommunications Rules*, Canada's Anti-Spam Legislation (CASL), the *Consumer Reporting Act* (Ontario), R.S.O. 1990, c. C.33, the *Consumer Protection Act, 2002*, (Ontario), S.O. 2002, c. 30 Sched. A, including any rules, regulations or amendments thereunder and any of the same or similar provisions of any province or territory;
- (2) the *Telephone Consumer Protection Act* (TCPA), the *CAN-SPAM Act of 2003*, the *Fair Credit Reporting Act* (FCRA), the *Fair and Accurate Credit Transaction Act* (FACTA) in the United States of America, including any rules, regulations or amendments thereunder; or
- (3) any federal, provincial, territorial, state or local statutory, civil or common law that addresses, prohibits or limits the printing, dissemination, disposal, collection, recording, sending, transmitting, communication or distribution of material or information, including but not limited to any law pertaining to **Collection Responsibilities**;

provided, that paragraph (3) of this Exclusion shall not apply to any otherwise-covered **Claim Based Upon** any actual or alleged violation of a **Privacy Regulation** applying to an **Information Loss** involving **Personally Identifiable Information**;

## VIOLATION OF SECURITIES LAWS

**Based Upon** any actual or alleged violation or breach of any law relating to the offer, sale, purchase, trading or valuation of securities or relating to a failure to disclose cyber events and cyber risks in securities filings;

## PRIZE REDEMPTION

**Based Upon** any actual or attempted redemption or over-redemption of tickets, coupons, prizes or other goods or property in any contest, lottery, sweepstakes, promotion or game of chance, or actual or alleged violation of any laws regulating these activities;

## STATE-SPONSORED ACTIVITY

**Based Upon** any actual or alleged illegal activity or vandalism either directly or indirectly performed, ordered or sponsored by a government, including any agency, authority or entity of such government;

## GOVERNMENT ACTIONS

brought or maintained by or on behalf of any government agency or governmental authority for any administrative, judicial or regulatory action or order; provided, that this EXCLUSION shall not apply to any **Claim** brought or maintained by or on behalf of such agency or authority in its capacity as a **Named Insured's** client other than for any actual or alleged violation of the *Financial Administration Act* in Canada, or sections 121 (frauds on the government), 380 (fraud), and 418 (selling defective stores to Her Majesty) of the Canadian *Criminal Code*, R.S.C., 1985, c. C-46, including any amendment of or addition to such law, or any **Similar Legislation**.

9. The following provisions are added to Section IV. **COVERAGE SECTION SPECIFIC LIMITS OF LIABILITY** of the Professional Liability Coverage Section:

The Limit of Liability stated in the Declarations Page for the Privacy Breach Expense Coverage is the maximum limit of the Insurer's liability for all **Privacy Breach Expenses** resulting from all **Privacy Breach Incidents** for which such Insuring Agreement provides coverage, which amount shall be part of, and not in addition to, the Policy Aggregate Limit of Liability, the Coverage Section Aggregate Limit of Liability applicable to this Coverage Section and the Privacy Breach Aggregate Limit of Liability.

The Limit of Liability stated in the Declarations Page for the Privacy Breach Liability Coverage is the maximum limit of the Insurer's liability for all **Loss** resulting from all **Claims** for which such Insuring Agreement provides coverage, which amount shall be part of, and not in addition to, the Policy Aggregate Limit of Liability, the Coverage Section Aggregate Limit of Liability applicable to this Coverage Section and the Privacy Breach Aggregate Limit of Liability.

The Privacy Breach Aggregate Limit of Liability stated in the Declarations Page is the maximum limit of the Insurer's liability for (a) all **Loss** resulting from all **Claims** and (b) all **Privacy Breach Expenses** resulting from all **Privacy Breach Incidents** for which the Privacy Breach Expense Coverage and the Privacy Breach Liability Coverage Insuring Agreements provide coverage, which amount shall be part of, and not in addition to, the Policy Aggregate Limit of Liability and the Coverage Section Aggregate Limit of Liability applicable to this Coverage Section.

10. The following provision is added to Section V. **COVERAGE SECTION SPECIFIC DEDUCTIBLE** of the Professional Liability Coverage Section:

The obligation of the Insurer to pay on behalf of an **Insured** under the Privacy Breach Expense Coverage applies only to the amount of **Privacy Breach Expenses** in excess of the applicable Deductible amount stated in the Declarations Page.

11. As a condition precedent to any right to coverage under the Privacy Breach Expense Coverage, the **Insureds** must give the Insurer written notice of any **Privacy Breach Incident** as soon as practicable, but in no event later than thirty (30) days after:

- (1) if the **First Named Insured** is a natural person, the **First Named Insured** first discovers or is made aware of such **Privacy Breach Incident**; or
- (2) if the **First Named Insured** is an entity, any **Executive** first discovers or is made aware of such **Privacy Breach Incident**.

