

BUSINESS INSURANCE PACKAGE POLICY

Insurer: Wawanesa Mutual BUA Contract # 0109762
and as per attached Subscription Endorsement
(INSURERS PROVIDING THIS INSURANCE)

Policy Number: 964WP10671

In consideration of the premium and the statements of the Insured contained in the Declarations hereon, the Insurer agrees with the Insured named in the Declarations to insure as provided and limited in this policy, its forms and endorsements. If more than one Insurer subscribes to any part of this policy, the provisions set in the attached subscription forms apply in lieu of the foregoing.

Name Of Insured: 2282881 Alberta Inc DbA

Mailing Address: 319 Shawnee Blvd S W
Calgary AB T2Y 0S4 CA

Occupancy/Operations Of Insured: Siding Contractors

Policy Period: 03Nov2020 TO 03Nov2021
(12:01AM LOCAL TIME AT THE INSURED ADDRESS SHOWN.)

Total Premium: \$1,110

Minimum Retained Premium: \$0
(Excluding Commercial General Liability)

Broker:

Westland Insurance^{•••}
Group Ltd.

Commercial Insurance Division
#200-2121 160th Street
Surrey V3Z 9N6 (604) 543-7788
Fax: (866) 775-6859

****THIS POLICY CONTAINS A CLAUSE THAT MAY LIMIT THE AMOUNT PAYABLE**
STATUTORY CONDITIONS AND GENERAL PROVISIONS APPLY**

SUBSCRIPTION ENDORSEMENT

Insured: 2282881 Alberta Inc DbA

Broker: **Westland Insurance**
Group Ltd.
Commercial Insurance Division
#200-2121 160th Street
Surrey V3Z 9N6 (604) 543-7788

attached to and forming part of Policy Number: 964WP10671

Effective Date: 03Nov2020 **Expiry Date:** 03Nov2021
(12:01AM LOCAL TIME AT THE INSURED ADDRESS SHOWN.)

In consideration of the Insured having paid or agreed to pay each of the Insurers named in the list of subscribing companies forming part hereof, or to Insurers whose names are substituted therefor or added thereto by endorsement, hereinafter called "The Insurers", the premium set against its name in the list of subscribing companies,

The Insurers severally and not jointly agree, each for the sum insured set against its name in the List of Subscribing Companies (subject to the terms and conditions contained herein or endorsed hereon, and which are to be taken as part of this Policy), that, if the property insured described in the Schedule attached hereto, or any part of such property, be lost, destroyed or damaged by a peril for which insurance is provided by the terms of the Schedule and endorsements attached hereto, at any time while this Policy is in force, the Insurers will indemnify the Insured against the direct loss caused, the liability of the insurers individually being limited to that proportion of the sum set opposite the applicable item of the Schedule which the sum set against the name of the individual Insurer in the List of Subscribing Companies, or such other sum as may be substituted therefore by endorsement, bears to the total of the sums respectively set against each item of the Schedule attached hereto.

The Insurers	Coverage	%Retained	Premium
Wawanesa Mutual BUA Contract # 0109762	Property/Business Income Commercial General Liability Crime	100% 100% 100%	
DAS Legal Protection Insurance Company Limited	Legal Assistance	100%	
Certain Underwriters At Lloyd's, London, Under Agreement No. B080116841N20	Cyber Expense Endorsement	100%	

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

DECLARATION PAGE

As per terms and conditions in the attached policy wording Form #CBC 001 (09/2014) F8651EXW

Summary of All Locations	Deductible*	Limit of Liability*	Premium
Part I - Property			
Building	\$0	Not Included	
Business Personal Property	\$1,000	\$5,000	
Accident to an Object	\$0	Not Included	
Endorsements	See schedule of coverages	See schedule of coverages	
Part II - Business Income			
Business Income	\$0	\$10,000	
Endorsements	See schedule of coverages	See schedule of coverages	
Part III - Commercial General Liability			
Each Occurrence	\$0	Bodily Injury \$2,000,000	
General Aggregate	\$1,000	Property Damage \$5,000,000	
Tenants Legal Liability	\$1,000	\$500,000	
Endorsements	See schedule of coverages	See schedule of coverages	
Part IV - Non-Owned Automobile			
Non-Owned Automobile Liability	\$0	Not Included	
Endorsements	Not Included	Not Included	
Part V - Umbrella			
Each Occurrence	\$0	Self insured retention	Not Included
Aggregate	\$0		Not Included
Endorsements	Not Included		Not Included
Part VI - Crime			
Employee Dishonesty	\$1,000	\$10,000	
Money & Securities	\$1,000	\$10,000	
Forgery or Alteration	\$1,000	\$10,000	
Money Orders & Counterfeit Paper Currency	\$1,000	\$10,000	
Credit Card Forgery	\$1,000	\$10,000	
Computer Fraud and Funds Transfer Fraud	\$1,000	\$10,000	
Endorsements	Not Included	Not Included	
Part IX - Inland Marine			
Contractors Equipment	\$0	Not Included	
Miscellaneous Form	\$0	Not Included	
Endorsements	Not Included	Not Included	
Miscellaneous Coverage			
Endorsements	See schedule of coverages	See schedule of coverages	

*For Limits of Liability and Deductibles applicable to each location, see attached Coverage Schedule.

Part I & II Coverage Schedule
 (attached to and forming part of the Declaration Page)

Location # 1:		
319 Shawnee Blvd S W Calgary, AB T2Y 0S4 CA	Co-Insurance Occupancy Construction	90% Home Office 1990, Frame, Non-Sprinklered

Form#	Coverage		Deductible	Limit of Liability	Premium
	Business Personal Property		\$1,000	\$5,000	
	- Equipment	Included			
	- Stock	Included			
	- Office Contents	Included			
	- Tenant Improvements	Included			
	Business Income		\$0	\$10,000	
	Sewer Backup		\$2,500	Included	
CBC 112	Deletion of Accident to an Object Coverage Endorsement				
	Water Damage		\$2,500	Included	
OEE06-20	BI-Outbreak Extra Expense Coverage Exclusion				

Part III & IV Coverage Schedule
(attached to and forming part of the Declaration Page)

Commercial General Liability Coverage		Premium
Each Occurrence Limit	\$2,000,000	
Personal & Advertising Injury Limit	\$0	
Products - Completed Operations Aggregate Limit	\$2,000,000	
- Fungi & Spores Liability	\$250,000	
General Aggregate Limit	\$5,000,000	
Medical Expense Limit	\$25,000	
Tenants Legal Liability Limit	\$500,000	
Employee Benefits Liability	\$1,000,000	
Property Damage Deductible	\$1,000	
Bodily Injury Deductible	\$0	
Tenants Legal Liability Deductible	\$1,000	

Form#	Endorsements	Deductible	Limit of Liability	Premium
	Water Ingress Exclusion	\$0	\$0	
	Subcontractor Warranty	\$0	\$0	

Premium Adjustment

Form of Revenue	Estimated Sales	Rate	Premium
	Min. Retained Premium (CDN):		\$0

Part VI Coverage Schedule
(attached to and forming part of the Declaration Page)

Crime Coverage		Deductible	Limit of Liability	Premium
1 - Employee Dishonesty		\$1,000	\$10,000	
2 - Money and Securities		\$1,000	\$10,000	
3 - Forgery or Alteration		\$1,000	\$10,000	
4 - Money Orders and Counterfeit Paper Currency		\$1,000	\$10,000	
5 - Credit Card Forgery		\$1,000	\$10,000	
6 - Computer Fraud and Funds Transfer Fraud		\$1,000	\$10,000	

Form#	Endorsements/Extensions of Coverage	Deductible	Limit of Liability	Premium
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Miscellaneous Coverage Schedule
(attached to and forming part of the Declaration Page)

Cyber Expense Endorsement

	Description of Property	Deductible	Limit	Premium
CYB100	Cyber Expense Endorsement - Each Occurrence Retroactive to 03Nov2020	\$1,000	\$25,000	

Legal Assistance

	Description of Property	Deductible	Limit	Premium
LA001	Legal Assistance - Each Occurrence - Aggregate	\$500	\$25,000 \$500,000	

Miscellaneous Endorsements

(attached to and forming part of the Declaration Page)

Endorsement - Water Damage

Applicable to Part I

It is understood and agreed that Attached to and forming part of CBC 001. This Endorsement modifies insurance provided under Part I - Property Insured.

All the General Provisions, Conditions, Exclusions and Definitions of the Policy apply to this Endorsement except those specifically stated to apply only to other Parts. In addition, this Endorsement is subject to the exclusions, provisions, and conditions of Part I Property Insured.

This Endorsement applies separately to each scheduled risk location for which the Water Damage Deductible Endorsement is specified on the schedule.

If the sequencing of any added clause in this Endorsement is in conflict with the sequencing of the respective clause of form CBC 001 and any endorsements attached thereto, then this Endorsement is changed to the next available sequencing.

1. WATER DAMAGE DEDUCTIBLE

The following is added to Part I Section 3. DEDUCTIBLE:

(f) We are liable for the amount by which the loss or damage caused directly or indirectly by a water damage peril exceeds \$2,500, or any other amount of the Water Damage Deductible specified on the schedule in any one occurrence. This Deductible clause applies separately to each scheduled risk location to which this Endorsement applies.

2. DEFINITIONS

The following definitions are added.

Wherever used in this Endorsement:

(a) Water container means a device or apparatus for use at the scheduled premises for containing, heating, chilling, or dispensing water or ice including but not limited to toilets, bidets, faucets, taps, sinks, showers, bathtubs, baptismal tanks, clothes washing machines, dishwashers, refrigerators, and aquariums. Water container does not include sewers, drains or water mains located beyond the bearing walls or foundations of the insured property.

(b) Water damage peril means loss or damage caused by:

(i) the escape of water, ice or steam from a water main, swimming pool, hot tub, sauna, steam room or equipment attached and located at the scheduled premises;

(ii) the escape of water, ice or steam from within a plumbing, heating, air conditioning or freezer system or water container located within the area bounded by the bearing walls and foundations of the building at the scheduled risk location;

(iii) the escape of water from fire protective equipment located at the scheduled risk location;

(iv) the escape of water or ice from a water container located outside the area bounded by the bearing walls and foundations of the building at the scheduled premises. However such damage is not covered when the escape of water or ice is caused by freezing;

(v) the entrance of water, rain, hail, sleet, ice, frost or snow into the building at the scheduled risk location through an aperture created concurrently with and resulting from windstorm or hail;

(vi) water, rain, sleet, ice, frost or snow which:

(1) enters the building at the scheduled risk location through a roof resulting from the infiltration of rain, ice or snow on the roof or eavestrough; or

(2) damages insured property located on the scheduled premises.

Water damage peril does not include sewer back-up or flood, water or natural precipitation temporarily diffused over the surface of the ground, waves, tides, tidal waves, tsunamis, or the breaking out or overflow of any natural or artificial body of water.

All other terms and conditions of the Policy remain unchanged.

Endorsement - Water Ingress Exclusion

Applicable to Part III

It is understood and agreed that PART III

Exclusion - Water Ingress Endorsement

This endorsement modifies insurance provided under the following:

PART III Commercial General Liability Form Coverage A

This insurance does not apply to bodily injury or property damage related to or arising directly or indirectly in whole or in part, caused by, resulting from, in consequence of or in any way involving Water Ingress:

a. where the project, building or structure so affected did not incorporate Rain Screen Technology.

We shall have the right to adduce evidence extrinsic to the pleadings in any action, application or legal proceeding for coverage brought by an insured where that extrinsic evidence is relevant to prove Water Ingress in fact.

Rain Screen Technology means a building or structure constructed to control moisture penetration which design relies on deflection of the majority of water at the exterior cladding but also incorporates a cavity, not less than 6.35 mm in depth, that provides a drainage path for water that penetrates past the exterior cladding.

Miscellaneous Endorsements

(attached to and forming part of the Declaration Page)

Water Ingress includes but is not limited to the actual, alleged, threatened or possible infiltration, migration, presence, accumulation, condensation or dispersal of water or moisture on, in, or into the building or structure or any components or contents thereof.

All other terms and conditions of the Policy remain unchanged.

Endorsement - Subcontractor Warranty

Applicable to Part III

It is understood and agreed that It is hereby warranted by the insured that all subcontractors have in effect their own comprehensive general liability insurance for an amount not less than \$2,000,000.00 and that confirming certificates of insurance are being furnished to the insured from such subcontractors. All other terms and conditions of the Policy remain unchanged.

E&OE

COMMUNICABLE DISEASE ENDORSEMENT

(For use on property policies)

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

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

LMA5393

25 March 2020

IDENTIFICATION OF INSURER / ACTION AGAINST INSURER

Lloyd's Approved Coverholder ("the Coverholder"):
Westland Insurance Group Ltd.
#200-2121-160th Street, Surrey, BC V3Z 9N6

Where LLOYD'S UNDERWRITERS are subscribing insurers to the Policy, the following applies to them:

IDENTIFICATION OF INSURER / ACTION AGAINST INSURER

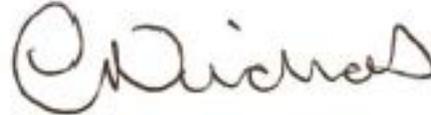
This insurance has been entered into in accordance with the authorization granted to the Coverholder by the Underwriting Members of the Syndicates whose definitive numbers and proportions are shown in the Table attached to the Agreement shown in the List of Subscribing Companies (hereinafter referred to as "the Underwriters"). The Underwriters shall be liable hereunder each for his own part and not one for another in proportion to the several sums that each of them has subscribed to the said Agreement.

In any action to enforce the obligations of the Underwriters they can be designated or named as "Lloyd's Underwriters" and such designation shall be binding on the Underwriters as if they had each been individually named as defendant. Service of such proceedings may validly be made upon the Attorney In Fact in Canada for Lloyd's Underwriters, whose address for such service is 1155, rue Metcalfe, Suite 2220, Montreal, Quebec H3B 2V6.

NOTICE

Any notice to the Underwriters may be validly given to the Coverholder.

07/05
LSW1550



LLOYD'S UNDERWRITERS' POLICYHOLDERS' COMPLAINT PROTOCOL

Lloyd's strives to enhance your customer experience with us through superior service and innovative insurance products.

We have developed a formal complaint handling protocol in accordance with the Insurance Companies Act of Canada to ensure your concerns as our valued customer are addressed expeditiously by our representatives. This protocol will assist you in understanding the steps we will undertake to help resolve any dispute which may arise with our product or service. All complaints will be handled in a professional manner. All complaints will be investigated, acted upon, and responded to in writing or by telephone by a Lloyd's representative promptly after the receipt of the complaint. If you are not satisfied with our products or services, you can take the following steps to address the issue:

- Firstly, please contact the broker who arranged the insurance on your behalf about your concerns so that he or she may have the opportunity to help resolve the situation.
- If your broker is unable to help resolve your concerns, we ask that you provide us in writing an outline of your complaint along with the name of your broker and your policy number.

Please forward your complaint to:

Lloyd's Underwriters

Attention: Complaints Officer:

1155 rue Metcalfe, Suite 2220, Montréal (Québec) H3B 2V6

Tel: 1-877-455-6937 - Fax: (514) 861-0470

E-mail: info@lloyds.ca

Your complaint will be directed to the appropriate business contact for handling. They will write to you within two business days to acknowledge receipt of your complaint and to let you know when you can expect a full response. If need be, we will also engage internal staff in Lloyd's Policyholder and Market Assistance Department in London, England, who will respond directly to you, and in the last stages, they will issue a final letter of position on your complaint.

In the event that your concerns are still not addressed to your satisfaction, you have the right to continue your pursuit to have your complaint reviewed by the following organizations:

General Insurance OmbudService (GIO): assists in the resolution of conflicts between insurance customers and their insurance companies. The GIO can be reached at:

Toll free number: 1-877-225-0446

www.giocanada.org

For Quebec clients:

Autorité des marchés financiers (AMF): The regulation of insurance companies in Quebec is administered by the AMF. If you remain dissatisfied with the manner in which your complaint has been handled, or with the results of the complaint protocol, you may send your complaint to the AMF who will study your file and who may recommend mediation, if it deems this action appropriate and if both parties agree to it. The AMF can be reached at

Toll Free: 1-877-525-0337

Québec: (418) 525-0337

Montréal: (514) 395-0311

www.lautorite.qc.ca

If you have a complaint specifically about Lloyd's Underwriters' complaints handling procedures you may contact the FCAC.

Financial Consumer Agency of Canada (FCAC) provides consumers with accurate and objective information about financial products and services, and informs Canadians of their rights and responsibilities when dealing with financial institutions. FCAC also ensures compliance with the federal consumer protection laws that apply to banks and federally incorporated trust, loan and insurance companies. The FCAC does not get involved in individual disputes. The FCAC can be reached at:

427 Laurier Avenue West, 6th Floor, Ottawa ON K1R 1B9

Services in English: 1-866-461-FCAC (3222)

Services in French: 1-866-461-ACFC (2232)

www.fcac-acfc.gc.ca

09/14

LSW1542F

CODE OF CONSUMER RIGHTS AND RESPONSIBILITIES

Insurers (including Lloyd's Underwriters), along with the brokers and agents who sell home, auto and business insurance are committed to safeguarding your rights both when you shop for insurance and when you submit a claim following a loss. Your rights include the right to be informed fully, to be treated fairly, to timely complaint resolution, and to privacy. These rights are grounded in the contract between you and your insurer and the insurance laws of your province. With rights, however, come responsibilities including, for example, the expectation that you will provide complete and accurate information to your insurer. Your policy outlines other important responsibilities. Insurers and their distribution networks, and governments also have important roles to play in ensuring that your rights are protected.

Right to Be Informed

You can expect to access clear information about your policy, your coverage, and the claims settlement process. You have the right to an easy-to-understand explanation of how insurance works and how it will meet your needs. You also have a right to know how insurers calculate price based on relevant facts. Under normal circumstances, insurers will advise an insurance customer or the customer's intermediary of changes to, or the cancellation of a policy within a reasonable prescribed period prior to the expiration of the policy, if the customer provides information required for determining renewal terms of the policy within the time prescribed, which could vary by province, but is usually 45 days prior to expiry of the policy.

You have the right to ask who is providing compensation to your broker or agent for the sale of your insurance. Your broker or agent will provide information detailing for you how he or she is paid, by whom, and in what ways.

You have a right to be told about insurers' compensation arrangements with their distribution networks. You have a right to ask the broker or agent with whom you deal for details of how and by whom it is being paid. Brokers and agents are committed to providing information relating to ownership, financing, and other relevant facts.

Responsibility to Ask Questions and Share Information

To safeguard your right to purchase appropriate coverage at a competitive price, you should ask questions about your policy so that you understand what it covers and what your obligations are under it. You can access information through one-on-one meetings with your broker or agent. You have the option to shop the marketplace for the combination of coverages and service levels that best suits your insurance needs. To maintain your protection against loss, you must promptly inform your broker or agent of any change in your circumstances.