The **Insureds** must also:

- (a) notify the police if the **Privacy Breach Incident** involves a violation or possible violation of the law;
- (b) submit to examination under oath at the Insurer's request, while not in the presence of any other **Insured**, and give the Insurer a signed statement of such answers;
- (c) as often as reasonably requested, permit the Insurer to inspect the **Named Insured's Network** and examine and make copies of the **Named Insured's** books and records;
- (d) send the Insurer a detailed, signed sworn proof of loss as soon as reasonably practicable after the Insurer's request; and
- (e) cooperate with the Insurer in the investigation and settlement of the **Privacy Breach Incident**.

12. For the purposes of this endorsement only, each reference to the term "**Loss**" in paragraphs (A) and (B) of Section III. **LIMITS OF LIABILITY** of the General Terms and Conditions and Section XXIII. **OTHER INSURANCE** of the General Terms and Conditions shall include the term "**Privacy Breach Expenses**" as such term is defined in this endorsement and each reference to the term "**Claim**" in paragraphs (A) and (B) of Section III. **LIMITS OF LIABILITY** of the General Terms and Conditions and Section XXIII. **OTHER INSURANCE** of the General Terms and Conditions shall include the term "**Privacy Breach Incident**" as such term is defined in this endorsement.

13. For the purposes of this endorsement only, each reference to the phrase “**Wrongful Act or Personal Injury Wrongful Act**” or “**Wrongful Acts or Personal Injury Wrongful Acts**” in the following provisions of the General Terms and Conditions is replaced with the phrase “**Wrongful Act, Personal Injury Wrongful Act or Privacy Breach Wrongful Act**” or “**Wrongful Acts, Personal Injury Wrongful Acts or Privacy Breach Wrongful Acts**”, as applicable:

Definition (C) **Circumstance** of Section II. **DEFINITIONS**

Section III. **LIMITS OF LIABILITY** (E)

Section V. **SPOUSES, ESTATES AND LEGAL REPRESENTATIVES**

Section VI. **CLAIM DEFENCE, REPORTING AND SETTLEMENT** (B)

Section IX. **TERRITORY**

Section X. **EXTENDED REPORTING PERIOD**

14. The following provision is added to paragraph (D) **Insurer’s Consent** of Section VI. **CLAIM DEFENCE, REPORTING AND SETTLEMENT** of the General Terms and Conditions:

The **Insured** shall not voluntarily make any payment of, assume any obligation with respect to, or incur any, **Privacy Breach Expenses** without the Insurer's prior written consent.

15. For the purposes of this endorsement only, Section XI. **CHANGES IN EXPOSURE** of the General Terms and Conditions is amended as follows:

- a. The following provision is added to paragraph (A) **Acquisition/Creation of Another Organization**:

Coverage under the Professional Liability Coverage Section shall be provided for such other organization and its **Insureds** solely for **Privacy Breach Incidents** that occur after the effective date of such acquisition or creation.

- b. The following provision is added to paragraph (B) **Acquisition by Another Organization**:

Coverage under the Professional Liability Coverage Section shall continue until termination of such Coverage Section solely with respect to **Privacy Breach Incidents** that occurred before the effective date of such merger, consolidation or acquisition.

- c. The following provision is added to paragraph (C) **Cessation of Subsidiary**:

Coverage under the Professional Liability Coverage Section with respect to such former **Subsidiary** and its **Insureds** shall continue until termination of such Coverage Section solely with respect to **Privacy Breach Incidents** that occurred while such **Named Insured** entity was a **Subsidiary**.

All other terms, conditions and limitations of this Policy shall remain unchanged.

# SOCIAL ENGINEERING FRAUD COVERAGE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is agreed that:

1. Section I. **INSURING AGREEMENTS** of the Professional Liability Coverage Section is amended to include the following:

## **SOCIAL ENGINEERING FRAUD COVERAGE**

The insurer will pay the **"Named Insured"** for direct loss sustained by the **"Named Insured"** resulting from the **"Named Insured"** having transferred, paid or delivered any **"Money"**, **"Securities"** or **"Other Property"** as the direct result of **"Social Engineering Fraud"** committed by a person purporting to be a **"Vendor"**, a **"Client"** or an **"Employee"** who was authorized by the **"Named Insured"** to instruct other **"Employees"** or the **"Named Insured"** to transfer **"Money"**, **"Securities"** or **"Other Property"**; provided, that such loss first occurs and is discovered during the **"Policy Period"**.

2. For the purposes of this endorsement only, Definition (J) **"Employee"** of Section II. **DEFINITIONS** of the Professional Liability Coverage Section is deleted and replaced with the following:

**"Employee"** means:

- (1) any natural person while in the **"Named Insured's"** service:
  - (a) who the **"Named Insured"** compensates directly by salary, wages or commissions; and
  - (b) who the **"Named Insured"** has the right to direct and control while performing services for the **"Named Insured"**;
- (2) any natural person who is a temporary or leased **"Employee"** of the **"Named Insured"** while such natural person is subject to the **"Named Insured's"** direction and control and is performing services for the **"Named Insured"**;
- (3) any natural person who is a former **"Executive"** or **"Employee"** retained by the **"Named Insured"** as a consultant while performing services for the **"Named Insured"**; or
- (4) any **"Executive"** or non-compensated **"Executive"** while performing acts within the scope of the usual duties of an **"Employee"**.

3. For the purposes of this endorsement only, Definition (T) **"Loss"** of Section II. **DEFINITIONS** of the Professional Liability Coverage Section is deleted and replaced with the following:

**"Loss"** means loss of **"Money"**, **"Securities"** or **"Other Property"** resulting from **"Social Engineering Fraud"**.

4. For the purposes of this endorsement only, the following definitions are added to Section II. **DEFINITIONS** of the Professional Liability Coverage Section:

**"Client"** means a customer of the **"Named Insured"** to whom such **"Named Insured"** provides goods or services pursuant to a written contract or for a fee.

**"Fraudulent Instruction"** means:

- (1) an electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by the **"Insured"**, but which was, in fact, fraudulently transmitted by another party without the **"Insured's"** knowledge or consent; or
- (2) a written instruction issued by the **"Insured"**, which was forged or altered by another party without the **"Insured's"** knowledge or consent, or which purports to have been issued by the **"Insured"**, but which was, in fact, fraudulently issued without the **"Insured's"** knowledge or consent.

**"Money"** means:

- (1) currency, coins, and bank notes;
- (2) bullion; and
- (3) travelers' cheques, registered cheques and money orders held for sale to the public.

**"Money"** shall not include **"Virtual Currency"**.

**"Other Property"** means tangible property other than **"Money"** or **"Securities"** that has an intrinsic value. **"Other Property"** does not include:

- (1) intangible property such as computer programs or electronic data;
- (2) any **"Insured's"** or another entity's or person's confidential or personal information; or
- (3) **"Virtual Currency"**.

**"Securities"** means any negotiable and non-negotiable instruments representing **"Money"** or **"Other Property"**, including revenue and other stamps in current use, casino chips, tokens and tickets. **"Securities"** does not include **"Money"** or **"Virtual Currency"**.

**"Social Engineering Fraud"** means the intentional misleading of an **"Employee"** through the use of a **"Transfer Instruction"**.

**"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"** by means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system, or by means of written instructions establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

**"Transfer Instruction"** means an instruction received by an **"Employee"** that:

- (1) contains a misrepresentation of a material fact; and
- (2) is relied upon by the **"Employee"**, believing the material fact to be true.

**"Vendor"** means any entity or natural person that has provided goods or services to the **"Named Insured"** under a legitimate pre-existing arrangement or written agreement; provided, that **"Vendor"** does not include any financial institution, asset manager, broker-dealer, armored motor vehicle company or any similar entity.

**"Virtual Currency"** means a digital or electronic medium of exchange that is used and accepted as a means of payment, but that is not issued by, or guaranteed by, a central bank, government or public authority.

5. For the purposes of this endorsement only, the following exclusions are added to Section III. **EXCLUSIONS** of the Professional Liability Coverage Section:

The Social Engineering Fraud Coverage Insuring Agreement of this Coverage Section does not apply to, and no coverage will be available under the Social Engineering Fraud Coverage Insuring Agreement of this Coverage Section for:

**LIABILITY**

liability of any **"Insured"** including, but not limited to, any loss, damage, expense, legal costs, judgements and settlements incurred as a result of any claim, suit or judicial action brought against any **"Insured"**;

**KNOWN SOCIAL ENGINEERING FRAUD**

loss resulting from any **"Social Engineering Fraud"**:

- (1) of which any **"Insured"** had knowledge prior to the effective date of the Social Engineering Fraud Coverage Endorsement attached to this Policy; or
- (2) that was the subject of any notice given and accepted under any policy or coverage section of which this Coverage Section is a direct or indirect renewal or replacement;

**STATE-SPONSORED ACTIVITY**

loss resulting from any actual or alleged illegal activity or vandalism either directly or indirectly performed, ordered or sponsored by a government, including any agency, authority or entity of such government;

**INVESTMENT**

loss resulting from any investment in **"Securities"**, or ownership in any corporation, partnership, real property, or similar instrument, whether or not such investment is genuine;

**MALFUNCTION**

loss resulting from the failure or malfunction of any product or service;

**FAILURE TO PERFORM**

loss resulting from the failure of any party to perform, in whole or in part, under any contract;

**CREDIT OR DEBIT CARD**

loss due to any party's use of or acceptance of any credit card, debit card or similar instrument, whether or not genuine;

**INDIRECT OR CONSEQUENTIAL LOSS**

indirect or consequential loss including, but not limited to, damages, fines or penalties of any type for which any **"Insured"** may be legally liable and costs, fees or other expenses any **"Insured"** incurs in establishing either the existence of or the amount of loss under the Social Engineering Fraud Coverage Insuring Agreement of this Coverage Section;

**LEGAL FEES, COSTS OR EXPENSES**

costs, charges, fees or expenses incurred or paid by any **"Insured"** in defending or prosecuting any legal proceeding or claim;

**LOAN, CREDIT OR SIMILAR PROMISE TO PAY**

loss due to the extension of any loan, credit or similar promise to pay;