Right to Complaint Resolution

Insurers, their brokers and agents are committed to high standards of customer service. If you have a complaint about the service you have received, you have a right to access Lloyd's Underwriters' complaint resolution process for Canada. Your agent or broker can provide you with information about how you can ensure that your complaint is heard and promptly handled. Consumers may also contact their respective provincial insurance regulator for information. Lloyd's is a member of an independent complaint resolution office, the General Insurance OmbudService.

Responsibility to Resolve Disputes

You should always enter into the dispute resolution process in good faith, provide required information in a timely manner, and remain open to recommendations made by independent observers as part of that process.

Right to Professional Service

You have the right to deal with insurance professionals who exhibit a high ethical standard, which includes acting with honesty, integrity, fairness and skill. Brokers and agents must exhibit extensive knowledge of the product, its coverages and its limitations in order to best serve you.

Right to Privacy

Because it is important for you to disclose any and all information required by an insurer to provide the insurance coverage that best suits you, you have the right to know that your information will be used for the purpose set out in the privacy statement made available to you by your broker, agent or insurance representative. This information will not be disclosed to anyone except as permitted by law. You should know that Lloyd's Underwriters are subject to Canada's privacy laws - with respect to their business in Canada.

10/12

LSW1565C

NOTICE CONCERNING PERSONAL INFORMATION

How we use your information

By purchasing insurance from certain Underwriters at Lloyd's, London ("Lloyd's"), a customer provides Lloyd's with his or her consent to the collection, use and disclosure of personal information. Consent is subject to the customer's understanding of the nature, purpose and consequences of the collection, use or disclosure of their personal information.

Information is collected and stored for the following purposes:

- the communication with Lloyd's policyholders
- the underwriting of policies
- the evaluation of claims
- the analysis of business results
- purposes required or authorized by law

What personal information we collect about you

We collect, process and store the following personal information about you:

- Name
- Address including postal code and country
- Policy number
- Claim number
- Credit card details
- Bank account details

We also collect information about you when you visit www.lloyds.com. Further details can be found on our online Privacy & Cookies policy at <http://www.lloyds.com/common/privacy-and-cookies-statement>.

We will not use your personal information for marketing purposes and we will not sell your personal information to other parties.

Who we disclose your information to

For the purposes identified, personal information may be disclosed to Lloyd's related or affiliated organisations or companies, their agents/mandataires, and to certain non-related or unaffiliated organisations or companies, including service providers. These entities may be located outside Canada therefore a customer's information may be processed in a foreign jurisdiction (the United Kingdom and the European Union) and their information may be accessible to law enforcement and national security authorities of that jurisdiction.

Disclosure without consent

The following are reasonable grounds to permit the disclosure of personal information without the knowledge or consent of a customer:

- Detecting or suppressing fraud
- Investigating or preventing financial abuse
- For communication with the next of kin or authorized representative of an injured, ill or deceased individual
- Investigating a breach of an agreement or a contravention of the laws of Canada or a foreign jurisdiction
- Witness statement necessary to assess, process or settle insurance claims
- Information produced in the course of employment and the disclosure is consistent with the purpose it was produced for

How to access your information and/or contact us

To access and request correction or deletion of your information, or to obtain written information about Lloyd's policies and practices in respect of service providers located outside Canada, please contact the Ombudsman at info@lloyds.ca. The Ombudsman will also answer customer's questions about the collection, use, disclosure or storage of their personal information by such Lloyd's service providers.

Further information about Lloyd's personal information protection policy may be obtained from the customer's broker or by contacting Lloyd's on: 514 861 8361, 1 877 455 6937, or through info@lloyds.ca.

10/15

LSW1543C

RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE

This Policy does not cover

- (a) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
- (b) any legal liability of whatsoever nature

directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

NMA1270
03/12/1959

SANCTION LIMITATION AND EXCLUSION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

LMA3100
15 September 2010

NUCLEAR INCIDENT EXCLUSION CLAUSE LIABILITY DIRECT (BROAD) - CANADA

(For use with all Public Liability Policies except Personal, Farmers' and Storekeepers')

It is agreed that this Policy does not apply:

- (a) to liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof; nor
- (b) to bodily injury or property damage with respect to which an Insured under this policy is also insured under a contract of nuclear energy liability insurance (whether the Insured is unnamed in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an Insured under any such policy but for its termination upon exhaustion of its limit of liability; nor
- (c) to bodily injury or property damage resulting directly or indirectly from the nuclear energy hazard arising from:
 - (i) the ownership, maintenance, operation or use of a nuclear facility by or on behalf of an Insured;
 - (ii) the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility; and

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

As used in this policy:

1. The term "nuclear energy hazard" means the radioactive, toxic, explosive, or other hazardous properties of radioactive material;
2. The term "radioactive material" means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances which may be designated by or pursuant to any law, act or statute, or law amendatory thereof as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy;
3. The term "nuclear facility" means:
 - (a) any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
 - (b) any equipment or device designed or used for (i) separating the isotopes of plutonium, thorium and uranium or any one or more of them, (ii) processing or utilising spent fuel, or (iii) handling, processing or packaging waste;
 - (c) any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the Insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
 - (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste radioactive material;and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.
4. The term "fissionable substance" means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
5. With respect to property, loss of use of such property shall be deemed to be property damage.

It is understood and agreed that, except as specifically provided in the foregoing to the contrary, this Clause is subject to the terms, exclusions, conditions and limitations of the Policy to which it is attached.

NMA1978A
01/04/1996

WAR AND TERRORISM EXCLUSION ENDORSEMENT

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or

indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

- (1) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (2) any act of terrorism.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (1) and/or (2) above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

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

NMA2918
08/10/2001

ELECTRONIC DATE RECOGNITION EXCLUSION (EDRE)

This policy does not cover any loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

- (a) the calculation, comparison, differentiation, sequencing or processing of data involving the date change to the year 2000, or any other date change, including leap year calculations, by any computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the insured or not; or
- (b) any change, alteration, or modification involving the date change to the year 2000, or any other date change, including leap year calculations, to any such computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the insured or not.

This clause applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

EDRE
NMA2802
17/12/1997

Code of Consumer Rights and Responsibilities

Insurance companies, along with the brokers and agents who sell home, auto and business insurance, are committed to safeguarding your rights when you shop for insurance and when you submit a claim following a loss. Your rights include the right to be informed fully, to be treated fairly, to timely complaint resolution, and to privacy. These rights are grounded in the contract between you and your insurer and the insurance laws of your province. With rights, however, come responsibilities including, for example, the expectation that you will provide complete and accurate information to your insurer. Your policy outlines other important responsibilities. Insurers and their distribution networks, and governments also have important roles to play in ensuring that your rights are protected.

Right to Be Informed

You can expect to access clear information about your policy, your coverage, and the claims settlement process. You have the right to an easy-to-understand explanation of how insurance works and how it will meet your needs. You also have a right to know how insurers calculate price based on relevant facts.

You have the right to ask who is providing compensation to your broker or agent for the sale of your insurance. Your broker or agent will provide information detailing for you how he or she is paid, by whom, and in what ways.

Insurance companies will disclose their compensation arrangements with their distribution networks. Brokers and agents are committed to providing information relating to ownership, financing, and other relevant facts.

Responsibility to Ask Questions and Share Information

To safeguard your right to purchase appropriate coverage at a competitive price, you should ask questions about your policy so that you understand what it covers and what your obligations are under it. You can access information through brochures and websites, as well as through one-on-one meetings with your broker, agent, or company representative. You have the option to shop the marketplace for the combination of coverages and service levels that best suits your insurance needs. To maintain your protection against loss, you must promptly inform your insurance company or broker or agent of any change in your circumstances.

Right to Complaint Resolution

Insurance companies, their brokers and agents are committed to high standards of customer service. If you have a complaint about the service you have received, you have a right to access your company's complaint resolution process. Your insurer, agent or broker can provide you with information about how you can ensure that your complaint is heard and promptly handled. Consumers may also contact the independent General Insurance OmbudService (www.giocanada.org).

Responsibility to Resolve Disputes

You should always enter into the dispute resolution process in good faith, provide required information in a timely manner, and remain open to recommendations made by independent observers as part of that process.

Right to Professional Service

You have the right to deal with insurance professionals who exhibit a high ethical standard, which includes acting with honesty, integrity, fairness and skill. Brokers and agents must exhibit extensive knowledge of the product, its coverages and its limitations in order to best serve you. These standards are outlined in *A Consumer's Guide to Property and Casualty Insurance Transactions*, supported by members of the Insurance Brokers Association of Canada.

Right to Privacy

Because it is important for you to disclose any and all information required by an insurer to provide the insurance coverage that best suits you, you have the right to know that your information will be used for the purpose set out in the privacy statement made available to you by your broker, agent or insurance representative. This information will not be disclosed to anyone except as permitted by law. You should know that insurers are subject to Canada's privacy laws.

POLICYHOLDER NOTIFICATION

If you are renewing your policy, please note this is a revised version of the wording.

There will be changes to your coverages. Please read your policy carefully.

If you have any questions, please contact your broker.

THIS POLICY CONTAINS CLAUSES THAT MAY LIMIT THE AMOUNT PAYABLE

No term or condition of this Policy shall be deemed to be waived in whole or in part by the Insurer unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by the Insurer.

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

The Statutory Conditions apply to the perils of fire, and as modified or supplemented by forms or endorsements attached, apply as conditions to all other perils insured by this Policy.

STATUTORY CONDITIONS

(If any condition below contains a variation, omission or addition to the statutory condition established by the applicable Provincial or Territorial statute, then the statutory condition established by Provincial or Territorial statute prevails). If any portion of these conditions are found to be invalid, unenforceable or contrary to statute, the remainder will remain in full force and effect.

MISREPRESENTATION

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

PROPERTY OF OTHERS

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

CHANGE OF INTEREST

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

MATERIAL CHANGE

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

TERMINATION

5. (1) This contract may be terminated:
 - (a) by the Insurer giving to the Insured written notice of termination at least:
 - (i) five days before the effective date of termination if personally delivered;
 - (ii) fifteen days before the effective date of termination if the contract is terminated by registered mail for non-payment of premium; or
 - (iii) thirty days before the effective date of termination if the contract is terminated by registered mail for any other reason.
 - (b) by the Insured at any time on request.
- (2) When this contract is terminated by the Insurer:
 - (a) the Insurer shall refund the excess of premium actually paid by the Insured over the proportionate premium for the expired time, subject to any minimum retained premium specified; and
 - (b) the refund shall accompany the notice, unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
- (3) When this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
- (4) The refund may be made by money, postal or express company money order or cheque payable at par.
- (5) The fifteen and thirty days mentioned in clauses (1)(a)(ii) and (iii) of this condition commence to run on the day following the receipt of the registered letter at the post office to which it is addressed.

REQUIREMENTS AFTER LOSS

6. (1) Upon the occurrence of any loss or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10, and 11:
 - (a) immediately give notice of the loss or damage in writing to the Insurer;
 - (b) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration:
 - (i) giving a complete inventory of the lost or damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed,
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes,
 - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the Insured,
 - (iv) showing the amount of other insurances and the names of other insurers,

- (v) showing the interest of the Insured and of all others in the property with particulars of all mortgages, liens, encumbrances and other charges upon the property,
 - (vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract,
 - (vii) showing the place where the insured property was at the time of loss or damage;
- (c) if required, give a complete inventory of undamaged property, showing in detail quantities, cost, actual cost value;
 - (d) if required and if practicable, produce accounts, warehouse receipts, stock lists, invoices and other pertinent records, verified by statutory declaration, as well as any relevant contracts or agreements with others;

- (2) The evidence furnished under clauses (1) (c) and (d) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

FRAUD

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

WHO MAY GIVE NOTICE AND PROOF

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

SALVAGE

9. (1) The Insured, in the event of any loss or damage to any insured property, shall take all reasonable steps to prevent further damage to such property and to prevent damage to other insured property including, if necessary, removal to a secure location.
- (2) The Insurer shall contribute proportionately, according to the respective interests of the parties, towards any reasonable and proper expenses in connection with steps taken by the Insured and required under subsection (1) of this condition.

ENTRY, CONTROL ABANDONMENT

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

APPRAISAL

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

WHEN LOSS PAYABLE

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

REPLACEMENT

13. (1) The Insurer, instead of making payment, may repair, rebuild, or replace the property lost or damaged, giving written notice of its intention to do within thirty days after receipt of the proof of loss.
- (2) In that event, the Insurer shall commence to so repair, rebuild, or replace the property within forty-five days after receipt of the proof of loss, and shall proceed with all due diligence to completion of the work.

ACTION

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

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

NOTICE

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

N.B. To the extent that the Civil Code of the Province of Quebec is applicable to this contract General Conditions and Provisions as set out in the Civil Code of the Province of Quebec apply. These General Conditions and Provisions, a copy of which follows, apply to all perils insured by this Policy and to the liability coverage, where provided, except where such conditions and provisions may be modified or supplemented by riders or endorsements attached.

GENERAL CONDITIONS (Applicable to the Province of Quebec)

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

For all coverages except where inapplicable.

1. STATEMENTS

1.1 Representation of risk (Article 2408)

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

The client means the person submitting an insurance application.

1.2 Material change in risk (Articles 2466 and 2467)

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

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

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

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

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

1.4 Warranties (Article 2412)

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

2. GENERAL PROVISIONS

2.1 Insurable interest (Articles 2481 and 2484)

(Applicable only to property insurance)

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

2.2 Changes (Article 2405)

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

2.3 Assignment (Articles 2475 and 2476)

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

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

2.4 Books and records

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

2.5 Inspection

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

2.6 Currency

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

3. LOSSES

3.1 Notice of loss (Article 2470)

The Insured shall notify the Insurer of any loss which may give rise to an indemnity, as soon as he becomes aware of it. Any interested person may give such notice.

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

3.2 Information to be provided (Article 2471)

The Insured shall inform the Insurer as soon as possible of all the circumstances surrounding the loss, including its probable cause, the nature and extent of the damage, the location of the insured property, the rights of third parties, and any concurrent insurance; he shall also furnish him with vouchers and swear or warrant to the truth of the information.

Where, for a serious reason, the Insured is unable to fulfil such obligation, he is entitled to a reasonable time in which to do so. If the Insured fails to fulfil his obligation, any interested person may do so on his behalf.

In addition, the Insured shall forthwith send to the Insurer a copy of any notice, letter, subpoena or writ or document received in connection with a claim.

3.3 False representation (Article 2472)

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

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

3.4 Intentional Fault (Article 2464)

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

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

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

3.5 Notice to police

(applicable to property insurance only)

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

3.6 Safeguarding and examination of property (Article 2495)

(applicable to property insurance only)

At the expense of the Insurer, the Insured must take all reasonable steps to prevent further loss or damage to the insured property and any further loss or damage resulting directly or indirectly from the Insured's failure to take such action shall not be recoverable.

The Insured may not abandon the damaged property if there is no agreement to that effect. The Insurer shall facilitate the salvage and inspection of the insured property by the Insurer.

He shall, in particular, permit the Insurer and his representatives to visit the premises and examine the insured property before repairing, removing or modifying the damaged property, unless so required to safeguard the property.

3.7 Admission of liability and cooperation

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

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

No transaction made without the consent of the Insurer may be set up against him.

The Insured shall not admit any liability nor settle or attempt to settle any claim, except at his own risk.

3.8 Right of action (Article 2502)

(applicable to liability insurance only)

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

4. COMPENSATION AND SETTLEMENT

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

(applicable to property insurance only)

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

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

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

4.2 Pair and set

(applicable to property insurance only)

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

4.3 Parts

(applicable to property insurance only)

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

4.4 Replacement (Article 2494)

(applicable to property insurance only)

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

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

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

Any outstanding premium may be deducted from the indemnity payable.

4.6 Property of others

(applicable to property insurance only)

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

4.7 Waiver

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

4.8 Limitation of actions (Article 2925)

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

4.9 Subrogation (Article 2474)

Unless otherwise provided, the Insurer shall be subrogated to the extent of the amount paid or the liability assumed therefore under this policy to the rights of the Insured against persons responsible for the loss except when they are members of the Insured's household. The Insurer may be fully or partly released from his obligation towards the Insured where, owing to any act of the Insured, he cannot be so subrogated.

5. OTHER INSURANCE

5.1 Property insurance (Article 2496)

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

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

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

5.2 Liability insurance

The liability insurance provided under this policy is primary insurance except when stated to apply in excess of, or contingent upon the absence of, other

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

• Contribution by equal share:

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

• Contribution by limits:

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

6. CANCELLATION (Articles 2477 and 2479)

This policy may be cancelled at any time:

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

Where one or more of the Names Insureds have been mandated to receive or send the notices provided for under paragraph a) or b) above, notices sent or received by them shall be deemed to have been sent or received by all Named Insureds.

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

7. NOTICE

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

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

The Statutory Conditions apply to the perils of fire, and as modified or supplemented by forms or endorsements attached, apply as conditions to all other perils insured by this Policy.

STATUTORY CONDITIONS

(Applicable to the Provinces of British Columbia and Alberta)

(If any condition below contains a variation, omission or addition to the statutory condition established by the applicable Provincial or Territorial statute, then the statutory condition established by Provincial or Territorial statute prevails). If any portion of these conditions are found to be invalid, unenforceable or contrary to statute, the remainder will remain in full force and effect.

MISREPRESENTATION

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

PROPERTY OF OTHERS

2. The insurer is not liable for loss or damage to property owned by a person other than the insured unless:
 - (a) otherwise specifically stated in the contract, or
 - (b) the interest of the insured in that property is stated in the contract.

CHANGE OF INTEREST

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

MATERIAL CHANGE IN RISK

4.
 - (1) The insured must promptly give notice in writing to the insurer or its agent of a change that is
 - (a) material to the risk, and
 - (b) within the control and knowledge of the insured.
 - (2) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.
 - (3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may
 - (a) terminate the contract in accordance with Statutory Condition 5, or
 - (b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.
 - (4) If the insured fails to pay an additional premium when required to do so under subparagraph (3)(b) of this condition, the contract is terminated at that time and Statutory Condition 5(2)(a) applies in respect of the unearned portion of the premium.

TERMINATION OF INSURANCE

5.
 - (1) The contract may be terminated
 - (a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or
 - (b) by the insured at any time on request.
 - (2) If the contract is terminated by the insurer,
 - (a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and
 - (b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.
 - (3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.
 - (4) The 15-day period referred to in subparagraph (1)(a) of this condition starts to run on the day the registered letter or notification of it is delivered to the insured's postal address.