**ACTS OF EMPLOYEES OR AUTHORIZED REPRESENTATIVES**

loss resulting from any fraudulent, dishonest or criminal act committed by any **"Employee"**, **"Executive"** or authorized representative of any **"Insured"**, whether acting alone or in collusion with others;

**FUNDS TRANSFER FRAUD**

loss of **"Money"** or **"Securities"** held in a **"Transfer Account"** sustained by any **"Insured"** resulting from a **"Fraudulent Instruction"** directing a financial institution to transfer, pay or deliver such **"Money"** or **"Securities"** from a **"Transfer Account"**;

**TRADE SECRETS/CONFIDENTIAL INFORMATION**

- (1) loss resulting from the use or disclosure of any **"Insured's"** confidential information, including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, personal information, credit card information, health information or any similar non-public information;
- (2) loss resulting from the use or disclosure of confidential information of another person or entity while in the care, custody or control of any **"Insured"** including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, personal information, credit card information, health information or any similar non-public information; or
- (3) fees, costs, fines, penalties or any other expenses incurred by any **"Insured"** which result, directly or indirectly, from the access to or disclosure of another entity's or person's confidential information, including patents, trade secrets, processing methods, customer lists, financial information, personal information, credit card information, health information or any similar non-public information;

**TRADING**

loss resulting from any authorized or unauthorized trading of **"Money"**, **"Securities"** or **"Other Property"**, whether or not in the name of any **"Insured"** and whether or not in a genuine or fictitious account;

**VOLUNTARY EXCHANGE OR PURCHASE**

loss resulting from any **"Insured"** knowingly having given or surrendered **"Money"**, **"Securities"** or **"Other Property"** in any exchange or purchase; provided, that this exclusion shall not apply to loss that is otherwise covered under the Social Engineering Fraud Coverage Insuring Agreement of this Coverage Section;

**OTHER INSURANCE**

any loss resulting from any **"Social Engineering Fraud"** for which any **"Insured"** is afforded coverage under any other insurance, self-insurance policy or program or risk transfer instrument; provided, that this exclusion shall not apply where the limits of liability of such other insurance, self-insurance policy or program or risk transfer instrument have been exhausted.

6. The following provision is added to Section IV. **COVERAGE SECTION SPECIFIC LIMITS OF LIABILITY** of the Professional Liability Coverage Section:

The Insurer's maximum limit of liability for all loss resulting from all **"Social Engineering Fraud"** for which the Social Engineering Fraud Coverage Insuring Agreement of this Coverage Section provides coverage shall be \$10,000, which amount shall be part of, and not in addition to, the Policy Aggregate Limit of Liability and the Coverage Section Aggregate Limit of Liability applicable to this Coverage Section.

7. The following provision is added to Section **V. COVERAGE SECTION SPECIFIC DEDUCTIBLE** of the Professional Liability Coverage Section:

No deductible shall apply under the Social Engineering Fraud Coverage Insuring Agreement of this Coverage Section.

8. As a condition precedent to any right to coverage under the Social Engineering Fraud Coverage Insuring Agreement of the Professional Liability Coverage Section, the **"Insureds"** must give the Insurer written notice of any **"Social Engineering Fraud"** as soon as practicable, but in no event later than thirty (30) days after:

- (1) if the **"First Named Insured"** is a natural person, the **"First Named Insured"** first discovers or is made aware of such **"Social Engineering Fraud"**; or
- (2) if the **"First Named Insured"** is an entity, any **"Executive"** first discovers or is made aware of such **"Social Engineering Fraud"**.

The **"Insureds"** must also:

- (a) notify the police if the **"Social Engineering Fraud"** involves a violation or possible violation of the law;
- (b) submit to examination under oath at the Insurer's request, while not in the presence of any other **"Insured"**, and give the Insurer a signed statement of such answers;
- (c) produce all pertinent records at such reasonable times and places as the Insurer shall designate;
- (d) send the Insurer a detailed, signed sworn proof of loss as soon as reasonably practicable after the Insurer's request, but in no event later than 180 days after such request;
- (e) cooperate with the Insurer in the investigation of any **"Social Engineering Fraud"** loss; and
- (f) keep records of all property covered under the Social Engineering Fraud Insuring Agreement so that the Insurer can verify the amount of any loss.

Words and phrases that appear in bold and/or in quotation marks are defined within this endorsement or in the applicable Definitions section of this Policy.

All other terms, conditions and limitations of this Policy shall remain unchanged.

# NOT-FOR-PROFIT OUTSIDE DIRECTORSHIP LIABILITY COVERAGE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is agreed that:

1. Section I. **INSURING AGREEMENTS** of the Professional Liability Coverage Section is amended to include the following:

## **NOT-FOR-PROFIT OUTSIDE DIRECTORSHIP LIABILITY COVERAGE**

The Insurer will pay, on behalf of an **"Insured Person"**, **"Loss"** from any **"Claim"** first made against an **"Insured Person"** during the **"Policy Period"** or applicable **"Extended Reporting Period"** for an **"Outside Capacity Wrongful Act"** committed or allegedly committed by an **"Insured Person"**.

2. For the purposes of this endorsement only, each reference to the phrase **"Wrongful Act or Personal Injury Wrongful Act"** in Definition (D) **"Claim"** of Section II. **DEFINITIONS** of the Professional Liability Coverage Section is replaced with the phrase **"Wrongful Act, Personal Injury Wrongful Act or Outside Capacity Wrongful Act"**.

3. For the purposes of this endorsement only, the following definitions are added to Section II. **DEFINITIONS** of the Professional Liability Coverage Section:

**"Outside Capacity"** means service rendered by an **"Insured Person"** in the position of director, officer, observer, trustee, trustee emeritus, governor or equivalent executive position of an **"Outside Entity"**; but only during the time that such service is at the request of the **"Named Insured"**.

**"Outside Capacity Wrongful Act"** means any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty by an **"Insured Person"** in their **"Outside Capacity"**.

**"Outside Entity"** means any not-for-profit entity that is not included in the definition of **"Named Insured"**.

4. For the purposes of this endorsement only, each reference to the phrase **"Wrongful Act or Personal Injury Wrongful Act"** in Exclusions (A), (B) and (C) of Section III. **EXCLUSIONS** of the Professional Liability Coverage Section is replaced with the phrase **"Wrongful Act, Personal Injury Wrongful Act or Outside Capacity Wrongful Act"**.

5. For the purposes of this endorsement only, the following exclusions are added to Section III. **EXCLUSIONS** of the Professional Liability Coverage Section:

This Coverage Section does not apply to, and no coverage will be available under this Coverage Section for, **"Loss"** from any **"Claim"**:

## **OUTSIDE ENTITY VS. INSURED PERSON**

for any **"Outside Capacity Wrongful Act"** by any **"Insured Person"**, if such **"Claim"** is brought by or on behalf of:

- (1) the **"Outside Entity"** with which such **"Insured Person"** is serving or has served in an **"Outside Capacity"**; or
- (2) any director, officer, trustee, governor or equivalent executive of such **"Outside Entity"**.

6. The following provision is added to Section IV. **COVERAGE SECTION SPECIFIC LIMITS OF LIABILITY** of the Professional Liability Coverage Section:

The Insurer's maximum limit of liability for all **"Loss"** under the Not-For-Profit Outside Directorship Liability Coverage Insuring Agreement resulting from each **"Claim"** for which such Insuring Agreement provides coverage shall be \$250,000, and the Insurer's maximum limit of liability for all **"Loss"** under such Insuring Agreement resulting from all **"Claims"** for which such Insuring Agreement provides coverage shall be \$250,000, which amounts shall be part of, and not in addition to, the Policy Aggregate Limit of Liability and the Coverage Section Aggregate Limit of Liability applicable to this Coverage Section.

7. The following provision is added to Section V. **COVERAGE SECTION SPECIFIC DEDUCTIBLE** of the Professional Liability Coverage Section:

No deductible shall apply under the Not-For-Profit Outside Directorship Liability Coverage Insuring Agreement of this Coverage Section.

8. Any coverage available under the Not-For-Profit Outside Directorship Liability Coverage Insuring Agreement of the Professional Liability Coverage Section is specifically excess of and will not contribute with:

- (1) any other valid and collectible insurance available to any **"Insured Person"**; or
- (2) any indemnification to which any **"Insured Person"** is entitled from any **"Outside Entity"**.

Section XXIII. **OTHER INSURANCE** of the General Terms and Conditions shall be deemed amended to the extent necessary to effect the purpose and intent of this paragraph.

9. For the purposes of this endorsement only, each reference to the phrase **"Wrongful Act or Personal Injury Wrongful Act"** or **"Wrongful Acts or Personal Injury Wrongful Acts"** in the following provisions of the General Terms and Conditions is replaced with the phrase **"Wrongful Act, Personal Injury Wrongful Act or Outside Capacity Wrongful Act"** or **"Wrongful Acts, Personal Injury Wrongful Acts or Outside Capacity Wrongful Acts"**, as applicable:

Definition (C) **Circumstance** of Section II. **DEFINITIONS**

Section III. **LIMITS OF LIABILITY** (E)

Section V. **SPOUSES, ESTATES AND LEGAL REPRESENTATIVES**

Section VI. **CLAIM DEFENCE, REPORTING AND SETTLEMENT** (B)

Section IX. **TERRITORY**

Section X. **EXTENDED REPORTING PERIOD**

Words and phrases that appear in bold and/or in quotation marks are defined within this endorsement or in the applicable Definitions section of this Policy.

All other terms, conditions and limitations of this Policy shall remain unchanged.

# EMPLOYEE BENEFIT PROGRAMS LIABILITY COVERAGE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is agreed that:

1. Section I. **INSURING AGREEMENTS** of the Professional Liability Coverage Section is amended to include the following:

## **EMPLOYEE BENEFIT PROGRAMS LIABILITY COVERAGE**

The Insurer will pay, on behalf of an **"Insured"**, **"Loss"** from any **"Claim"** first made against an **"Insured"** during the **"Policy Period"** or applicable **"Extended Reporting Period"** for an **"Employee Benefit Program Wrongful Act"** committed or allegedly committed by an **"Insured"**.