REQUIREMENTS AFTER LOSS

6.
 - (1) On the happening of any loss or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,
 - (a) immediately give notice in writing to the insurer,
 - (b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration
 - (i) giving a complete inventory of that property and showing in detail quantities and costs of that property and particulars of the amount of loss claimed,
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
 - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
 - (iv) stating the amount of other insurances and the names of other insurers,
 - (v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
 - (vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
 - (vii) stating the place where the insured property was at the time of loss,

- (c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
 - (d) if required by the insurer and if practicable,
 - (i) produce books of account and inventory lists,
 - (ii) furnish invoices and other vouchers verified by statutory declaration, and
 - (iii) furnish a copy of the written portion of any other relevant contract.
- (2) The evidence given, produced or furnished under subparagraph (1)(c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

FRAUD

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

WHO MAY GIVE NOTICE AND PROOF

8. Notice of loss under Statutory Condition 6(1)(a) may be given and the proof of loss under Statutory Condition 6(1)(b) may be made
 - (a) by the agent of the insured if
 - (i) the insured is absent or unable to give the notice or make the proof, and
 - (ii) the absence or inability is satisfactorily accounted for, or
 - (b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so, or in the circumstances described in clause (a) of this condition.

SALVAGE

9.
 - (1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.
 - (2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

ENTRY, CONTROL, ABANDONMENT

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

IN CASE OF DISAGREEMENT

11.
 - (1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the *Insurance Act* whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.
 - (2) There is no right to a dispute resolution process under this condition until
 - (a) a specific demand is made for it in writing, and
 - (b) the proof of loss has been delivered to the insurer.

WHEN LOSS PAYABLE

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

REPAIR OR REPLACEMENT

13.
 - (1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.
 - (2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss and must proceed with all due diligence to complete the work within a reasonable time.

NOTICE

14.
 - (1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agent or head office of the insurer in the province.
 - (2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.

SHORT RATE CANCELLATION TABLE

As per Statutory Condition 5. (3), or General Condition 6. if the Civil Code of the Province of Quebec is applicable, if this policy is cancelled by the insured, it will be subject to a short-rate cancellation formula as outlined in the following table. The minimum retained premium is the amount that is stated in the Schedule page for all parts of the policy.

Days Policy in Force	% of Premium Retained												
1	10.2	54	23.3	107	36.4	160	49.4	213	62.5	266	75.6	319	88.7
2	10.5	55	23.6	108	36.6	161	49.7	214	62.8	267	75.8	320	88.9
3	10.7	56	23.8	109	36.9	162	49.9	215	63.0	268	76.1	321	89.1
4	11.0	57	24.0	110	37.1	163	50.2	216	63.3	269	76.3	322	89.4
5	11.2	58	24.3	111	37.4	164	50.4	217	63.5	270	76.6	323	89.6
6	11.5	59	24.5	112	37.6	165	50.7	218	63.7	271	76.8	324	89.9
7	11.7	60	24.8	113	37.9	166	50.9	219	64.0	272	77.1	325	90.1
8	12.0	61	25.0	114	38.1	167	51.2	220	64.2	273	77.3	326	90.4
9	12.2	62	25.3	115	38.4	168	51.4	221	64.5	274	77.6	327	90.6
10	12.5	63	25.5	116	38.6	169	51.7	222	64.7	275	77.8	328	90.9
11	12.7	64	25.8	117	38.8	170	51.9	223	65.0	276	78.0	329	91.1
12	13.0	65	26.0	118	39.1	171	52.2	224	65.2	277	78.3	330	91.4
13	13.2	66	26.3	119	39.3	172	52.4	225	65.5	278	78.5	331	91.6
14	13.4	67	26.5	120	39.6	173	52.7	226	65.7	279	78.8	332	91.9
15	13.7	68	26.8	121	39.8	174	52.9	227	66.0	280	79.0	333	92.1
16	13.9	69	27.0	122	40.1	175	53.1	228	66.2	281	79.3	334	92.4
17	14.2	70	27.3	123	40.3	176	53.4	229	66.5	282	79.5	335	92.6
18	14.4	71	27.5	124	40.6	177	53.6	230	66.7	283	79.8	336	92.8
19	14.7	72	27.7	125	40.8	178	53.9	231	67.0	284	80.0	337	93.1
20	14.9	73	28.0	126	41.1	179	54.1	232	67.2	285	80.3	338	93.3
21	15.2	74	28.2	127	41.3	180	54.4	233	67.4	286	80.5	339	93.6
22	15.4	75	28.5	128	41.6	181	54.6	234	67.7	287	80.8	340	93.8
23	15.7	76	28.7	129	41.8	182	54.9	235	67.9	288	81.0	340	94.1
24	15.9	77	29.0	130	42.0	183	55.1	236	68.2	289	81.3	342	94.3
25	16.2	78	29.2	131	42.3	184	55.4	237	68.4	290	81.5	343	94.6
26	16.4	79	29.5	132	42.5	185	55.6	238	68.7	291	81.7	344	94.8
27	16.7	80	29.7	133	42.8	186	55.9	239	68.9	292	82.0	345	95.1
28	16.9	81	30.0	134	43.0	187	56.1	240	69.2	293	82.2	346	95.3
29	17.1	82	30.2	135	43.3	188	56.4	241	69.4	294	82.5	347	95.6
30	17.4	83	30.5	136	43.5	189	56.6	242	69.7	295	82.7	348	95.8
31	17.6	84	30.7	137	43.8	190	56.8	243	69.9	296	83.0	349	96.0
32	17.9	85	31.0	138	44.0	191	57.1	244	70.2	297	83.2	350	96.3
33	18.1	86	31.2	139	44.3	192	57.3	245	70.4	298	83.5	351	96.5
34	18.4	87	31.4	140	44.5	193	57.6	246	70.7	299	83.7	352	96.8
35	18.6	88	31.7	141	44.8	194	57.8	247	70.9	300	84.0	353	97.0
36	18.9	89	31.9	142	45.0	195	58.1	248	71.1	301	84.2	354	97.3
37	19.1	90	32.2	143	45.3	196	58.3	249	71.4	302	84.5	355	97.5
38	19.4	91	32.4	144	45.5	197	58.6	250	71.6	303	84.7	356	97.8
39	19.6	92	32.7	145	45.7	198	58.8	251	71.9	304	85.0	357	98.0
40	19.9	93	32.9	146	46.0	199	59.1	252	72.1	305	85.2	358	98.3
41	20.1	94	33.2	147	46.2	200	59.3	253	72.4	306	85.4	359	98.5
42	20.4	95	33.4	148	46.5	201	59.6	254	72.6	307	85.7	360	98.8
43	20.6	96	33.7	149	46.7	202	59.8	255	72.9	308	85.9	361	99.0
44	20.8	97	33.9	150	47.0	203	60.0	256	73.1	309	86.2	362	99.3
45	21.1	98	34.2	151	47.2	204	60.3	257	73.4	310	86.4	363	99.5
46	21.3	99	34.4	152	47.5	205	60.5	258	73.6	311	86.7	364	99.7
47	21.6	100	34.7	153	47.7	206	60.8	259	73.9	312	86.9	365	100
48	21.8	101	34.9	154	48.0	207	61.0	260	74.1	313	87.2		
49	22.1	102	35.1	155	48.2	208	61.3	261	74.4	314	87.4		
50	22.3	103	35.4	156	48.5	209	61.5	262	74.6	315	87.7		
51	22.6	104	35.6	157	48.7	210	61.8	263	74.8	316	87.9		
52	22.8	105	35.9	158	49.0	211	62.0	264	75.1	317	88.2		
53	23.1	106	36.1	159	49.2	212	62.3	265	75.3	318	88.4		

GENERAL PROVISIONS, CONDITIONS, EXCLUSIONS AND DEFINITIONS

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

Throughout this Policy the words “you” and “your” refer to the Named Insured shown on the Declaration Page. The words “we”, “us” and “our” refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meanings. Refer to the General Definitions Section below or the definitions within each form.

GENERAL PROVISIONS / CONDITIONS

APPLICABLE TO ALL PARTS

1. ASSIGNMENT

Assignment of this Policy will not be valid except with our written consent. However, in the event of your death, the insurance afforded by this Policy will apply to your legal representative but only while acting within the scope of his or her duties as such.

2. CONFORMITY WITH STATUTE

Where the terms of this Policy and forms attached hereto are in conflict with the Statutes of the Province in which the “premises” insured are located, such terms are amended to conform to such Statutes.

3. EXAMINATION OF YOUR BOOKS AND RECORDS

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

4. INSPECTIONS AND SURVEYS

1. We have the right to:

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

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

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

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under provincial or municipal statutes, ordinances, bylaws or regulations, of boilers, pressure vessels or elevators.

5. LIBERALIZATION

If, during the policy period, we adopt a coverage change to form CBC 001, or rules or regulations affecting the Policy are revised by statute or otherwise, so as to broaden the insurance coverage without an additional premium charge, such extended or broadened insurance will become a term of this Policy and will be used to your benefit.

6. NOTICE

Any written notice to us may be delivered at or sent by registered mail to the broker or agent through whom this Policy was issued or to any of our branches in Canada.

Written notice may be given to you by letter personally delivered to you or by registered letter addressed to you at your last post office address notified to us; or, except in Quebec, where no address is notified and the address is not known, addressed to you at the post office of the brokerage or agency, if any, from which the application was received.

In this condition, the expression “registered” will mean registered in or outside Canada. Notice to the first Insured named on the Declaration Page will constitute notice to all Insureds.

7. TERMINATION OF INSURANCE

This Policy may be terminated in accordance with Statutory Condition 5 or, if applicable, article 6. of General Conditions applicable to the Province of Quebec, subject to the following modifications:

- a. We agree that where notice of termination is for any reason other than non-payment of premium, we will not terminate this Policy without first giving each Named Insured thirty days’ written notice of termination by registered mail or five days’ notice if personally delivered.

Except in the Province of Quebec, the thirty days mentioned in sub condition a. of this provision commences to run on the day following receipt of the registered letter at the post office to which it is addressed.

In the Province of Quebec, the thirty days mentioned in sub condition a. of this provision commences to run from the date of receipt of the notice of termination at your latest known address.

- b. We agree that where notice of termination is due to non-payment of premium, we will not terminate this Policy without first giving each Named Insured fifteen days’ written notice of termination by registered mail.

Except in the Province of Quebec, the fifteen days mentioned in sub condition b. of this provision commences to run on the day following receipt of the registered letter at the post office to which it is addressed.

In the Province of Quebec, the fifteen days mentioned in sub condition b. of this provision commences to run from the date of receipt of the notice of termination at your latest known address.

SPECIAL PROVISIONS AND EXCLUSIONS RELATING TO AUTOMOBILE

a. YUKON, PRINCE EDWARD ISLAND, NOVA SCOTIA, NEWFOUNDLAND, NEW BRUNSWICK

This coverage may be terminated:

- i. by us, by giving to you 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered;
- ii. by you at any time upon request.

b. NORTHWEST TERRITORIES

This coverage may be terminated:

- i. by us, by giving to you 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered and by notifying the Registrar of Motor Vehicles as required by the Vehicle Ordinance;
- ii. by you at any time on request.

c. QUEBEC

- i. This Policy may be cancelled at any time at your request and we will, upon surrender of the Policy, refund the excess of paid premium above the premium earned for the time the Policy has been in force on the basis of the Cancellation Table appearing in Q.P.F. No. 1, except that we will, in no event, retain less than the minimum retained premium specified in the Declarations.
- ii. We may cancel a Policy within 60 days after its coming into force by a mere notice to you; in such case the contract is terminated 15 days after such notice is received. At the expiry of such period of 60 days, we will not cancel an insurance contract except in the case of an aggravation of risk which is likely to materially influence a reasonable Insurer in the decision to continue to insure, or when the premium has not been paid.

We so wishing to cancel the Policy will notify you in writing; the cancellation has effect 30 days after such notice is received; or if the automobile insured, with the exception of a school bus, is an automobile contemplated in Title VIII.1, of the Highway Safety Code, fifteen days after receipt of the notice.

d. ONTARIO

This contract may be terminated

1. by the Insurer:
 - a. if the termination is for a reason other than non-payment, this contract may be terminated by the Insurer giving to the Insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered;
 - b. if the termination is for the reason of non-payment, this contract may be terminated by the Insurer giving to the Insured 30 days' notice of termination by registered mail or 10 days' written notice of termination personally delivered;
 - c. if, on two previous occasions in respect of the contract, the Insurer has given a notice of termination for non-payment, on the third notice, the Insurer may give notice of cancellation giving to the Insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered;
 - d. for the purpose of this clause, the day on which the insurer gives the notice by registered mail shall be deemed to be the day of mailing.
2. by the Insured at any time upon request.

8. WAIVER OF TERM OR CONDITION

No term or condition of this Policy will be deemed to be waived by us in whole or in part unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by us. Neither you nor we will be deemed to have waived any term or condition of this Policy by any act relating to the appraisal of the amount of loss or to the delivery and completion of proofs, or the investigation or adjustment of any claim under this Policy.

9. CANADIAN CURRENCY CLAUSE

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

10. CHANGES

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

11. PREMIUMS

The first Named Insured shown in the Declarations:

- a. Is responsible for the payment of all premiums; and
- b. Will be the payee for any return premiums we pay.

12. REPRESENTATIONS

By accepting this Policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this Policy in reliance upon your representations.

13. GLOBAL DEDUCTIBLE

Only the highest deductible will be applied to any settlement that affects coverage in more than one Part of this policy, per loss occurrence per risk location. If such loss includes coverage under Part VII – Automobile, then this Global Deductible Clause does not apply to Part VII – Automobile coverages unless specifically endorsed.

GENERAL EXCLUSIONS

The following exclusions apply to Part I, II, VI and IX

1. War Exclusion

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

2. Terrorism Exclusion

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

3. Nuclear Exclusion

This Policy does not insure against any loss or damage caused directly or indirectly by:

- (a) any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any amending law) or nuclear explosion. This exclusion applies whether or not there are one or more causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas, all as defined and limited in **Part I Section 16. Definitions**; or
- (b) contamination by radioactive material. This exclusion applies whether or not there are one or more causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.

4. Pollution Exclusion

This Policy does not insure against:

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

5. Fungi and Spores Exclusion

This Policy does not insure:

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

GENERAL DEFINITIONS

APPLICABLE TO ALL PARTS

1. "Clean Up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to the aforementioned processes.
2. "Condominium corporation" means a corporation constituted under provincial or territorial legislation relating to condominiums or co-ownership by declaration. It refers to a strata corporation in British Columbia and to a syndicate in Quebec.
3. "Data" means representations of information or concepts, in any form.
4. "Data Problem" means:
 - (i) erasure, destruction, corruption, misappropriation, misinterpretation of "data";
 - (ii) error in creating, amending, entering, deleting or using "data"; or
 - (iii) inability to receive, transmit or use "data".
5. "Fissionable substance" means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
6. "Fungi" includes but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "fungi" or "spores" or resultant mycotoxins, allergens or pathogens.
7. "Nuclear energy hazard" means the radioactive, toxic, explosive, or other hazardous properties of "radioactive material".
8. "Nuclear facility" means:
 - (i) any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
 - (ii) any equipment or device designed or used for:
 - (a) separating the isotopes of plutonium, thorium and uranium or any one or more of them;
 - (b) processing or packaging waste;
 - (iii) any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
 - (iv) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste "radioactive material";and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.
9. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, odour, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
10. "Radioactive material" means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances which may be designated by any nuclear liability act, law or statute, or any law amendatory thereof, as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy.
11. "Spores" includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any "fungi".
12. "Terrorism" means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government or instilling fear in the public or a section of the public.
13. "Unit" means the unit as defined in the declaration, description or bylaws of the "condominium corporation" or provincial or territorial legislation relating to condominiums or divided co-ownerships. It refers to a strata lot in British Columbia and to a private portion in Quebec.
14. "Volunteer worker" means a person who is not your employee, and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

PART I

PROPERTY INSURED

SECTION

1. INDEMNITY AGREEMENT

In the event that any insured property is lost or damaged during the policy period by an insured peril, we will indemnify you, subject to the terms and conditions of this Policy, against the direct loss or damage so caused to an amount not exceeding whichever is the least of:

- (a) the replacement cost value of the property at the time of the loss or damage, as defined and limited in **Part I Section 11. Replacement Cost Basis of Settlement Provisions**;
- (b) your interest in the property;
- (c) someone else's interest in their personal property (including leased personal property) which is in your care, custody or control as described in **Part I Section 2. Insured Property (b) (i)**;
- (d) the amount of insurance specified on the "schedule" for the lost or damaged property.

The inclusion of more than one person or interest will not increase our liability.

2. INSURED PROPERTY

This Part insures those of the following items for which an amount of insurance is specified on the "schedule" and only while at the "scheduled risk location(s)":

(a) Building(s):

We will cover buildings for which an amount of insurance is shown, which are located at the "scheduled risk location(s)". Under your building coverage, we will also cover the following property, as long as it is on the "scheduled risk location(s)".

- (i) Garages, storage buildings and other structures, which are used in connection with your business and are located at the "scheduled risk location";
- (ii) Fixtures, signs, wind turbines, solar panels, machinery and equipment that are permanently attached to a building insured by this Part and used in connection with the building. However we do not consider such property that is connected to a building insured by this Part solely by wiring or cabling as being permanently attached to the building;
- (iii) Personal property, which is owned by you and is used to maintain and service a building insured by this Part. This includes:
 - (1) floor coverings;
 - (2) fire protection equipment;
 - (3) cooking, refrigerating, dishwashing, laundering and ventilating equipment. However, we will not cover other personal property in rooms or apartments that you rent to someone else;
 - (4) yard equipment;
 - (5) materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to the building insured by this Part or for building services; and
 - (6) growing plants, trees, shrubs or flowers inside the building insured by this Part used for decorative purposes when you are the owner of the building; and

(iv) Outdoor furniture.

If not covered by insurance elsewhere:

- (v) Additions under construction, alterations and repairs to the buildings or structures insured by this Part and at the "scheduled risk location"; and
- (vi) Property waiting to be installed while on "premises".

(b) Business Personal Property:

We will cover personal property which you own and use in your business at the "scheduled risk location(s)". We will also cover the following while located at the "scheduled risk location(s)":

- (i) personal property which belongs, in whole or in part to someone else and which is in your care, custody or control, including the cost of labour, materials or services furnished or arranged by you on such property (including leased personal property);
- (ii) stock or work in progress which includes merchandise of every description, and packing, wrapping and advertising materials; and
- (iii) if you are a tenant in a building:
 - (1) the value of your interest in any alterations or additions you make to that building;
 - (2) signs attached to that building; and
 - (3) the value of any fixtures or other installations you add or which are made to the part of that building;

which you occupy but which you do not own, but for which you are under obligation to keep insured or for which you are legally liable. This personal property is referred to as Tenants Improvements. If you purchased the used interest in any alterations or additions made by a previous tenant we will consider these alterations or additions as having been made at your expense;

- (iv) if the "scheduled risk location" is a condominium "unit" that you own, the fixtures, improvements and alterations within your "unit".

(c) Property of Every Description:

If Property of Every Description is specified on the "schedule", the limits of liability for Building and Business Personal Property as insured per each individual location are combined to provide one single limit of liability per location, hereinafter referred to as Property of Every Description (POED).

3. DEDUCTIBLE

- (a) We are liable for the amount by which the loss or damage caused by an insured peril exceeds \$1,000, or any other amount of the Deductible specified on the "schedule" in any one occurrence. If Property of Every Description is specified on the "schedule", the higher deductible appearing under Building or Business Personal Property will be the deductible applied under POED in any one occurrence.

- (b) With respect to “accident to an object” coverage, we are liable for the amount by which the loss or damage caused by any of the perils insured against exceeds \$1,000, or any other amount of the Equipment Breakdown Deductible specified on the “schedule” in any one occurrence. If a waiting period is shown, we are liable only for that part of the covered loss in excess of the consecutive number of hours shown on the “schedule”.
- (c) With respect to “sewer back-up” coverage, we are liable for the amount by which the loss or damage caused by any of the perils insured against exceeds \$2,500, or any other amount of the Sewer Back-up Deductible specified on the “schedule” in any one occurrence.
- (d) With respect to “breakdown” coverage provided by **Part I Section 8. Extension of Coverage (s) EDP Equipment, Data and Media Breakdown**, we are liable for the amount by which the loss or damage caused by any of the perils insured against exceeds \$1,000, or any other amount of the Breakdown Deductible specified on the “schedule” in any one occurrence.

Should any occurrence give rise to the application of more than one deductible amount for any one “premises”, only the highest deductible will be applied unless it is to your advantage to apply the deductibles individually.

4. CO-INSURANCE CLAUSE

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

You will maintain insurance concurrent with this Part on the insured property to the extent of at least the amount produced by multiplying the “replacement cost” value of the property by the co-insurance percentage specified on the “schedule”. If you fail to do so, you will be entitled to recover only that portion of any loss that the amount of insurance in force at the time of loss bears to the amount of insurance required to be maintained by this clause.

In the event that settlement is made on the basis of actual cash value as provided for in **Part I Section 11. Replacement Cost Basis of Settlement Provisions**, then actual cash value shall be substituted for the term “replacement cost” value in this **Part I Section 4. Co-insurance Clause**.

5. INSURED PERILS

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

6. EXCLUDED PROPERTY

This Part does not insure loss of or damage to:

- (a) (i) sewers, drains or watermains located beyond the outside bearing walls or foundations of the insured property. This exclusion does not apply to loss or damage caused directly by a “specified peril” or “accident to an object”, all defined and limited in **Part I Section 16. Definitions**; or
 - (ii) radio, television, satellite, dish-type or other antennae or their masts, towers or lead-in wiring, fences, or signs not attached to buildings; except as otherwise provided under **Part I Section 8. Extension of Coverage (bb) Outdoor Property**;
- (b) property at locations which to your knowledge are vacant, unoccupied or shut down for more than 30 consecutive days. A building, which is under construction, will not be considered vacant. A building will be considered vacant when it does not contain enough personal property to conduct customary operations;
- (c) electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing. This exclusion does not apply to property insured under **Part I Section 8. Extension of Coverage (s) EDP Equipment, Data and Media Breakdown**, or loss or damage caused directly by resultant fire or explosion or from “accident to an object”, all defined and limited in **Part I Section 16. Definitions**;
- (d) growing plants, lawns, trees, shrubs or flowers, all while outside buildings, except as provided under **Part I Section 8. Extension of Coverage (h) Growing Plants, Lawns, Trees, Shrubs or Flowers in the Open**;
- (e) animals, fish or birds. This exclusion does not apply to loss or damage caused directly by theft or attempt thereat or by a “specified peril” as defined and limited in **Part I Section 16. Definitions**;
- (f) (i) money, “cash cards”, securities, stamps, tickets (except lottery tickets held for sale) or tokens;
 - (ii) bullion, platinum, other precious metals or their alloys; or
 - (iii) evidence of debt or title;
- (g) “automobiles”, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property. This exclusion does not apply to:
 - (i) watercraft held for sale;
 - (ii) amphibious or air cushion vehicles held for sale; or
 - (iii) unlicensed “automobiles” or unlicensed trailers used in your business when on your “premises”;
- (h) furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, precious stones or semi-precious stones; except as provided under **Part I Section 8. Extension of Coverage (ff) Furs, Fur Garments, Jewels and Jewellery**. This exclusion does not apply to any loss or damage caused directly by a “specified peril” as defined and limited in **Part I Section 16. Definitions**;
- (i) (i) property insured under the terms of any marine insurance; or
 - (ii) property while waterborne, except while on a regular ferry or railway car transfer in connection with land transportation;
- (j) property from the time of leaving your custody if it is:
 - (i) loaned or rented or leased to others; or
 - (ii) sold by you under conditional sale, instalment payment or other deferred payment plan; except as otherwise provided under **Part I Section 8. Extension of Coverage (hh) Deferred Payment Plan (Stock)**.

This exclusion (j) does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at your risk;
- (k) property:
 - (i) illegally acquired, kept, stored or transported;
 - (ii) seized or confiscated for breach of any law or by order of any public authority;
- (l) any boiler of the chemical recovery type;
- (m) (i) any steam or gas turbine; or
 - (ii) any vessels and apparatus and pipes connected therewith, while undergoing pressure tests;

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

This exclusion does not apply to:

- (1) explosion of natural, coal or manufactured gas; or
 - (2) "accident to an object" as defined and limited in **Part I Section 16. Definitions**;
- (n) roadways, walkways, parking lots or other exterior paved surfaces, retaining walls or permanently installed landscape structures outside the building except as provided under **Part I Section 8. Extension of Coverage (aa) Roadways, Walkways, Parking Lots**;
- (o) Business Personal Property while actually being worked upon and directly resulting from such work or caused by any repairing, adjusting or servicing of Business Personal Property. This exclusion does not apply to loss or damage caused directly by resultant fire or explosion as defined and limited in **Part I Section 16. Definitions**;
- (p) exterior glass or vitrolite and its lettering or ornamentation (including stained glass), except as provided under **Part I Section 8. Extension of Coverage (i) Glass**. This exclusion does not apply to loss or damage caused directly by a "specified peril" or "accident to an object" as defined and limited in **Part I Section 16. Definitions**;
- (q) "fine arts" except as otherwise provided under **Part I Section 8. Extension of Coverage (o) Fine Arts**. This exclusion does not apply to any loss or damage caused directly by a "specified peril" or "accident to an object" as defined and limited in **Part I Section 16. Definitions**; or
- (r) "data" except as otherwise provided under **Part I Section 8. Extensions of Coverage (d) Accounts Receivable, (e) Valuable Papers, or (s) EDP Equipment, Data and Media Breakdown**.

7. EXCLUSIONS

7.A. EXCLUDED PERILS

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

- (a) in whole or in part by earthquake. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for loss or damage caused directly by resultant fire, explosion, smoke, leakage from "fire protective equipment", riot, vandalism, malicious acts or "accident to an object", all as defined and limited in **Part I Section 16. Definitions**, theft or attempted theft, provided such perils are not otherwise excluded in this Part. This exclusion does not apply to property in transit;
- (b) in whole or in part by flood, including "surface water", waves, tides, tidal waves, tsunamis, or the breaking out or overflow of any natural or artificial body of water. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for loss or damage caused directly by resultant fire, explosion, smoke, leakage from "fire protective equipment", riot, vandalism, malicious acts or "accident to an object", all as defined and limited in **Part I Section 16. Definitions**, theft or attempted theft, provided such perils are not otherwise excluded in this Part. This exclusion does not apply to property in transit or loss or damage caused directly by leakage from a watermain;
- (c) (i) by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings, foundations, basement floors, sidewalks or sidewalk lights, unless concurrently and directly caused by a peril not otherwise excluded in this Part; or
(ii) by the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings, unless through an aperture concurrently and directly caused by a peril not otherwise excluded in this Part;
- (d) by centrifugal force, mechanical or electrical breakdown or "derangement", in or on the "premises". This exclusion does not apply to loss or damage caused directly from resultant fire or "accident to an object" as defined and limited in **Part I Section 16. Definitions**;
- (e) (i) by dampness or dryness of atmosphere;
(ii) by changes in or extremes of temperature, heating or freezing; or
(iii) by total or partial interruption to the supply of electricity, water, gas or steam except as otherwise provided under **Part I Section 8. Extension of Coverage (u) Consequential Loss**;

This exclusion (e) does not apply to:

- (1) loss or damage caused directly by rupture of pipes or breakage of apparatus not excluded in **paragraph (m) of Part I Section 6. Excluded Property**;
 - (2) damage to pipes caused directly by freezing, unless such pipes are excluded in **paragraphs (a) and (m) of Part I Section 6. Excluded Property**;
 - (3) loss or damage caused directly by a "specified peril" as defined and limited in **Part I Section 16. Definitions**, theft or attempted theft; or
 - (4) loss or damaged caused directly by an accident to a transporting conveyance;
- (f) (i) by shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, or change in colour or texture or finish;
(ii) by contamination; or
(iii) by marring, scratching or crushing.

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

- (1) a "specified peril" as defined and limited in **Part I Section 16. Definitions**;
 - (2) rupture of pipes or breakage of apparatus not excluded in **paragraphs (a) and (m) of Part I Section 6. Excluded Property**;
 - (3) theft or attempted theft; or
 - (4) an accident to a transporting conveyance;
- (g) by smoke from agricultural smudging or industrial operations;
- (h) by gnawing, nesting or infestation, or discharge or release of waste products or secretions, by animals, including but not limited to, insects, birds, or rodents. If the gnawing, nesting or infestation, or discharge or release of waste products or secretions results in an insured peril, we will cover the resultant loss or damage;
- (i) by delay, loss of market, or loss of use or occupancy;
- (j) in whole or in part by war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage;

- (k) (i) by any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any amending law) or nuclear explosion. This exclusion applies whether or not there are one or more causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas, all as described and limited in **Part I Section 16. Definitions**; or
- (ii) by contamination by radioactive material. This exclusion applies whether or not there are one or more causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage;
- (l) (i) by any dishonest or criminal act committed by you or your agent, acting alone or in collusion with others;
- (ii) by theft or attempted theft committed by any employee of yours, acting alone or in collusion with others; or
- (iii) by any dishonest or criminal act committed by anyone, except as stated in (l) (ii), when you or your agent knew or ought to have known prior to the loss or damage, of the dishonest or criminal act.

This exclusion (l) (i) does not apply to the proportion of ownership of the lost or damaged property of:

- (1) your spouse, if you are a sole proprietor; or
- (2) your partner(s), if your business is a partnership;

who did not know and could not ought to have known of the dishonest or criminal act.

This exclusion (l) (ii) does not apply to:

- (a) physical damage caused directly by your employee which results from a peril not otherwise excluded in this Part; or

This exclusion (l) (iii) does not apply if, upon becoming aware of the dishonest or criminal act and prior to the loss or damage, you or your agent immediately notifies the police and us.

- (m) by, in respect to building(s) insured by this Part, snowslide, landslide, subsidence or other earth movement. This exclusion does not apply to loss or damage caused directly by resultant fire, explosion, smoke, leakage from “fire protective equipment”, or “accident to an object”, all as defined and limited in **Part I Section 16. Definitions**;
- (n) by, in respect to building(s) insured by this Part, explosion (except explosion of natural, coal, or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by you:
 - (i) moving or rotating machinery or its parts; or
 - (ii) steam or gas turbines.

This exclusion (n) does not apply to loss or damage caused by resultant fire or “accident to an object” as defined and limited in **Part I Section 16. Definitions**;

- (o) by, in respect to building(s) insured by this Part, settling, expansion, contraction, moving, shifting or cracking. This exclusion does not apply to loss or damage caused directly and concurrently by a peril not otherwise excluded;
- (p) by “data problem” except as provided for under **Part I Section 8. Extensions of Coverage (d) Accounts Receivable, (e) Valuable Papers, or (s) EDP Equipment, Data and Media Breakdown**. This exclusion does not apply to loss or damage caused directly by resultant fire, explosion, smoke or leakage from “fire protective equipment”, all as described and limited in **Part I Section 16. Definitions**; or
- (q) by unauthorized instructions to transfer property to any person or to any place.

7.B. POLLUTION EXCLUSION

This Part does not insure against:

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

7.C. TERRORISM EXCLUSION

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

7.D. FUNGI AND SPORES EXCLUSION

This Part does not insure:

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

7.E. BY-LAWS EXCLUSION

This Part does not insure any loss, cost or expense proximately or remotely arising in consequence of or contributed to by the enforcement of any by-law, regulation, ordinance, building and construction code or law regulating zoning or the demolition, repair or construction of buildings or structures, which by-law, regulation, ordinance, building and construction code or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss, except as provided in **Part I Section 8. Extension of Coverage (v) Building By-Laws**.

7.F. OTHER EXCLUDED LOSSES

This Part does not insure:

- (a) (i) wear and tear;
- (ii) rust or corrosion; or

(iii) gradual deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself.

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

(b) the cost of making good:

- (i) faulty or improper material;
- (ii) faulty or improper workmanship; or
- (iii) faulty or improper design.

This exclusion (b) does not apply to loss or damage caused directly by a resultant peril not otherwise excluded in this Part, however we will be liable for only those costs which are in addition to the costs of rectifying such defects or fault had the loss or damage not occurred.

This exclusion (b) does not apply to the mechanical or electrical breakdown of:

- (1) any boiler, pressure vessel, refrigerating system or any piping and accessory equipment;
- (2) any electrical or mechanical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power; or
- (3) any "electronic data processing and word processing equipment" which includes the component parts, and "active electronic data and media" up to the limits provided under **Part I Section 8. Extension of Coverage (s) EDP, Equipment, Data and Media**;

which has been installed, fully tested and contractually accepted by you and which is being or has been operated at the insured risk location, in the capacity for which it was designed, as part of your normal production process or processes; or

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

8. EXTENSIONS OF COVERAGE

The Extensions of Coverage either modify or are in addition to coverage granted under **Part I – Property Insured** subject to the following conditions:

(1) The limits of liability specified for the Extensions of Coverage apply as an additional amount of insurance, except with respect to the following extensions:

- (c) Personal Effects;
- (h) Growing Plants, Lawns, Trees, Shrubs or Flowers in the Open;
- (j) Debris Removal;
- (k) Removal of Windstorm Debris;
- (n) Protection of Property;
- (u) Consequential Loss;
- (v) Building By-Laws;
- (aa) Roadways, Walkways, Parking Lots;
- (bb) Outdoor Property;
- (dd) Condominium Unit Coverage;
- (ff) Furs, Fur Garments, Jewels, Jewellery.

(2) **Part I Section 4. Co-insurance Clause** does not apply unless otherwise stated.

(3) If a loss covered under an Extension of Coverage also involves a loss under any Part, its' Extensions of Coverage or an endorsement, then, the maximum limit of insurance will not exceed the highest applicable limit under any one Part, Extension of Coverage or endorsement.

(4) If a specified Extension of Coverage is indicated as not covered on the "schedule", there is no amount recoverable.

(5) If the limit of liability of an Extension applies to the policy period, and the policy period is extended after issuance for an additional period of less than 6 months, the additional period will be deemed part of the preceding period for the purposes of determining limits.

(6) Unless otherwise stated, are subject to the exclusions, provisions, and conditions of this Part.

(a) Newly Acquired or Constructed Buildings

We agree to extend the insurance provided by **Part I Section 2. Insured Property (a) Building(s)** to apply to loss of or damage by an insured peril to:

- (i) new buildings or structures acquired by you after the inception date of this Policy;
- (ii) your new buildings or structures while being built on a "scheduled premises";
- (iii) buildings that you acquire at a location(s) other than at the "scheduled premises", within Canada;
- (iv) buildings owned or controlled by an organization that you acquire or form, other than a joint venture, and in which you have a majority interest.

This coverage will cease 90 days from the date construction begins or from the date of such acquisition or on the date that the values are reported to us or on the expiration date of the Policy, whichever occurs first.

Premium will be payable from the date construction begins or the date of acquisition.

The most that we will pay under this Extension of Coverage is as specified on the Coverage Summary, or as otherwise indicated on the "schedule" for any one occurrence.

(b) Newly Acquired Business Personal Property

We agree to extend the insurance provided by **Part I Section 2. Insured Property (b) Business Personal Property** to apply to loss of or damage by an insured peril to:

- (i) newly acquired Business Personal Property, at any newly acquired location within Canada or the continental United States that is:
 - (1) acquired, rented or controlled by you after the inception date of the Policy; or
 - (2) owned or controlled by an organization that you acquire or form after the inception date of the Policy, other than a joint venture, and in which you have a majority interest;
- (ii) newly acquired Business Personal Property, excluding stock, work in progress, merchandise of every description, packing, wrapping or advertising materials, at any "scheduled risk location" that is:
 - (1) acquired by you after the inception date of the Policy; or

- (2) owned or controlled by an organization that you acquire or form after the inception date of the Policy, other than a joint venture, and in which you have a majority interest.

This coverage will cease 90 days after you acquire the Business Personal Property or on the date that the values are reported to us or on the expiration date of the Policy, whichever comes first.

Premium will be payable from the date you acquire the property.

The most that we will pay under this Extension of Coverage is as specified on the Coverage Summary, or as otherwise indicated on the "schedule" for any one occurrence.

(c) **Personal Effects (including Volunteers)**

We agree to extend the insurance provided by **Part I Section 2. Insured Property (b) Business Personal Property** to apply to loss of or damage by an insured peril to personal effects owned by you, your officers, your directors, your partners, employees or "volunteer workers" while such property is at a "scheduled risk location".

However we will not cover a loss to personal effects if that loss is covered by another insurance policy, even if you or the owner of the personal property cannot collect under that policy for any reason.

The most that we will pay under this Extension of Coverage in respect to any one officer, director, partner, employee or "volunteer workers" is \$2,500 for any one occurrence.

The most that we will pay under this Extension of Coverage at each "scheduled risk location" in any one policy period is as specified on the Coverage Summary, or as otherwise indicated on the "schedule".

(d) **Accounts Receivable**

(i) **Indemnity Agreement:**

We agree to extend the insurance provided by **Part I Section 2. Insured Property (b) Business Personal Property** to:

- (1) All sums due to you from customers, provided you are unable to effect collection thereof as the direct result of loss of or damage by an insured peril to records of accounts receivable;
- (2) Interest charges on any loan required to offset amounts you are unable to collect as the direct result of such loss or damage pending our payment of these amounts;
- (3) Collection expense in excess of normal collection cost and made necessary because of such loss or damage;
- (4) Other expenses when reasonably incurred by you in re-establishing records of accounts receivable following such loss or damage.

(ii) **Additional Exclusions:**

This Extension of Coverage does not insure:

- (1) loss or damage caused by bookkeeping, accounting or billing errors or omissions;
- (2) loss or damage caused by alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property but only to the extent of such wrongful giving, taking, obtaining or withholding;
- (3) loss where the only proof as to factual existence of such loss is dependent upon an audit of records or an inventory computation; but you may use such procedures in support of a claim for loss that you can prove using other evidence is due solely to a risk of loss to records of accounts receivable not otherwise excluded hereunder.