2. For the purposes of this endorsement only, each reference to the phrase **"Wrongful Act or Personal Injury Wrongful Act"** in Definition (D) **"Claim"** of Section II. **DEFINITIONS** of the Professional Liability Coverage Section is replaced with the phrase **"Wrongful Act, Personal Injury Wrongful Act or Employee Benefit Program Wrongful Act"**.
3. For the purposes of this endorsement only, Definition (R) **"Insured Person"** of Section II. **DEFINITIONS** of the Professional Liability Coverage Section is deleted and replaced with the following:

**"Insured Person"** means any **"Employee"** or **"Executive"** while acting in their capacity as such.

4. For the purposes of this endorsement only, the following definitions are added to Section II. **DEFINITIONS** of the Professional Liability Coverage Section:

**"Administration"** means:

- (1) giving counsel to **"Employees"** with respect to the **"Employee Benefit Programs"**;
- (2) interpreting the **"Employee Benefit Programs"**;
- (3) handling the records in connection with the **"Employee Benefit Programs"**; or
- (4) enrollment, termination or cancellation of **"Employees"** under the **"Employee Benefit Programs"**.

**"Employee Benefit Program"** means group life insurance plans, group health insurance plans, pension plans, investment plans, or insurance programs for workers compensation, unemployment, social security or disability benefits.

**"Employee Benefit Program Wrongful Act"** means any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty committed or allegedly committed by an **"Insured"** while engaged in the discharge of their duties in the **"Administration"** of any **"Employee Benefit Program"**.

5. For the purposes of this endorsement only, each reference to the phrase **"Wrongful Act or Personal Injury Wrongful Act"** in Exclusions (A), (B) and (C) of Section III. **EXCLUSIONS** of the Professional Liability Coverage Section is replaced with the phrase **"Wrongful Act, Personal Injury Wrongful Act or Employee Benefit Program Wrongful Act"**.
6. For the purposes of this endorsement only, the following exclusions are added to Section III. **EXCLUSIONS** of the Professional Liability Coverage Section:

This Coverage Section does not apply to, and no coverage will be available under this Coverage Section for, **"Loss"** from any **"Claim"**:

**FAILURE OF PERFORMANCE BY INSURER**  
for failure of performance of contract by any insurer;

**WORKERS' COMPENSATION, UNEMPLOYMENT INSURANCE, SOCIAL INSURANCE, SOCIAL SECURITY, DISABILITY BENEFITS**  
**"Based Upon"** the failure of any **"Insured"** to comply with any workers' compensation, unemployment insurance, Social Security or disability benefits law, including any rules, regulations or amendments thereunder, or any similar provisions of any **"Similar Legislation"**;

**FAILURE OF INVESTMENT PLAN**  
**"Based Upon"** the failure of any investment plan to perform as represented by any **"Insured"**;

**INVESTMENT ADVICE**  
**"Based Upon"** any advice given by any **"Insured"** to any **"Employee"** to participate or not participate in any investment plan;

**OTHER INSURANCE**  
covered under any other valid and collectible insurance. Section XXIII. **OTHER INSURANCE** of the General Terms and Conditions and any other provision to the contrary in this Policy shall be deemed amended to the extent necessary to effect the purpose and intent of this exclusion.

7. The following provision is added to Section IV. **COVERAGE SECTION SPECIFIC LIMITS OF LIABILITY** of the Professional Liability Coverage Section:

The Insurer's maximum limit of liability for all **"Loss"** under the Employee Benefit Programs Liability Coverage Insuring Agreement resulting from each **"Claim"** for which such Insuring Agreement provides coverage shall be \$250,000, and the Insurer's maximum limit of liability for all **"Loss"** under such Insuring Agreement resulting from all **"Claims"** for which such Insuring Agreement provides coverage shall be \$500,000, which amounts shall be part of, and not in addition to, the Policy Aggregate Limit of Liability and the Coverage Section Aggregate Limit of Liability applicable to this Coverage Section.

8. For the purposes of this endorsement only, each reference to the phrase **"Wrongful Act or Personal Injury Wrongful Act"** or **"Wrongful Acts or Personal Injury Wrongful Acts"** in the following provisions of the General Terms and Conditions is replaced with the phrase **"Wrongful Act, Personal Injury Wrongful Act or Employee Benefit Program Wrongful Act"** or **"Wrongful Acts, Personal Injury Wrongful Acts or Employee Benefit Program Wrongful Acts"**, as applicable:

Definition (C) **Circumstance** of Section II. **DEFINITIONS**

Section III. **LIMITS OF LIABILITY** (E)

Section V. **SPOUSES, ESTATES AND LEGAL REPRESENTATIVES**

Section VI. **CLAIM DEFENCE, REPORTING AND SETTLEMENT** (B)

Section X. **EXTENDED REPORTING PERIOD**

9. For the purposes of this endorsement only, Section IX. **TERRITORY** of the General Terms and Conditions is deleted and replaced with the following:

**IX. TERRITORY**

This Policy applies to "**Employee Benefit Program Wrongful Acts**" committed or allegedly committed, and **Claims** made, in Canada, including its territories or possessions.