(iii) **Determination of Receivables; Deductions:**

When there is proof that a loss covered by this Part has occurred but you cannot accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount will be based on your monthly statements and will be computed as follows:

- (1) determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;
- (2) calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve months immediately preceding the month in which the loss occurs, or such part thereof for which you have furnished monthly statements to us, as compared with such average for the same months of the preceding year;
- (3) the amount determined under (1) above, increased or decreased by the percentage calculated under (2) above, will be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;
- (4) the amount determined under (3) above will be increased or decreased in conformity with the normal fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the business since the last day of the last fiscal month for which statement has been rendered.

There will be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by you, and an amount to allow for probable bad debts which would normally not be collectible by you. All unearned interest and service charges will be deducted.

(iv) **Limit of Liability:**

The most that we will pay under this Extension of Coverage is as specified on the Coverage Summary, or as otherwise indicated on the "schedule" for any one occurrence, or as provided by an endorsement attached to and forming part of this Policy.

(e) **Valuable Papers**

We agree to extend the insurance provided by **Part I Section 2. Insured Property (b) Business Personal Property** to apply to loss of or damage by an insured peril to "valuable papers and records" at "scheduled risk location(s)".

Under this Extension of Coverage, for "valuable papers and records":

- (i) which have not been specifically described, we are liable for whichever is the least of:
 - (1) the extra expense necessarily incurred to compile, gather or assemble information required plus the cost for actually transcribing or copying to reproduce "valuable papers and records" which have been lost or damaged by an insured peril;
 - (2) the actual cash value of the "valuable papers and records" at the time of loss or damage with proper deduction for depreciation;
 - (3) the cost to repair or replace the "valuable papers and records" with other of like kind and quality;
- (ii) which have been specifically described and valued in the "schedule", which cannot be replaced with other of like kind and quality, we are liable for whichever is the least of:

- (1) the cost to satisfactorily repair, if possible, the damaged property;
- (2) the agreed value of the property.

The insured property may be owned by you or held by you in any capacity. The insurance applies only to your interest in such property, including your liability to others, and does not apply to the interest of any other person or organization in any of said property unless included in your proof of loss.

The most that we will pay under this Extension of Coverage is as specified on the Coverage Summary, or as otherwise indicated on the "schedule" for any one occurrence, or as provided by an endorsement attached to and forming part of this Policy.

We agree to extend the insurance provided by this Extension of Coverage for "valuable papers and records" which are temporarily away from your "premises" for a period not exceeding six months or while being conveyed in transit, but excluding while:

- 1) in storage;
- 2) away from your "premises" for a period exceeding six months; or
- 3) in transit by means of non-regularly scheduled ferry or aircraft;

for an amount not to exceed 10% of the amount specified on the Coverage Summary for this Extension of Coverage.

(f) Property Off Premises including Property on Exhibition

We agree to extend the insurance provided by **Part I Section 2. Insured Property (b) Business Personal Property** to apply to loss of or damage by an insured peril to insured property that is temporarily away from your "scheduled risk location".

This Extension of Coverage does not insure:

- (i) property while in transit;
- (ii) loss of or damage to property occurring at any premises that you own, rent, lease, operate or control. However we will not apply this exclusion (ii) to premises you have paid a fee to rent for the purposes of a trade show, craft show, exhibition, or similar type of event; or
- (iii) loss of or damage to property which has been off premises and at any one location for a period exceeding six months. However we will not apply this exclusion (iii) to property situated at your employees' habitational residence.

The most that we will pay under this Extension of Coverage is as specified on the Coverage Summary, or as otherwise indicated on the "schedule" for any one occurrence.

(g) Property in Transit

We agree to extend the insurance provided by **Part I Section 2. Insured Property (b) Business Personal Property** to apply to loss of or damage by an insured peril to insured property in the due course of transit between points or places in Canada or the continental United States.

The most that we will pay under this Extension of Coverage to property in transit:

- (1) not by parcel post as is specified on the Coverage Summary, or as otherwise indicated on the "schedule" for any one occurrence; or
- (2) by parcel post in Canada or the continental United States is as specified on the Coverage Summary, or as otherwise indicated on the "schedule" for any one occurrence.

(h) Growing Plants, Lawns, Trees, Shrubs or Flowers in the Open

We agree to extend the insurance provided by **Part I – Property Insured** to apply to loss of or damage, including debris removal expense, to growing plants, lawns, trees, shrubs or flowers outside the building insured by this Part at:

- (i) "scheduled risk location(s)"; or
- (ii) any newly acquired location as covered under **Part I Section 8. Extension of Coverage (a) Newly Acquired or Constructed Buildings**; that is caused directly by theft or attempt thereat, or a "specified peril" as defined and limited in **Part I Section 16. Definitions** with the exception of windstorm and hail.

The most that we will pay under this Extension of Coverage is as specified on the Coverage Summary, or as otherwise indicated on the "schedule" for any one occurrence.

(i) Glass

We agree to extend the insurance provided by **Part I – Property Insured** for loss of or damage to glass, which is part of a building that is your property or the property of others in your care, custody or control, and includes necessary expense incurred to:

- (i) install temporary plates or board up openings if repair or replacement of the damaged building glass is delayed; and
- (ii) remove or replace obstructions when repairing or replacing the damaged building glass. This does not include expense incurred in removing or replacing window displays.

Building glass as used in this Extension of Coverage means glass that is part of a building or structure to which insurance provided by this Extension of Coverage applies, and includes encasing frames for the glass and any lettering, ornamentation or burglar alarm foil on the glass, but does not include stained glass or security bars.

If any by-law, regulation, ordinance, law or building code requires that damaged property be replaced with safety glazing material, we will cover the cost of the safety glazing material. However this will not increase the most that we will pay under this Extension of Coverage for glass.

The most that we will pay under this Extension of Coverage if you are:

- (1) the building owner or contractually required to insure the building on this Policy, is up to the Building limit applicable to the "scheduled risk location"; or
 - (2) a tenant and the building is not insured by this Policy, is the Business Personal Property limit applicable to the "scheduled risk location";
- for any one occurrence.

(j) Debris Removal

We agree to extend the insurance provided by **Part I – Property Insured** to indemnify you for expenses incurred in the removal from a "scheduled risk location" of debris from an insured loss to insured property, occasioned by loss of or damage to such property, for which loss or damage insurance is afforded under this Part.

The most that we will pay under this Extension of Coverage is 25% of the amount we pay for direct physical loss to insured property.

This Extension of Coverage does not apply to costs or expenses:

- (i) to "clean up" "pollutants" from land or water; or
- (ii) for testing, monitoring, evaluating or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage,

leakage, migration, release or escape of “pollutants”.

If the total amount for both loss of or damage to insured property and debris removal expense exceeds the amount of insurance applying to the property, an additional amount of insurance, up to 5% of the limit of liability for such property will apply to the amount of debris removal expense, but in no event exceed whichever is the lesser of:

- (1) the amount of insurance specified on the Coverage Summary, or as otherwise indicated on the “schedule”; or
- (2) 25% of the amount we pay for direct physical loss to insured property.

(k) **Removal of Windstorm Debris**

We agree to extend the insurance provided by **Part I – Property Insured** to indemnify you for expenses incurred in the removal of debris or other property which is not insured by this Part and which is not your property but which has been blown by windstorm upon a “scheduled risk location”.

This Extension of Coverage does not apply to costs or expenses:

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

The most that we will pay under this Extension of Coverage is as specified on the Coverage Summary, or as otherwise indicated on the “schedule”.

(l) **Pollutant Cleanup and Removal**

We agree to extend the insurance provided by **Part I – Property Insured** to include the expense incurred to contain, remove, treat, detoxify, stabilize, neutralize or remediate “pollutants” from land or water at your “scheduled risk location”, if the spill, leakage, discharge, dispersal, seepage, migration, release or escape of the “pollutants”:

- (i) is directly the result of a peril insured against under this Part;
- (ii) which resulted from loss of or damage to insured property at your “premises”;
- (iii) commenced during the policy period; and
- (iv) is reported to us within 365 days of the commencement of the spill, leakage, discharge, dispersal, seepage, migration, release or escape of the “pollutants”.

This Extension of Coverage does not apply if the “pollutants” are not your insured property.

This Extension of Coverage does not apply to any cost or expense to test, monitor or assess the existence, concentration or effects of “pollutants”. But we will pay for testing which is performed in the course of extracting the “pollutants” from the land or water.

The most that we will pay under this Extension of Coverage in any one policy period is as specified on the Coverage Summary, or as otherwise indicated on the “schedule”.

(m) **Fire Department Service Charges**

We agree to extend the insurance provided by this **Part I – Property Insured** to apply to the liability that you assume by contract or agreement prior to loss or damage, or is required by local ordinance, for fire department charges incurred when the fire department is called to save or protect insured property from a fire or another insured peril.

This Extension of Coverage only provides reimbursement to you for service charges you are liable for and which you have received directly from:

- (i) your municipal fire department;
- (ii) your municipal police department; or
- (iii) a neighbouring municipality’s a fire department or police department for which there is a inter-municipal agreement.

The most that we will pay under this Extension of Coverage is as specified on the Coverage Summary, or as otherwise indicated on the “schedule” for any one occurrence.

(n) **Protection of Property**

We agree to extend the insurance provided by this **Part I – Property Insured**, if any of the insured property is necessarily removed from a “scheduled risk location” to prevent loss of or damage to or further loss of or damage to such property. We will insure under this Extension of Coverage that part of the insurance under this Part that exceeds the amount of our liability for loss already incurred to the property removed and any property remaining at the “premises” in the proportions which the value of the property in each of the locations bears to the value of the property in them all. We will insure for any direct physical loss or damage to that property by an insured peril:

- (i) while the property is being moved or while temporarily stored at another location; and
- (ii) if the damage occurs within 30 days after the property is first moved.

(o) **Fine Arts**

We agree to extend the insurance provided by this **Part I – Property Insured** to apply to loss of or damage by an insured peril to “fine arts” while such property is at a “scheduled risk location”.

This Extension of Coverage does not apply to loss or damage caused directly or indirectly by:

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

The most that we will pay under this Extension of Coverage is as specified on the Coverage Summary, or as otherwise indicated on the “schedule” for any one occurrence.

(p) **Building Damage by Theft**

We agree to extend the insurance provided by this **Part I Section 2. Insured Property (b) Business Personal Property** to include damage (except by fire) to that part of a building occupied by you directly resulting from theft or attempted theft and from vandalism or malicious acts committed on the same occasion as the theft or attempted theft, provided:

- (i) you are not the owner of such building and are liable for such damage; and
- (ii) the building is not otherwise insured under this Part.

The most that we will pay under this Extension of Coverage is as specified on the Coverage Summary, or as otherwise indicated on the "schedule" for any one occurrence.

(q) **Professional Fees**

We agree to extend the insurance provided by this **Part I – Property Insured** to include the reasonable expenses you incur at our request to pay your accountants, auditors, architects, engineers, or other professionals to produce and certify particulars or details or other proofs, information or evidence as may be required for the purpose of investigating or verifying the quantum of loss in the event of a claim under **Part I – Property Insured**, the liability for which is otherwise accepted by us.

This Extension of Coverage does not apply to any expense associated with use of lawyers, public adjusters, loss appraisers, loss consultants or any of their subsidiaries or associated entities, or your employees.

The most that we will pay under this Extension of Coverage is whichever is the lesser of:

- (i) the amount of insurance specified on the Coverage Summary, or as otherwise indicated on the "schedule"; or
 - (ii) 10% of the total amount payable for direct physical loss to insured property plus the amount of the applicable deductible;
- for any one occurrence.

(r) **Automatic Fire Suppression System Recharge Expenses**

We agree to extend the insurance provided by this **Part I – Property Insured** to apply to the automatic fire suppression system recharge expenses that you incur due to the leakage or discharge of the fire suppressant within any automatic fire suppression system at your "scheduled risk location(s)" where such discharge or leakage is caused directly by or results from an insured peril.

The most that we will pay under this Extension of Coverage is as specified on the Coverage Summary, or as otherwise indicated on the "schedule" for any one occurrence.

(s) **EDP Equipment, Data and Media Breakdown**

(i) **Insured Property:**

We agree to extend the insurance provided by **Part I Section 2. Insured Property (b) Business Personal Property** due to loss of or damage by "breakdown" to:

- (1) "electronic data processing and word processing equipment" which includes the component parts, and "active electronic data and media";
- (2) newly acquired "electronic data processing and word processing equipment" which includes the component parts, and "active electronic data and media"; and
- (3) similar property of others, for which you are legally liable;

while such property is:

- (a) at a "scheduled risk location";
- (b) at any temporary or newly acquired location; or
- (c) in transit, in Canada or the continental United States.

(ii) **"Breakdown" means:**

- (1) mechanical failure;
- (2) failure of operation due to faulty construction or error in design of the insured property;
- (3) short circuit, blow-out or other electrical or magnetic disturbance, other than lightning, within electrical equipment, apparatus or devices;
- (4) any repairing, servicing or processing operation;
- (5) damage to "data" or "media" when "electronic data processing and word processing equipment" breaks down or malfunctions while "data" or "media" is being run through the system.

(iii) **This extension does not cover:**

- (1) accounts, bills, evidences of debt, "valuable papers and records", abstracts, deeds, manuscripts or other documents except as they may be converted to data processing media form and then only in that form, or any data processing media which cannot be replaced with other of like kind and quality;
- (2) any loss that is covered by a manufacturer's warranty or service contract except for loss that is in excess of the amount you should have received from the warranty or service contract;
- (3) any loss or damage caused directly or indirectly by programming errors or faulty machine instructions;
- (4) any loss or damage caused directly or indirectly by any change or interruption to electric power supply, if the change originates more than 100 kilometers away from your "premises" containing the "electronic data processing and word processing equipment", "active electronic data and media", "data" or "media", except by lightning;
- (5) any elevator, escalator, conveyor, crane or hoist;
- (6) any X-ray machine, electron microscope, laser, particle accelerator, beta gauge, spectrograph, or any equipment or apparatus utilizing radioactive materials;
- (7) any diagnostic or treatment machine or apparatus;
- (8) any "object" manufactured by you;
- (9) any maintenance machine or apparatus;
- (10) any complete production machine or apparatus which processes, forms, cuts, shapes, grinds, or conveys raw material, material in process, waste material or finished product, and any equipment forming a part of the driving or controlling mechanism for such production machine or apparatus. This exclusion (iii) (10) does not apply to computing equipment used solely to control, start, stop or monitor such machinery or apparatus; or

(iv) **Under no circumstances does this Extension of Coverage extend to cover expense or cost arising out of:**

- (1) preventative maintenance;
- (2) repair of defects due to wear and tear;
- (3) repair of defects and damages occurring during normal operations with no external influence; or

(4) operating checks.

(v) **Non-applicable Exclusions:**

The following exclusions do not apply to this Extension of Coverage:

- (1) **Part I Section 6. Excluded Property (c);**
- (2) **Part I Section 6. Excluded Property (r) "data";**
- (3) **Part I Section 7. Exclusions A. Excluded Perils (p)** by "data problem".

(vi) **Valuation:**

For the purpose of this Extension of Coverage, the following valuations are applicable:

- (1) "Electronic data processing and word processing equipment" and "media" – Replacement cost basis of settlement as per **Part I Section 11. Replacement Cost Basis of Settlement Provisions.**
- (2) "Active electronic data and media" and "data" – The actual cost of replacing the data. If not replaced or reproduced, the cost of the blank "media".

(vii) **Limit of Liability:**

The most that we will pay under this Extension of Coverage is as specified in the Coverage Summary, or as otherwise indicated on the "schedule" for any one occurrence.

(t) **Automatic Inflation Adjustment**

We agree to extend the insurance provided by this **Part I Section 2. Insured Property (a) Building(s)** by increasing the amount of insurance applicable to building(s) during the policy period by the proportion by which the latest published Statistics Canada Non-Residential Construction Price Indexes have increased since the last "premium due date".

If the amount of insurance applicable to building(s) is changed at your request during the policy period, the effective date of this Extension of Coverage is deemed to coincide with the effective date of such change.

If this Part insures two or more items, the foregoing will apply separately to each item.

In this Extension of Coverage, "premium due date" means inception, renewal or anniversary date of the Policy.

(u) **Consequential Loss**

We agree to extend the insurance provided by **Part I Section 2. Insured Property (b) Business Personal Property** to include consequential loss or damage to such Business Personal Property caused directly by change of temperature or humidity resulting directly from damage by a peril insured against under this Part to:

- (i) equipment used for refrigerating, cooling, humidifying, dehumidifying, air conditioning, heating or converting power, including their connection and supply transmission lines and pipes, furnishing heat, light, power or gas to the "scheduled risk location", and situated on said "scheduled risk location"; or
- (ii) off-premises public utility plants, transformers or switching stations, sub-stations, transformers or pumping stations, including underground transmission lines and pipes, furnishing heat, light, water, power or gas to the "scheduled risk location", provided the property damaged is located within 100 kilometres of your "premises".

The most we will pay under this Extension of Coverage for property described in:

- (1) paragraph (i) above, is as specified on the Coverage Summary, or as otherwise indicated on the "schedule" for Consequential Loss Sub-limit for any one occurrence;
- (2) paragraph (ii) above, is as specified on the Coverage Summary, or as otherwise indicated on the "schedule" for Off Premises Consequential Loss Sub-limit for any one occurrence.

(v) **Building By-Laws**

We agree to extend the insurance provided by **Part I – Property Insured**, without increasing the limit of liability, and only as a result of an insured peril, to cover:

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

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

- (1) regulates zoning or the demolition, repair or construction of damaged building(s) or structure(s); and
- (2) is in force at the time of loss or damage.

This Extension of Coverage does not insure against:

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

This Extension of Coverage applies only to those buildings that are insured under **Part I Section 2. Insured Property (a) Building(s)** on "replacement cost" basis of settlement. This Extension of Coverage does not apply to any building which is covered under **Part I Section 8. Extension of Coverage (w) Installation Floater.**

(w) **Installation Floater**

(i) **Insured Property:**

We agree to extend the insurance provided by **Part I Section 2. Insured Property (b) Business Personal Property** to apply to loss of or damage by an insured peril to supplies, machinery, equipment and materials all to enter into and form part of the completed project, including expendable materials and supplies not otherwise excluded, necessary to complete the project, except as herein excluded,

belonging to you or to someone else if you are legally liable for such property, anywhere in Canada or the continental United States.

Coverage is extended while such property:

- (1) is in transit to any location, project or worksite where you are involved in an installation;
- (2) is awaiting installation at any location, project, or work site where you are involved in an installation, construction, or rigging project;
- (3) is being installed at any location, project, or work site where you are involved in an installation, construction, or rigging project; and
- (4) is located temporarily on premises owned, leased or rented to you for not more than thirty (30) consecutive days awaiting installation in the project.

(ii) **Cessation of Coverage:**

Coverage on all property ceases:

- (1) when your interest ceases;
- (2) 90 days after completion of the installation;
- (3) when the construction activity has ceased for more than 30 consecutive days; or
- (4) this Policy expires;

whichever occurs first.

(iii) **Additional Exclusions:**

This Extension of Coverage does not insure:

- (1) loss of or damage to property occurring at any premises that you own, rent, lease, operate or control if such property has been located at such premises for more than 30 consecutive days;
- (2) buildings, but building materials and supplies are covered until such time they become a permanent part of any installation project completed by you;
- (3) plans, blueprints, designs, specifications or any similar property;
- (4) contractor's tools and equipment including spare parts and accessories whether owned, loaned or hired or leased or any other property not a part of or destined to become a part of any installation project. However we will not apply this exclusion to tools and equipment expended in and forming part of the completed project;
- (5) any installation or part thereof from the commencement of use for purposes for which it was intended;
- (6) loss or damage covered under any guarantee or warranty (expressed or implied) by any contractor, manufacturer or supplier, whether or not such contractor, manufacturer or supplier is an insured under this Extension of Coverage;
- (7) loss, damage or expense caused directly or indirectly by or resulting from explosion, rupture or bursting of steam boilers, steam pipes, steam turbines or steam engines;
- (8) loss, damage or expense caused directly or indirectly by or resulting from cessation of work or by interruption of construction unless directly caused by a peril otherwise insured and not otherwise excluded under the terms of this Extension of Coverage; or
- (9) the difference in deductible from insurance afforded to the property from other insurance.

(iv) **Basis of Valuation:**

Subject to the limit of liability for this Extension of Coverage, the basis of valuation of any loss is subject to the following:

- (1) On property you own: Actual cash value with proper deduction for depreciation, however caused and in no event to exceed the net cost of "replacement".
- (2) On property for which you are liable: The amount for which you are liable plus the additional cost, if any, expended thereon by you for labour and materials up to the time of loss.

(v) **Limit of Liability:**

The most that we will pay under this Extension of Coverage is as specified on the Coverage Summary, or as otherwise indicated on the "schedule" for any one occurrence.

(x) **Peak Season**

We agree to extend the insurance provided by **Part I Section 2. Insured Property (b) Business Personal Property** to any increase in your "stock" caused by seasonal variations.

This Extension of Coverage will not apply unless the Breakdown of Business Personal Property on the "schedule" indicates an amount of insurance for Stock.

This Extension of Coverage will not apply unless the amount of insurance for your "stock" coverage part of your Business Personal Property is equal to at least 100% of your average monthly values for the twelve (12) month period immediately preceding the date of loss or damage, or, in the event that you have been in business less than twelve (12) months, for such shorter period of time.

The most that we will pay under this Extension of Coverage is the percentage as specified on the Coverage Summary, or as otherwise indicated on the "schedule" multiplied by the amount of insurance specified on the "schedule" for Stock, but only if an amount of insurance is so indicated for Stock, for any one occurrence.

(y) **Tenant's Leasehold Interest - Rents**

We agree to extend the insurance provided by **Part I Section 2. Insured Property (b) Business Personal Property** if, as a result of an insured peril, your landlord terminates the lease at a "scheduled risk location" in accordance with the conditions of the lease. This Extension of Coverage applies to the difference between the higher current rental value, and the values stipulated in the current lease.

We will not be liable for any loss of leasehold interest resulting from you exercising an option to cancel the lease.

The most that we will pay under this Extension of Coverage is whichever is the lesser of:

- (i) the amount of insurance specified on the Coverage Summary, or as otherwise indicated on the "schedule";
- (ii) the actual loss sustained by you;

for any one occurrence.

(z) **Property of Tenants or Registered Guests of a Hotel or Apartment or Members, Guests and Residents of Health Care Facilities**

We agree to extend the insurance provided by **Part I – Property Insured** to apply to loss of or damage by an insured peril at "scheduled risk

location(s)" to property of:

- (i) (1) each tenant of your apartment;
- (2) each registered guest of your hotel;
- (3) each of your members or guests of your business;

while such property is in your care, custody or control provided that such property is not insured by the owner, except and unless you are under obligation to provide insurance for the property or you are legally liable for its loss or damage;

- (ii) each resident of your health care facility at your "scheduled premises", provided that loss of or damage to such property occurs while such residents are under your supervision.

The most that we will pay under this Extension of Coverage at each "scheduled risk location" per covered tenant, guest, member or resident is as specified on the Coverage Summary, or as otherwise indicated on the "schedule" for any one occurrence.

The most that we will pay under this Extension of Coverage at each "scheduled risk location" in any one policy period is as specified on the Coverage Summary, or as otherwise indicated on the "schedule".

(aa) Roadways, Walkways, Parking Lots

We agree to extend the insurance provided by **Part I – Property Insured** to apply to loss of or damage by an insured peril to roadways, walkways, parking lots or other exterior paved surfaces and retaining walls or permanently installed landscape structures outside the building and on your "scheduled risk location(s)".

The most that we will pay for this Extension of Coverage is as specified on the Coverage Summary, or as otherwise indicated on the "schedule" for any one occurrence.

(bb) Outdoor Property

We agree to extend the insurance provided by **Part I – Property Insured** to apply to loss of or damage by an insured peril to your outdoor:

- (i) radio, television, satellite, dish-type or other antennae and their masts;
- (ii) towers or lead-in wiring;
- (iii) fences; and
- (iv) signs not attached to buildings;

situated on your "scheduled risk location(s)".

The most that we will pay under this Extension of Coverage is as specified on the Coverage Summary, or as otherwise indicated on the "schedule" for any one occurrence.

(cc) Master Key Coverage

We agree to extend the insurance provided by **Part I – Property Insured** to pay for necessary expenses to repair or replace exterior or interior door locks and keys at the "scheduled risk location(s)" if:

- (i) your door keys are stolen;
- (ii) your master keys mysteriously disappear; or
- (iii) covered loss or damage at your "premises" necessitates the repair or replacement of such locks or keys.

The most that we will pay under this Extension of Coverage is as specified on the Coverage Summary, or as otherwise indicated on the "schedule" for any one occurrence.

(dd) Condominium Unit Coverage

(i) Loss Assessment

We agree to extend the insurance provided by **Part I – Property Insured** if the "scheduled risk location" is a condominium "unit" that you own, to cover your share of an assessment charged to all "unit" owners by the "condominium corporation" when the assessment is:

- (1) made during the policy period shown in the Declarations;
- (2) valid under the "condominium corporation's" governing rules; and
- (3) as a result of:
 - (i) direct physical loss of or damage to property in which each "unit" owner has an undivided interest, if such loss or damage is caused directly by an insured peril under **Part I – Property Insured** of this Policy, or
 - (ii) a claim or lawsuit brought against the "condominium corporation" for which there would be coverage under **Part III – Commercial General Liability (Occurrence Basis)** of this Policy if the claim or lawsuit were brought against you; or
 - (iii) a claim or lawsuit brought against the "condominium corporation" because of a wrongful act committed by a director or officer of the "Condominium Corporation". For the purpose of this Extension of Coverage only, "wrongful act" means any actual or alleged error, misstatement, action or inaction, neglect or breach of duty.

The most that we will pay under this Extension of Coverage is as specified on the Coverage Summary, or as otherwise indicated on the "schedule" for each assessment. But we will not pay more than \$2,500 for an assessment that results from a deductible in the insurance purchased by the "condominium corporation".

(ii) Contingent Building Coverage

We agree to extend the insurance provided by **Part I Section 2. Insured Property (b) Business Personal Property** in the event of loss or damage to the "condominium corporation's" building by an insured peril and if the "scheduled risk location" is a condominium "unit" that you own, to cover your "unit" as originally constructed, excluding your improvements and betterments but, including items of real property that pertain exclusively to your "unit", if the "condominium corporation" has no insurance, its insurance is inadequate, or it is not effective.

The most that we will pay under this Extension of Coverage is as specified on the Coverage Summary, or as otherwise indicated on the "schedule" for any one occurrence.

(ee) Rewards

We agree to extend the insurance provided by **Part I – Property Insured** to pay a reward to any person, except as excluded below, for information that leads to a conviction for arson, theft or vandalism, if the loss or damage to insured property caused directly by an insured peril exceeds the applicable deductible. We will not pay or reimburse rewards paid under this Extension of Coverage to:

- (i) you;

- (ii) your partner(s);
 - (iii) your officer(s);
- or members of their households(s).

If we offer the reward then we will be the sole judge as to how much to offer.

If you offer the reward without our approval then the most that we will pay is whichever is the lesser of:

- (1) 50% of the reward you offer;
- (2) the amount of insurance specified on the Coverage Summary.

The most that we will pay under this Extension of Coverage for the reward and related reasonable expenses to the offering of the reward is as specified on the Coverage Summary for any one occurrence.

(ff) Furs, Fur Garments, Jewels, and Jewellery

We agree to extend the insurance provided by **Part I Section 2. Insured Property (b) Business Personal Property** to apply to loss of or damage by an insured peril to furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, precious and semi-precious stones while such property is at any "scheduled risk location".

The most that we will pay under this Extension of Coverage in any one policy period is as specified on the Coverage Summary, or as otherwise indicated on the "schedule".

(gg) Environmental Upgrade

(i) Insured Property:

We agree to extend the insurance provided by **Part I Section 2. Insured Property (a) Building(s)** to apply to loss or damage to "scheduled risk location(s)" caused directly by an insured peril to:

- (1) any increase cost in the "replacement cost" that is "green certified";
- (2) any additional fees incurred by you for a professional certified by Canada Green Building/LEED Canada, to participate in the design and construction, repairing or rebuilding of physically damaged property as "green certified"; and
- (3) any additional cost incurred by you for certification or re-certification of the repaired or replaced insured property as "green certified".

(ii) Provisions:

Settlement under this Extension of Coverage is subject to the following provisions:

- (1) "Replacement" under the terms of this Extension of Coverage will be effected at your option.
- (2) "Replacement" will be effected by you with due diligence and dispatch.
- (3) Settlement will be made only when "replacement" has been effected by you and in no event will it exceed the amount actually and necessarily expended.

Failing compliance by you with any of the foregoing provisions, settlement will be made as if this Extension of Coverage had not been in effect.

(iii) Definition:

In this Extension of Coverage, "green certified" means products, materials or modes of construction that are Energy Star or Canada Green Building Council/LEED Canada rated or accredited.

(iv) Coinsurance:

This Extension of Coverage is subject to **Part I Section 4. Co-insurance Clause** however any increase in coverage extended by this Extension of Coverage is not to be considered in determining the co-insurance clause compliance.

(v) Limit of Liability:

The most that we will pay under this Extension of Coverage in any one policy period is whichever is the lesser of:

- (1) 25% of the cost to repair or replace the damage property if this Extension of Coverage were not in effect; or
- (2) the amount of insurance specified on the Coverage Summary, or as otherwise indicated on the "schedule".

(hh) Deferred Payment Plan (Stock)

We agree to extend the insurance provided by **Part I Section 2. Insured Property (b) Business Personal Property** to goods sold by you under conditional sale, instalment payment or other deferred payment plan and no longer in your custody and lost or damaged by an insured peril.

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

The most that we will pay under this Extension of Coverage is as specified on the Coverage Summary, or as otherwise indicated on the "schedule" for any one occurrence.

(ii) Brands and Labels

We agree to extend the insurance provided by **Part I Section 2. Insured Property (b) Business Personal Property** to apply to the cost of removal of and re-identifying insured property bearing a brand or trademark, the sale of which carries or implies the guarantee of the responsibility of the manufacturers or you, due to loss of or damage by an insured peril to such insured property.

For the purposes of calculating the total value of such property for loss adjustment, as per **Part I Section 10. Valuations**, the salvage value of such damaged property will be determined after removal of and re-identifying such brands or trademarks or other identifying characteristics.

The most that we will pay under this Extension of Coverage is as specified on the Coverage Summary, or as otherwise indicated on the "schedule" for any one occurrence.

(jj) Top-Up Extension

(i) Insured Property:

In the event that the amount of insurance provided by the following listed Extension of Coverage is insufficient to fully indemnify you following a loss or damage, we agree to extend the insurance provided by **Part I – Property Insured** to apply to such loss or damage by an insured peril to provide an additional amount of insurance.

(ii) Provisions and Limitations:

Settlement under this Extension of Coverage is subject to the following provisions:

- (1) The amount we will pay under this Extension of Coverage will be determined after all policy provisions, conditions, exclusions, limitations and definitions of the Policy and of this **Part I – Property Insured** have been taken into account in the adjustment of the claim for such loss or damage.
- (2) This Extension of Coverage does not apply if no amount is recoverable under the applicable Extension of Coverage.
- (3) This Extension of Coverage does not apply to negate the application of any Deductible provision.
- (4) This Extension of Coverage will only apply to the following Extensions of Coverage:
 - (d) Accounts Receivable;
 - (e) Valuable Papers;
 - (f) Property Off-Premises including Property on Exhibition;
 - (i) Glass;
 - (j) Debris Removal;
 - (k) Removal of Windstorm Debris;
 - (o) Fine Arts;
 - (q) Professional Fees;
 - (r) Automatic Fire Suppression System Recharge Expenses;
 - (s) EDP Equipment, Data and Media Breakdown;
 - (u) Consequential Loss;
 - (x) Peak Season;
 - (y) Tenant’s Leasehold Interest – Rents;
 - (aa) Roadways, Walkways, Parking Lots;
 - (bb) Outdoor Property;
 - (cc) Master Key Coverage;
 - (dd) Condominium Unit Coverage;
 - (hh) Deferred Payment Plan (Stock); and
 - (ii) Brands and Labels.

(iii) Limit of Liability:

The most that we will pay under this Extension of Coverage in any one policy period is whichever is the lesser of:

- (1) the difference between the amount payable under the adjusted claim and the amount required to fully indemnify you;
 - (2) the amount of insurance specified on the Coverage Summary for this Extension of Coverage;
- for any one occurrence and in the aggregate regardless of the number of Extensions of Coverage to which it applies.

(kk) Extra Expense / Expediting Expense

(i) Indemnity Agreement:

We agree to extend the insurance provided by **Part I – Property Insured** for your “extra expense” necessarily incurred by you resulting from “covered direct physical loss” during whichever is the least of:

- (1) the time required to resume your normal business operations;
- (2) the time that is reasonably necessary to repair, rebuild or replace the damaged property, plus 90 days; or
- (3) 6 months;

and subject to the provisions and limitations of this Extension of Coverage.

(ii) Provisions and Limitations:

Settlement under this Extension of Coverage is subject to the following provisions:

- (1) The “covered direct physical loss” must occur on a “scheduled risk location” that has an amount of insurance specified on the “schedule” for Building or Business Personal Property.
- (2) If you do not plan to resume operations, we will not cover your “extra expense” for the additional 90 days after the time that would have been reasonably necessary to repair, rebuild or replace.
- (3) If you fail to:
 - (i) resume operations and stop all “extra expenses” as soon as possible and to whatever extent is possible, as long as this will not increase your loss;
 - (ii) make use of your merchandise, “stock”, or other property at your “premises” or at other locations if it would reduce your loss; or
 - (iii) exercise due diligence and dispatch to repair, rebuild or replace the lost or damaged property;
 we will reduce the amount we will pay for “extra expense” by the amount which could have been saved.

(iii) Additional Exclusions:

This Extension of Coverage does not insure the following losses and expenses:

- (1) The cost of repairing or replacing the property, or the cost of research or other costs of replacing or restoring any type of recorded material. However, if these costs are necessary to speed up your return to normal operations, we will cover them to the extent that they reduce your “business income” loss.
- (2) Any increase in your loss that results because strikers or other persons have interfered with repairs to damaged property or with any resumption of operations.
- (3) Any increase in your loss that results from the loss of a lease, license, other contract or order. However, if the loss of the lease, license, other contract or order is the direct result of an interruption of business due to damage to property at your “scheduled risk location”, we will cover your incurred necessary “extra expense” only during the time that would have been required to repair, rebuild or replace the damaged property.

(4) Any other consequential or remote loss.

(iv) Definitions:

Wherever used in this Extension of Coverage:

(1) "Business income" means the sum of:

- (i) the estimated annual net income (Net Profit or Loss before income taxes) from all your business operations;
- (ii) continuing normal operating expenses incurred, including payroll;
- (iii) your incurred necessary "extra expense"; and
- (iv) your "rental value".

(2) "Covered direct physical loss" means loss of or damage to "insured property" by an "insured peril" during the term of this Policy.

(3) "Extra expense" means the excess of the total cost of conducting your business during the period required to repair or replace lost or damaged property over the total cost of conducting such business that would have been incurred had no loss occurred. "Extra Expense" includes the reasonable extra cost of temporary repair and of expediting the repair or "replacement" of your lost or damaged property, including overtime and the extra cost of express or other rapid means of transportation, but excludes:

- (i) all other direct or indirect loss or damage to property;
- (ii) any reduction in your earnings.

"Extra expense" also includes property obtained for temporary use necessarily acquired to reduce the "extra expense" loss however any salvage value of such property remaining after resumption of normal business operations will be deducted from the "extra expense" loss.

(4) "Insured peril" means perils insured under **Part I – Property Insured** including "breakdown" of "electronic data processing and word processing equipment" and "active electronic data and media".

(5) "Insured property" means insured property under:

- (i) **Part I Section 2. Insured Property– Property Insured;** and
- (ii) the following Extensions of Coverage:

- (a) Newly Acquired or Constructed Buildings;
- (b) Newly Acquired Business Personal Property;
- (c) Personal Effects (including Volunteers);
- (d) Accounts Receivable;
- (e) Valuable Papers;
- (f) Property Off Premises including Property of Exhibition;
- (g) Property in Transit;
- (h) Growing Plants, Lawns, Trees, Shrubs or Flowers in the Open;
- (i) Glass;
- (j) Debris Removal;
- (k) Removal of Windstorm Debris;
- (l) Protection of Property;
- (m) Fine Arts;
- (n) Building Damage by Theft;
- (o) EDP Equipment, Data and Media Breakdown;
- (p) Building By-Laws;
- (q) Peak Season;
- (r) Property of Tenants or Registered Guests of a Hotel or Apartment or Members, Guests and Residents of Health Care Facilities;
- (s) Outdoor Property; and
- (t) Furs, Fur Garments, Jewels and Jewellery.

of this Policy.

(6) "Rental value" means the sum of the:

- (i) total anticipated annual rental income from tenant occupancy of the "scheduled risk location(s)" as furnished and equipped by you; and
- (ii) amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations; and
- (iii) estimated annual rental value of the unoccupied portion of the "scheduled risk location(s)"; and
- (iv) fair rental value of any portion of the "scheduled risk location(s)" which is occupied by you.