**Words and phrases that appear in bold and/or in quotation marks are defined within this endorsement or in the applicable Definitions section of this Policy.**

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

SPECIMEN

## PROFESSIONAL SERVICES ENDORSEMENT

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

It is agreed that the "**Professional Services**" stated in the Declarations Page are deleted and replaced with the following:

Sale and advice in the following categories for which a permit is held: life insurance, group insurance of persons, financial planning, mutual funds and scholarship plan brokerage.

Words and phrases that appear in bold and/or in quotation marks are defined within this endorsement or in the applicable Definitions section of this Policy.

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

SPECIMEN

# DISTRIBUTION OF FINANCIAL PRODUCTS AND SERVICES

## AMENDATORY ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

1. The following exclusions are added to Section III. **EXCLUSIONS** of the Professional Liability Coverage Section:

This Coverage Section does not apply to, and no coverage will be available under this Coverage Section for, "**Loss**" from any "**Claim**":

### OTHER ACTIVITIES

"**Based Upon**" any actual or alleged legal liability of any "**Insured**" as an actuary, accountant, bookkeeper, attorney, real estate agent or real estate broker or named fiduciary;

### INSURANCE AGENCY/INSURANCE COMPANY

brought or maintained by or on behalf of any insurance agency or insurance company;

### STRUCTURED SETTLEMENTS

"**Based Upon**" any actual or alleged brokering of structured settlements; provided, that this EXCLUSION shall not apply to any "**Claim**" arising from the sale of annuity products used to fund a structured settlement;

### CLEARING AGENCY

brought or maintained by or on behalf of any clearing agency or "**Based Upon**" any "**Insured**" functioning as a clearing agency;

### DISCRETIONARY AUTHORITY

"**Based Upon**" any actual or alleged exercise of discretionary authority, management or control over a client's account; provided, that this Exclusion shall not apply to the extent the "**Insured**" has limited power of attorney of an investment account which is signed by a client;

### INABILITY OR REFUSAL TO PAY OR COLLECT

"**Based Upon**" any actual or alleged inability or refusal to pay or collect premiums, claims or tax monies, including surcharges or assessments of any kind;

### PLACEMENT WITH UNLICENSED ORGANIZATIONS

"**Based Upon**" any actual or alleged placement of any client's coverage or funds directly or indirectly with any organization which is not licensed to do business in the province, territory, state or jurisdiction with authority to regulate such business;

### OTHER ORGANIZATIONS

"**Based Upon**" any actual or alleged ownership, formation, operation, administration, referral or recommendation of, or placement of coverage with, any risk retention group, self insurance program or purchasing group;

### RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION IN VIOLATION OF LAW

"**Based Upon**" any actual or alleged violation of the responsibilities, duties or obligations imposed under:

- (1) the Canadian Radio-television and Telecommunications Commission (CRTC) *Unsolicited Telecommunications Rules*, Canada's Anti-Spam Legislation (CASL), the *Consumer Reporting Act* (Ontario), R.S.O. 1990, c. C.33, the *Consumer Protection Act, 2002*, (Ontario), S.O. 2002, c. 30 Sched. A, including any rules, regulations or amendments thereunder and any of the same or similar provisions of any province or territory; or
- (2) any federal, provincial, territorial, state or local statutory, civil or common law that addresses, prohibits or limits the printing, dissemination, disposal, collection, recording, sending, transmitting, communication or distribution of material or information;

### SPECIALIZED ACTIVITIES

"**Based Upon**" any actual or alleged purchase or sale of, or providing advice regarding: (1) commodities, commodity future contracts or option contracts; (2) promissory notes or other non-securitized evidence of debt; (3) Exempt Market Products; or (4) viatical settlements, life settlements or any security backed by either viatical or life settlements;

### UNLICENSED OR UNREGISTERED SERVICES

"**Based Upon**" any actual or alleged performance of, or failure to perform, "**Professional Services**" by any "**Insured**" or any person for whom any "**Insured**" is vicariously liable while such "**Insured**" or person did not have the appropriate license or registration in either the client's resident province or in the province in which such "**Professional Services**" were performed; provided, that such "**Insured**" or person shall be deemed to be licensed and registered if they are operating under an exemption granted by the applicable regulator;

### FEE DISPUTES

"**Based Upon**" the collection or refund of, or any dispute involving, any **Insured's** fees, commissions or charges;

### INVESTMENT VEHICLE

"**Based Upon**" any actual or alleged investment in group or syndicated investments, except discretionary investment of client funds in group or syndicated investments, or investments in unlisted stocks or in securities or trusts (except for securities included in a mutual fund) listed on a stock exchange; or

### COMPENSATION DISCLOSURE

"**Based Upon**" any actual or alleged failure by any "**Insured**" to disclose to a client, as may be required by the laws of any applicable jurisdiction, any entitlement, compensation or referral fee any "**Insured**" receives from any third party in connection with "**Professional Services**" provided to such client.

2. Section VI. **RETIRED PROFESSIONALS** of the Professional Liability Coverage Section is deleted.

3. Section IX. **TERRITORY** of the General Terms and Conditions is deleted and replaced with the following:

This Policy applies to "**Wrongful Acts**" committed or allegedly committed anywhere in the world; provided, that "**Claims**" must be made in Canada.