(v) Limit of Liability:

The most that we will pay under this Extension of Coverage is as specified on the Coverage Summary, or as otherwise indicated on the "schedule" for any one occurrence.

(II) Product Recall Expense

We agree to extend the insurance provided by **Part I Section 2. Insured Property (b) Business Personal Property** to pay for any reasonable and necessary "product recall expenses" incurred by you and directly related to a withdrawal of your products from within Canada and continental United States when such withdrawal is because you or a government body has determined that the use of the product could result in bodily injury or property damage because of a known or suspected defect or deficiency in the product.

"Product recall expenses" means:

- (i) Costs of notification;
- (ii) Costs of stationery, envelopes, production of announcements and postage or facsimiles;
- (iii) Costs of overtime directly related to such product recall paid to your regular employees;

- (iv) Costs of hiring independent contractors and other temporary help;
 - (v) Costs of transportation, shipping or packaging directly related to such product recall;
 - (vi) Costs of warehouse or storage space directly related to such product recall;
 - (vii) Costs of proper disposal of your products, or products that contain your products, that cannot be reused, not exceeding your purchase price or your cost to produce the products; and
 - (viii) Any other reasonable expenses incurred by you with our written consent;
- but "product recall expenses" does not include:
- (1) costs of the replacement, repair or redesign of your product;
 - (2) costs of regaining your market share; or
 - (3) reduction in goodwill, revenue or profit.

The most that we will pay under this Extension of Coverage is as specified on the Coverage Summary, or as otherwise indicated on the "schedule" for any one occurrence.

9. PROVISIONS AND CONDITIONS

All the General Provisions, Conditions, Exclusions and Definitions of the Policy apply to this Part except those specifically stated to apply only to other Parts. In addition, the following Provisions and Conditions apply to this Part. If any portion of these provisions and conditions are found to be invalid, unenforceable or contrary to statute, the remainder will remain in full force and effect.

(a) Examination of Records

We or our duly appointed representative will be permitted at all reasonable times during the policy period, or within a year after termination or expiration, to inspect the insured property and to examine your books, records and such policies as they relate to any insured property.

Such inspection or examination will not waive nor in any manner affect any of the terms or conditions of this Part.

(b) Permission

Permission is granted:

- (i) for other insurance concurrent with this Part;
- (ii) to make additions, alterations or repairs; and
- (iii) to do such work and to keep and use such articles, materials, and supplies in such quantities as are usual or necessary to your business.

(c) Property Protection Systems

It is a condition of this insurance that you will immediately notify us of any interruption to, or flaw or defect, coming to your knowledge, in any:

- (i) sprinkler or other fire extinguishing system;
- (ii) fire detection system; or
- (iii) intrusion detection system.

You will also, if you are the owner or lessee of the system:

- (1) provide for regular inspection and maintenance of the equipment as recommended by the manufacturer; and
- (2) immediately notify us of the cancellation or non-renewal of any contract which provides monitoring or maintenance services to any of these systems or of the notification of the suspension of police service in response to any of these systems.

(d) Notice To Authorities

Where loss is due to malicious acts, theft, burglary, robbery, or attempt thereof, or is suspected to be so due, you must give immediate notice thereof to the Insurer (us) or other authorities having jurisdiction.

(e) Sue and Labour

- (a) It is your duty, in the event that any property insured under the terms of this Part is lost or in imminent danger of loss or damage, to take all reasonable steps in and about the safeguarding or recovery of such property.
- (b) We will contribute pro rata towards any reasonable and proper expenses in connection with the foregoing (a) according to the respective interest of the parties. Our portion of such expenses will be limited to the extent such expenses reduce loss or damage which would otherwise be payable under this Part.

This clause does not increase the amount of insurance specified on the "schedule" for such insured property.

(f) Other Insurance

If, on the happening of any loss or damage to insured property there is in force any other insurance covering the same interest, this Policy will apply only as excess insurance over any other valid and collectible insurance that would apply in the absence of this Policy.

(g) Insurance Under More Than One Part

In the event of loss or damage to property covered under the terms of this Policy, we will not, under any circumstances, be liable for more than the actual loss sustained by you, even though more than one Part applies to such loss.

(h) Claims Against Third Parties

In the event of any loss of or damage to the property covered under the terms of this Policy, you must immediately make a claim in writing against the carrier(s), bailee(s) or others involved.

(i) No Benefit To Bailee

It is warranted by you that this Policy will in no way be used directly or indirectly to the benefit of any carrier or other bailee for hire.

(j) Loss Payable Clause

Loss, if any, will be adjusted with and payable to you unless another payee is specifically named.

(k) Property of Others

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

(l) Pairs, Sets and Parts

- (i) In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are a part of a set, the measure of loss of

or damage to such articles will be a reasonable and fair proportion of the total value of the set, but in no event will such loss or damage be construed to mean total loss of set.

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

(m) **Abandonment**

There can be no abandonment to us of any property.

(n) **Reinstatement**

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

This clause does not increase or otherwise amend any aggregate amount(s) specified on the "schedule" or any amounts that we have indicated are the most we will pay during the policy period.

(o) **Subrogation**

We, upon making any payment or assuming liability for payment under this Part, will be subrogated to all your rights of recovery against others and may bring action to enforce such rights.

All rights of subrogation with respect to insurance provided by this Part are waived against:

- (i) any corporation, firm, individual or other interest;
- (ii) if the "scheduled risk location" is a condominium building:
 - (1) the "condominium corporation", its Directors, Property Managers, agents and employees; and
 - (2) the owner of a "unit" and, if residents of the household of the owner of a "unit", his or her spouse, the relatives of either and any person under the age of 21 in the care of an owner of a "unit" or his or her spouse provided that the "Condominium Corporation" has waived its right of legal action against such persons prior to the loss. However this waiver of subrogation does not apply to loss or damage with respect to **Part I Section 7. Exclusions A. Excluded Perils (I) dishonest or criminal acts exclusion;**

with respect to which insurance is provided by this Policy. If the "scheduled risk location" is a condominium building, independent contractors will not be considered agents or employees of the "condominium corporation", its Directors, Property Managers, or of the "unit" owners.

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

Any release from liability entered into by you prior to loss will not affect your right to recover.

(p) **Bankruptcy**

Your bankruptcy or insolvency or your estates' bankruptcy or insolvency will not relieve us of our obligations under this Policy.

(q) **Examination Under Oath**

If required by us following loss or damage to insured property, you must:

- (i) submit to examination under oath;
 - (ii) produce for examination all documents in your possession or control that relate to the application for insurance and proof of loss; and
 - (iii) permit extracts and copies of such documents to be made by us;
- all at a reasonable place and time designated by us.

(r) **Breach of Conditions**

If you do not comply with a condition of this insurance, any claim for subsequent loss or damage is not recoverable.

We will not deny a claim for this reason if you prove that the non-compliance neither caused nor worsened the loss or damage. Coverage will not be affected if you fail to comply with a condition in part of the "premises" over which you have no control.

10. VALUATIONS

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

- (a) on unsold "stock" – the actual cash value of the property at the time any loss occurs plus allowance for labour and materials expended for the purposes of performing work therein, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;
- (b) on sold "stock" – the selling price after allowance for discounts;
- (c) on property of others in your custody or control for the purposes of performing work therein – the amount for which you are liable but in no event to exceed the actual cash value at the time and place of loss plus allowance for labour and materials expended to such time;
- (d) on tenant's improvements and records (subject to **Part I Section 2. Insured Property (b) Business Personal Property**), as defined and limited in **Part I Section 12. Special Basis of Settlement;**
- (e) on all other property insured under this Part, the replacement cost value at the time of the loss or damage occurs, as defined and limited in **Part I Section 11. Replacement Cost Basis of Settlement Provisions**, unless shown differently in the "schedule" or for which more specific conditions have been set out.

11. REPLACEMENT COST BASIS OF SETTLEMENT PROVISIONS

- (a) We agree to "replacement cost" basis of settlement subject to the following provisions:
 - (i) "Replacement" will be effected by you with due diligence and dispatch.
 - (ii) Settlement on a "replacement cost" basis will be made only when "replacement" has been effected by you and in no event will it exceed the amount actually and necessarily expended for such "replacement".
 - (iii) Any other insurance obtained by you or on your behalf in respect of the perils insured against by this Part on the property to which this Part is applicable will be on the basis of "replacement cost" as defined herein.
 - (iv) Failing compliance by you with any of the foregoing provisions, settlement will be made on the basis of actual cash value of the property at the time of the loss or damage and the loss or damage will be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and will in no event exceed what it would then cost to repair or replace the same with material of like kind and quality and any reference to "replacement cost" in **Part I Section 4. Co-Insurance Clause** will be deemed to be a reference to the actual cash value of the insured property.
- (b) In this Part,
 - (i) "replacement cost" means the cost of replacing, repairing, constructing or re-constructing (whichever is the least) the property on the same site with new property of like kind and quality and for like occupancy without deduction for depreciation. If the building is not rebuilt on or

immediately adjacent to the same “scheduled risk location”, the cost to rebuild is limited to the cost that would have been incurred had the building been rebuilt on the same “scheduled risk location”.

- (ii) “replacement” means the repair, construction or re-construction with new property of like kind and quality.
- (c) In the event that new property of like kind and quality is not obtainable, new property, which is as similar as possible to that lost or damaged and which is capable of performing the same function, but which may include some technological advancements, will be deemed to be new property of like kind and quality for the purpose of these provisions.
- (d) In this Part, “replacement cost” does not apply to:
 - (i) “stock”;
 - (ii) patterns, dies or moulds;
 - (iii) paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelain, rare glassware, bric-a-brac or other articles of art, rarity or antiquity;
 - (iv) manuscripts and records meaning books of account, drawings, card index systems and other records, media, data storage devices and program devices for electronic and electro-mechanical data processing or for electronically controlled equipment; or
 - (v) any increase in the cost of replacement occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.

12. SPECIAL BASIS OF SETTLEMENT

(a) Leasehold Interest In Tenant’s Improvements

- (i) Where improvements are damaged or destroyed by an insured peril, we will pay the cost to replace on the same site if possible, or if this is not possible, the cost of moving, temporary storage and restoration on another site. If the tenant does not replace, we will pay pro rata the original cost of the improvements for the balance of the lease term.
- (ii) Where improvements are not damaged or destroyed by an insured peril, if as result of an insured peril, your interest in building improvements reverts to the building owner, as a result of the building owner exercising the cancellation clause in the lease, we will pay your costs to replace the improvements at this or another location.
- (iii) In addition, where the landlord terminates the lease as a result of an insured peril, and the property is damaged, in whole or in part, and the lease calls for insurance proceeds to be paid to the landlord, we will pay the cost to replace the damaged property to the landlord.
- (iv) We are not liable for any loss of leasehold interest resulting from your exercising an option to cancel the lease.

(b) Records

Except to the extent provided in **Part I Section 8. Extensions of Coverage (e) Valuable Papers and 8. (s) EDP Equipment, Data and Media Breakdown**, our liability for loss of or damage to:

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

(c) Objects

For the purpose of calculating the total value of the lost or damaged “object” for loss adjustment, the following valuation basis applies:

- (i) The most we will pay for any repair or replacement is limited to whichever is the least of the following:
 - (1) the cost at the time of the “accident” to repair the damaged “object”; or
 - (2) the cost at the time of the “accident” to replace the damaged “object” with property of like kind, capacity, size and quality.
- (ii) In the event that repair or replacement is by property of a better kind, capacity, size or quality, the most we will pay is the amount that would have been paid if repair or replacement had been made by property of like kind, capacity, size and quality.
- (iii) We will not be liable for the cost of repairing or replacing any part or parts of an “object” in excess of the cost of repairing or replacing the entire “object”.
- (iv) If the damaged “object” contained polychlorinated biphenyls (also known as PCBs) and cannot be repaired, the most we will pay is the actual cash value of the “object” at the time and location of the “accident”.
- (v) If any damaged “object” is not repaired or replaced, the most we will pay for such property will be limited to the actual cash value of the damaged property at the time and location of the “accident”.

13. MORTGAGE CLAUSE (APPROVED BY THE INSURANCE BUREAU OF CANADA)

It is hereby provided and agreed that:

a. Breach of Conditions by Mortgagor, owner or occupant:

This insurance and every documented renewal thereof – as to the interest of the Mortgagee therein – is and will be in force notwithstanding any act, neglect, omission or misrepresentation attributable to the Mortgagor, owner or occupant of the property insured, including transfer of interest, any vacancy or non-occupancy or the occupation of such property for purposes more hazardous than specified in the description of the risk.

Provided always that the Mortgagee will notify the Insurer (if known) of any vacancy or non occupancy extending beyond thirty consecutive days or any transfer of interest or increased hazard that will come to his knowledge; and that every increase in hazard (not permitted by this Policy) will be paid for by the Mortgagee – on reasonable demand – from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.

In the Province of Quebec, provided always that the Mortgagee will notify forthwith the Insurer (if known) of any change that increases the risks stipulated in the policy and that results from events within his control if it is likely to materially influence the insurer in setting the rate of premium, appraising the risk or deciding to continue to insure it; and that every increase of risk (not permitted by the Policy) will be paid for by the Mortgagee – on reasonable demand – from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.

b. Right of Subrogation

Whenever the Insurer pays the mortgagee any loss awarded under Part I of this Policy and claims that – as to the Mortgagor or owner – no liability therefor existed, it will be legally subrogated to all rights of the Mortgagee against the insured; but any subrogation will be limited to the amount of such loss payment and will be subordinate and subject to the basic right of the Mortgagee to recover the full amount of its mortgage equity in priority of the Insurer; or the Insurer may at its option pay the Mortgagee all amounts due or to become due under the mortgage or on the security thereof, and

will thereupon receive a full assignment and transfer of the mortgage together with all securities held as collateral to the mortgage debt.

c. Other Insurance

If there be other valid and collectible insurance upon the property with loss payable to the Mortgagee – at law or in equity – then any amount payable thereunder will be taken into account in determining the amount payable to the Mortgagee.

d. Who May Give Proof Of Loss

In the absence of the Insured, or the inability, refusal or neglect of the Insured to give notice of loss or to deliver the required proof of loss under the Policy, then the Mortgagee may give the notice upon becoming aware of the loss and deliver as soon as practicable the proof of loss.

e. Termination

The term of this Mortgage Clause coincides with the term of the Policy:

- i. provided always, that in all Provinces except Quebec, the Insurer reserves the right to cancel the Policy as provided by statutory provision but agrees that the Insurer will neither terminate nor alter the Policy to the prejudice of the Mortgagee without the notice stipulated in such statutory provision; and
- ii. provided always, that in the Province of Quebec, the Insurer reserves the right to cancel the Policy as provided by article 2477 of the Civil Code of the Province of Quebec but agrees that the Insurer will neither cancel nor amend the Policy to the prejudice of the Mortgagee without 15 days notice to the Mortgagee by registered letter.

f. Foreclosure (In the Province of Quebec, Transfer of Title)

Should title or ownership to said property become vested in the Mortgagee and/or assigns as owner or purchaser under foreclosure or otherwise, this insurance will continue until expiry or cancellation for the benefit of the said Mortgagee and/or assigns.

Subject to the terms of this Mortgage Clause (and these will supersede any policy provisions in conflict therewith but only as to the interest of the Mortgagee), loss under Part I of the Policy is payable to the Mortgagee.

14. SUSPENSION – OBJECTS

Upon the discovery of a dangerous condition with respect to any “object”, we may immediately suspend the insurance with respect to an accident to said object by written notice mailed or delivered to you at the location of the object or given to you in accordance with the **General Provisions, Conditions, Exclusions and Definitions** of the Policy captioned “Notice”. We may reinstate insurance so suspended. You will be allowed the unearned portion of the premium paid for such suspended insurance, pro rata, for the period of the suspension.

15. SPECIAL PROVISIONS AND CONDITIONS – “ACCIDENT TO AN OBJECT”

The following special provisions and conditions are applicable to an “object”, as defined in **Part I Section 16. Definitions**, and to any endorsement attached to **Part I – Property Insured** of this Policy, which designates and describes an “object”:

- (a) If a heat transfer medium other than water is used in any boiler or vessel, such heat transfer medium and its vapour will be substituted for the words “water and steam” respectively, wherever such words appear in the definition of “object”.
- (b) Our liability for loss, including salvage expense, with respect to damage by ammonia contacting or permeating property under refrigeration or in a process requiring refrigeration, resulting from an accident to any system of refrigerating or air conditioning vessels and piping, will not exceed the limit specified on the Coverage Summary or the amount otherwise specified on the “schedule” in any one occurrence, such amount being part of and not in addition to the amount insured.
- (c) Our liability for loss, including salvage expense, on property damaged by water, resulting from an accident to any system of refrigerating or air conditioning vessels and piping, including any vessels or piping connected to such system, will not exceed the limit specified on the Coverage Summary or the amount otherwise specified on the “schedule” in any one occurrence, such amount being part of and not in addition to the amount insured.
- (d) Any “accident”, as defined in **Part I Section 16. Definitions**, arising out of strike, riot, civil commotion, acts of sabotage, vandalism or malicious acts will be considered accidental within such meanings.
- (e) Loss Increase Exclusion – this coverage does not apply:
 - (i) to any increase in the loss necessitated by any regulation, ordinance or law regulating or restricting repair, replacement, alteration, use, operation, construction or installation, except as provided in **Part I Section 8. Extension of Coverage (v) Building By-Laws**;
 - (ii) to any increase in the loss as a result of damage, contamination or pollution by a substance declared to be hazardous to health by an authorized governmental agency; or
 - (iii) to any increase in loss or additional expenses incurred for clean-up, repair, replacement or disposal of damaged, contaminated or polluted property. As used here, additional expenses mean expenses incurred beyond those for which we would have been liable had not a substance hazardous to health been involved in the accident.
- (f) Notwithstanding paragraph (e) Loss Increase Exclusion, if a “hazardous substance” is involved in or released by an “accident to an object”, we will be liable for the increase in cost to repair, replace, clean up or dispose of affected insured property. We will also be liable for increase in loss if Business Income coverage is provided in **Part II – Business Income** of this Policy.

As respects this coverage, a “hazardous substance” means any pollutant contaminant or other substance declared by a Government Agency to be hazardous to health or the environment. Increase in cost or increase in loss means that cost or loss beyond that which would have been incurred had no “hazardous substance” been present.

Our liability under this coverage will not exceed the limit specified on the Coverage Summary or the amount otherwise specified on the “schedule” in any one occurrence.