Words and phrases that appear in bold and/or in quotation marks are defined within this endorsement or in the applicable Definitions section of this Policy.

All other terms, conditions and limitations of this Policy shall remain unchanged.

SPECIMEN

## SECURITIES EXCLUSION ENDORSEMENT

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

It is agreed that the following exclusion is added to Section **III. EXCLUSIONS** of the Professional Liability Coverage Section:

This Coverage Section does not apply to, and no coverage will be available under this Coverage Section for, **Loss** from any **Claim**:

### **SECURITIES EXCLUSION**

**Based Upon** any actual or alleged:

- (1) recommendation relating to, or offer, sale, purchase, trading or valuation of, securities; or
- (2) activities as an underwriter, broker or dealer as those terms are used in the Ontario Securities Act or any similar federal, provincial or territorial legislation in Canada, or the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Act of 1940 or any state "blue sky" securities law in the United States of America, including any rules, regulations or amendments under any of the foregoing.

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

SPECIMEN

# PROFESSIONAL LEGAL GUARD TELEPHONE ASSISTANCE

Words and phrases that appear in bold face are defined in your Professional Liability Insurance Policy.

## WHY A LEGAL ASSISTANCE TELEPHONE SERVICE? BECAUSE...

- Your business or you, as a professional, must deal with numerous legal and regulatory issues every day.
- When it comes to legal matters, information and prevention can save you from a lot of headaches and expenses.
- In the event of a dispute, consulting a lawyer can often spare you from going to court.
- There are often times when some legal assistance could be extremely useful in helping you make the right decision, but you find the cost of consulting a lawyer too high.

## HOW CAN THIS SERVICE HELP YOU?

- A lawyer will answer your questions and explain your rights and obligations. You will receive appropriate information on the spot or within a timeframe agreed between you and the lawyer.
- Unlimited access! You can use the Professional Legal Guard Telephone Assistance Service as often as you need for any legal question related to any operations or **professional services** provided by your business or by you, as a professional.

## CONDITIONS AND LIMITATIONS

Only the officers and employees of the **Named Insured**, that has had the Professional Legal Guard Telephone Assistance option added to its policy, may avail themselves of the legal assistance telephone service.

Professional Legal Guard Telephone Assistance provides answers solely to legal questions pertaining to the operations and **professional services** provided by the **Named Insured** that has added this option to its insurance policy.

Professional Legal Guard Telephone Assistance does not cover questions of a private nature or pertaining to other business or professional activities, nor does it cover questions relating to criminal law.

Professional Legal Guard Telephone Assistance services are provided by lawyers who are members of the Barreau du Québec. These lawyers will analyze problems submitted to them and provide appropriate general information. However, this information should not be construed as a formal legal opinion.

Professional Legal Guard Telephone Assistance is a legal assistance telephone service only. It is not an insurance policy and does not provide legal fees coverage.

## HOW DO YOU CONTACT A PROFESSIONAL LEGAL GUARD TELEPHONE ASSISTANCE LAWYER?

Just dial the telephone number shown below:

(514) 845-9508 from within the Montreal area or 1-800-353-6303 from elsewhere in Canada.

Monday to Friday: 9 a.m. to 8 p.m. or Saturday 9 a.m. to 5 p.m. Eastern Standard Time

*You will be required to give your policy number when you call Professional Legal Guard Telephone Assistance.*

## LIBERALIZATION CLAUSE - EXPIRING POLICY VS NEW POLICY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is agreed that:

1. Except as provided under paragraph 2. below and notwithstanding any contrary provisions in this Policy, if the coverage provided under this Policy (in its entirety) is more restrictive than the coverage provided in the expiring policy (in its entirety) issued by the Insurer, of which this Policy is a direct replacement, the latter coverage shall take precedence.
2. This liberalization coverage does not apply:
  - (1) to amendments made to this Policy that are required by law;
  - (2) to amendments made to this Policy at the request of the **"First Named Insured"**;
  - (3) to amendments made to this Policy as a result of mid term changes offered by the Insurer and accepted by the **"First Named Insured"**;
  - (4) to any Limits of Liability stated in this Policy;
  - (5) to any Deductible amounts stated in this Policy; or
  - (6) as outlined in paragraph 4. **Additional Conditions** below.
3. This liberalization coverage shall be applicable only to this Policy and shall not apply to any renewal of this Policy. The coverage provided in this liberalization endorsement shall be null and void effective on the earlier of :
  - (1) the expiration date of this Policy stated in the Declarations Page; or
  - (2) the effective date of termination of this Policy for any reason;provided, that paragraphs (1) and (2) shall not apply if an **"Extended Reporting Period"** is purchased, in which event the coverage provided in this liberalization endorsement shall be null and void upon expiry of such **"Extended Reporting Period"**.

Words and phrases that appear in bold and/or in quotation marks are defined within this endorsement or in the applicable Definitions section of this Policy.

All other terms, conditions and limitations of this Policy shall remain unchanged.