- (g) As respects any unfired vessel which is used for the storage of gas or liquid and which is periodically filled, moved, emptied and refilled in the course of its normal service, such vessel will be considered as connected ready for use within the terms of the Part.
- (h) As respects any unfired vessel, refrigerating system or piping, we will not be liable for loss from an “accident” while said “object” is undergoing a hydrostatic, pneumatic or gas pressure test.
- (i) As respects any “object”, we will not be liable for loss from an explosion of gas or unconsumed fuel within the furnace of such “object” or within the passages from the furnace to the atmosphere, whether or not such explosion:
 - (i) is contributed to or aggravated by an “accident” to any part of said “object” that contains steam or water; or
 - (ii) is caused in whole or in part, directly or indirectly, by an “accident” to any “object” or part thereof,nor will we be liable for any loss from an “accident” caused directly or indirectly by such explosion.
- (j) As respects any electrical machine or electrical apparatus, we will not be liable for loss from an “accident” while said “object” is undergoing an insulation test or is being dried out.

- (k) As respects any "object", we will not be liable for loss or expense resulting from an "accident to an object" occurring prior to the time such "object" has been completely installed, tested and accepted by you.

16. DEFINITIONS

- (a) "Specified Peril" means:

(i) **Fire or Lightning**

(ii) **Explosion**

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

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

The following are not explosion within the intent or meaning of this Section:

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

(iii) **Impact by Aircraft, Spacecraft or Land Vehicle**

The terms Aircraft and Spacecraft include articles dropped from them.

There will in no event be any liability under the terms of this agreement for loss or damage:

- (1) caused by land vehicles belonging to or under your control or any of your employees;
- (2) to aircraft, spacecraft or land vehicles causing the loss;
- (3) caused by any aircraft or spacecraft when being taxied or moved inside or outside of buildings.

(iv) **Riot, Vandalism or Malicious Acts**

The term Riot includes open assemblies of strikers inside or outside of the "premises" who have quitted work and locked-out employees.

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

- (1) due to cessation of work or by interruption to processes or business operations or by change(s) in temperature;
- (2) due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under **Part I Section 16. Definitions (a) Specified Peril clause (ii) Explosion**;
- (3) due to theft or attempt thereat. This exclusion (3) does not apply to resultant damage to buildings insured under this Part or for which you are liable.

(v) **Smoke**

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

(vi) **Leakage from Fire Protective Equipment**

The term Leakage from "fire protective equipment" means:

- (1) the leakage or discharge of water or other substances from;
- (2) the collapse of;
- (3) the rupture due to freezing of;

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

(vii) **Windstorm or Hail**

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

- (1) to the interior of any insured building or to Business Personal Property unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
- (2) directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslip.

(viii) **Sonic Shock Waves**

The term Sonic Shock Waves means sonic shock waves generated by aircraft, generally known as the term Sonic Boom.

(ix) **Elevator Collision**

The term Elevator Collision means direct and accidental loss caused by collision of the elevator or anything carried therein with another object.

We will not be liable under this peril for loss due directly to the breaking, burning out or disrupting of any electrical machine which is not located within the elevator car, nor for loss to any electrical machine arising out of the breaking, burning out or disruption thereof.

- (b) "Accident" means:

a sudden and accidental breakdown of the "object", or part thereof, which manifests itself at the time of its occurrence by physical damage to the "object" that necessitates repair or replacement of the "object" or part thereof. "Accident" does not mean:

- (i) depletion, deterioration, corrosion or erosion of material;
 - (ii) wear and tear;
 - (iii) leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
 - (iv) the breakdown of any electronic computer or electronic data processing equipment unless used solely to control or operate the "object";
 - (v) the breakdown of any vacuum tube, gas tube or brush;
 - (vi) the functioning of any safety device or protective device;
 - (vii) the breakdown of any structure or foundation supporting the "object" or any part of it;
 - (viii) loss from "accident to an object" while undergoing a hydrostatic, pneumatic or gas pressure test; or
 - (ix) an explosion of gas or unconsumed fuel within the furnace of any "object" or within the passages from the furnace of said "object" to the atmosphere.
- (c) **"Accident to an object" means:**
loss of property directly damaged by an "accident", both as defined herein or as defined in any endorsement attached to **Part I – Property Insured** of this Policy. The "object" as defined must be owned by, leased by you or operated under your control and in use or connected ready for use at a location at which there is other property covered under **Part I – Property Insured** of this Policy.
- (d) **"Active electronic data and media" means:**
all forms of converted "data", programs or instruction vehicles employed in your data processing operation, except all such obsolete property.
- (e) **"Automobile" means:**
any self-propelled land vehicle.
- (f) **"Cash cards" means:**
cards designed to store a cash value by electronic means as a mode of payment, without a personal identification number and without direct access to a bank or other account.
- (g) **"Clean up" means:**
See **General Definitions applicable to All Parts.**
- (h) **"Condominium corporation" means:**
See **General Definitions applicable to All Parts.**
- (i) **"Data" means:**
See **General Definitions applicable to All Parts.**
- (j) **"Data problem" means:**
See **General Definitions applicable to All Parts.**
- (k) **"Derangement" means:**
artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
 - (i) electrical or electronic wire, device, appliance, system or network; or
 - (ii) device, appliance, system or network utilizing cellular or satellite technology.For the purpose of this definition, electrical, magnetic or electromagnetic energy includes but is not limited to:
 - (1) electrical current, including arcing;
 - (2) electrical charge produced or conducted by a magnetic or electromagnetic field;
 - (3) pulse of electromagnetic energy; or
 - (4) electromagnetic waves or microwaves.
- (l) **"Electronic data processing and word processing equipment" means:**
a network of electronic components capable of accepting information and processing it according to a plan and which exists primarily to generate information in tangible form or on electronic media including but not limited to telephone, facsimile and photocopying equipment.
- (m) **"Fine arts" means:**
paintings, etchings, pictures, tapestries and other bona fide works of art (such as valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass and bric-a-brac) or other articles of rarity, historical value or artistic merit.
- (n) **"Fire protective equipment" means:**
tanks, watermains, hydrants, valves and any other apparatus whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:
 - (i) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - (ii) any watermains or appurtenances located outside of the "premises" and forming a part of the public water distribution system;
 - (iii) any pond or reservoir in which the water is impounded by a dam.
- (o) **"Fungi" means:**
See **General Definitions applicable to All Parts.**
- (p) **"Hazardous substance" means:**
means any pollutant, contaminant or other substance declared by a Government Agency to be hazardous to health or the environment.
- (q) **"Media" means:**
the material on which "data" is recorded or stored, such as magnetic tapes, disc packs, paper tapes and cards used in processing units.
- (r) **"Money" means:**
currency, coins, bank-notes, or bullion. "Money" also means travellers cheques, register cheques and money orders which you hold for sale to the public.

- (s) **“Object” means:**
- (i) any boiler, any fired vessel, any metal unfired vessel or any A.S.M.E. approved fibreglass reinforced plastic vessel normally subject to vacuum or internal pressure other than static pressure of contents, any condensate return tank, any refrigerating or air conditioning system or any metal piping and its accessory equipment, and including any boiler or pressure vessel mounted on mobile equipment and all subject to the exclusions specified herein; and
 - (ii) any mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power.
- “Object” will not mean any of the following property:
- (1) any boiler setting, any refractory material, any insulating material, non-metallic lining or covering, or any part of a boiler or fired pressure vessel which does not contain steam or water;
 - (2) any sewer piping, underground piping or water piping other than:
 - a) feedwater piping between any boiler and its feed pumps or injectors;
 - b) boiler condensate return piping;
 - c) water piping connected to and forming part of a refrigerating, air conditioning or hot water heating system, but not including any water piping leading to or from any source or supply of cooling water for any condenser or compressor;
 - (3) any piping not on your “premises” used to supply any premises not owned by, leased by you and or operated under your control.
 - (4) any oven, stove, furnace, incinerator or fired kiln of the rotating type;
 - (5) any foundation or structure other than the bedplate of a machine;
 - (6) any buried vessel;
 - (7) any vehicle, aircraft, or any floating vessel or structure;
 - (8) any elevator, escalator, conveyor, crane, hoist, power shovel, dragline or excavator, but not excluding any unfired pressure vessel or electrical equipment mounted on, or forming a part of any such machine or apparatus;
 - (9) any trailing cable or cable buried underground and which is not contained within a conduit, duct, or tunnel;
 - (10) any data processing, calculating or computing equipment, or any electronic machine, device or instrument unless used solely to control or operate any “object”;
 - (11) any X-ray machine, electron microscope, laser, particle accelerator, beta gauge, spectrograph, or any equipment or apparatus utilizing radioactive materials;
 - (12) any diagnostic or treatment machine or apparatus;
 - (13) any penstock, draft tube or well casing;
 - (14) any “object” manufactured by you;
 - (15) any maintenance machine or apparatus;
 - (16) any complete production machine or apparatus which processes, forms, cuts, shapes, grinds, or conveys raw material, material in process, waste material or finished product, and any equipment forming a part of the driving or controlling mechanism for such production machine or apparatus, but not excluding:
 - a) any unfired pressure vessel, pump, compressor, fan, blower, engine, turbine motor or generator, or
 - b) any separate enclosed gear set connected to such production machine or apparatus by a coupling, clutch or belt;
 - (17) any “object” specifically shown as an Uninsured Object on the “schedule”.
- (t) **“Pollutants” means:**
See **General Definitions applicable to All Parts.**
- (u) **“Premises” means:**
the entire area within the property lines and areas under adjoining sidewalks and driveways at:
 - (i) each location described on the “schedule”;
 - (ii) Temporary Locations and any Newly Acquired Location, if covered by this **Part I – Property Insured**;
 and in or on vehicles within 100 metres (328 feet) of such locations.
- (v) **“Schedule” means:**
Part I & II Coverage Schedule.
- (w) **“Scheduled premises” means:**
“premises” specified on the “schedule”.
- (x) **“Scheduled risk location” means:**
risk location(s) specified on the “schedule”.
- (y) **“Securities” means:**
all negotiable and non-negotiable instruments or contracts which represent money or other property, revenue and other stamps, tokens, tickets and credit card receipts. Securities does not include any property included in the definition of “money”.
- (z) **“Sewer back-up” means:**
 - (i) the backing up or overflow, within the area bounded by the bearing walls and foundations of the building(s) described on the “schedule”, of water from within sewers, sumps, septic systems or drains including roof drains. For the purpose of this definition, the building does not include roadways, parking lots, other exterior paved surfaces, retaining walls or permanently installed landscape structures;
 - (ii) the entrance of water or natural precipitation temporarily diffused over the surface of the roof, unless through an aperture concurrently and directly caused by a peril not otherwise excluded in this Part.
- (aa) **“Spores” means:**
See **General Definitions applicable to All Parts.**
- (bb) **“Stock” means:**
 - (i) merchandise of every description usual to your business operations;

(ii) packing, wrapping and advertising materials; and

(iii) similar property belonging to others which you are under obligation to keep insured or for which you are legally liable.

(cc) **“Surface water” means:**

water or natural precipitation temporarily diffused over the surface of the ground.

(dd) **“Terrorism” means:**

See **General Definitions applicable to All Parts.**

(ee) **“Unit” means:**

See **General Definitions applicable to All Parts.**

(ff) **“Valuable papers and records” means:**

written, printed or otherwise inscribed documents and records including books of account, drawings, maps, card index systems or other records, including film, tape, disc, drum, cell or other magnetic recording or storage media for electronic data processing but does not include “data” insured under **Part I Section 8. Extension of Coverage (s) EDP Equipment, Data and Media Breakdown** nor “money” and “securities”.

(gg) **“Volunteer worker” means:**

See **General Definitions applicable to All Parts.**

PART II

BUSINESS INCOME

SECTION

1. INDEMNITY AGREEMENT

We will pay for your loss of “business income”, your incurred necessary “extra expense”, or loss of “rental value” during the Period of Indemnity resulting from “covered direct physical loss” subject to the provisions and limitations as applicable to the coverage specified on the “schedule” in this Part. The “covered direct physical loss” must occur at a “scheduled risk location” that has a limit specified on the “schedule”.

2. LIMIT OF LIABILITY

The most we will pay under this Part is the limit specified for each “scheduled risk location”.

3. PERIOD OF INDEMNITY

When there is a “covered direct physical loss”, we will cover your loss of “business income”, incurred necessary “extra expense” or loss of “rental value”, as applicable to the coverage specified on the “schedule”, for the shorter of the following periods, starting from the time of loss or damage:

- (a) the time required to resume your normal business operations; or
- (b) 12 consecutive months or any other Period of Indemnity specified on the “schedule”.

If you do not plan to resume operations, we will only cover your loss of “business income”, incurred necessary “extra expense” or loss of “rental value”, as applicable to the coverage specified on the “schedule”, for the shortest of the following periods, starting from the time of loss or damage:

- (i) the time that would have been required to resume your normal business operations;
- (ii) the time that would have been reasonably necessary to repair, rebuild or replace; or
- (iii) whichever is the shorter of:
 - (1) 12 consecutive months; or
 - (2) any other Period of Indemnity specified on the “schedule”.

If damage involved was to a building being built or altered, you can choose to have the period for which we will pay lost “business income”, incurred necessary “extra expense” or lost “rental value”, as applicable to the coverage specified on the “schedule”, start on the date you would have begun operations in the building, instead of the date of the damage. The time limitations described above will apply, no matter when the period begins.

If necessary, we will pay for lost “business income”, incurred necessary “extra expense” or lost “rental value”, as applicable to the coverage specified on the “schedule”, beyond the date that this Policy expires, but the time limitations described above will still apply.

4. DEDUCTIBLE

- (a) We are liable for the amount by which your loss of “business income”, incurred necessary “extra expense” or loss of “rental value”, as applicable to the coverage specified on the “schedule”, resulting from “covered direct physical loss” exceeds \$1,000, or any other amount of the Deductible specified on the “schedule” in any one occurrence.
- (b) If a waiting period deductible is specified on the “schedule”, our liability for each interruption of business resulting from “covered direct physical loss” begins only when the period of interruption exceeds the number of consecutive hours as specified on the “schedule” and we are liable only for that part of the loss in excess of the number of hours specified on the “schedule”.

5. EXCLUSIONS

This **Part II – Business Income** does not cover the following losses and expenses:

- (a) the cost of repairing or replacing the property, or the cost of research or other costs of replacing or restoring any type of recorded material. However, if these costs are necessary to speed up your return to normal operations, we will cover them to the extent that they reduce your loss;
- (b) any increase in your loss that results because strikers or other persons have interfered with repairs to damaged property or with any resumption of operations;
- (c) any increase in your loss that results from the loss of a lease, license, other contract or order. However, if the loss of the lease, license, other contract or order is the direct result of an interruption of business due to damage to property at your “scheduled risk location”, we will cover your loss of “business income”, incurred necessary “extra expense” or loss of “rental value”, as applicable to the coverage specified on the “schedule”, only during the time that would have been required to repair, rebuild or replace the damaged property; or
- (d) any other consequential or remote loss except as otherwise provided under **Part II Section 6. Extension of Coverage (i) Fines, Damages or Penalties for Breach of Contract**.

6. EXTENSIONS OF COVERAGE

The Extensions of Coverage either modify or are in addition to coverage granted under **Part II – Business Income** subject to the following conditions:

- (1) The Extensions of Coverage are applicable only to the coverage specified on the “schedule”.
- (2) The limits of liability specified for the Extensions of Coverage apply as an additional amount of insurance, except with respect to the following extensions:
 - (e) Civil Authority;
 - (h) Mortgage Rate Guarantee.
- (3) If a loss covered under an Extension of Coverage also involves a loss under any Part, its Extension of Coverage or an endorsement, then, the maximum limit of insurance will not exceed the highest applicable limit under any one Part, Extension of Coverage or endorsement.
- (4) If a specified Extension of Coverage is indicated as not covered on the “schedule”, there is no amount recoverable.
- (5) If the limit of liability of an Extension applies to the policy period, and the policy period is extended after issuance for an additional period of less than 6 months, the additional period will be deemed part of the preceding period for the purposes of determining limits.
- (6) If “Extra Expense” only is specified on the “schedule”, the following are not covered:
 - (a) Retailers Product Impairment;
 - (b) Contingent Business Income Coverage;

- (h) Mortgage Rate Guarantee;
- (i) Fines, Damages or Penalties for Breach of Contract.

(7) Unless otherwise stated, are subject to the exclusions, provisions, and conditions of this Part.

(a) **Retailers Product Impairment**

(i) We agree to extend the insurance provided by **Part II -- Business Income** to apply to your loss of "business income", for a maximum of any 60 consecutive day period, if you are a retailer, and a product or a component of a product you sell to the ultimate consumer is "recalled" and as a result:

- (1) the product cannot be sold by you; or
- (2) the public becomes aware of the "recall" causing you to suffer a loss of "business income".

(ii) The 60 consecutive day period:

- (1) may begin no earlier than the inception of this Policy;
- (2) may begin no earlier than 60 days before and end no later than 60 days after you:
 - (i) receive a recall notice from the manufacturer or someone with the authority to order a "recall"; or
 - (ii) notify the police or other appropriate authorities of the "recall", including the conditions leading up to the "recall" but only if no notice is received from the manufacturer.

This 60 consecutive day period is not limited by the expiration of this Policy.

(iii) The "recall" must be either:

- (1) a result of a notice received by you, after the effective date of the Policy, from the manufacturer or someone with the authority to order a "recall"; or
- (2) because you discover that there is a threat of bodily injury or property damage.

You must notify the police or other appropriate public authorities within a reasonable time after your discovery.

(iv) We will not cover the loss of "business income" you sustain under this Extension of Coverage if:

- (1) the product "recalled" was manufactured by you or on your behalf;
- (2) the product "recalled" is a component of a product manufactured by you;
- (3) prior to the effective date of the Policy you knew, or ought to have known, that a product "recall" was planned or had already begun;
- (4) you have violated a law or regulation in connection with the sale or distribution of a "recalled" product; or
- (5) the product or component of a product "recalled" is handled, sold or held for sale by you in any capacity other than as a retailer. This exclusion will apply even if you are also a retailer of the product, unless the other capacity is incidental assembly, which is related to your operation as a retailer of the product "recalled".

(v) The most that we will pay under this Extension of Coverage for loss of "business income" resulting from the "recall" of a product is as specified on the Coverage Summary, or as otherwise indicated on the "schedule" for any one "recall".

(b) **Contingent Business Income Coverage**

We agree to extend the insurance provided by **Part II -- Business Income** to apply to your loss of "business income" resulting from interruption to your business due to loss or damage from an "insured peril" to "contingent property" anywhere in Canada or the continental United States, provided such location is not:

- (i) under your ownership, controlled or occupied by you; or
- (ii) a public utility which furnishes heat, light, power, gas or water to you.

The most that we will pay under this Extension of Coverage is as specified on the Coverage Summary, or as otherwise indicated on the "schedule" for any one occurrence.

"Contingent property" means:

- (1) property which provides you or to anyone else on your behalf with products, materials or services;
- (2) property which receives your products, materials or services that you produce or sell; or
- (3) property that is in the vicinity of your business and attracts business to your "premises".

(c) **Off-Premises Heat, Power, Gas, Water or Communication Services**

We agree to extend the insurance provided by **Part II -- Business Income** to apply to your loss of "business income", incurred necessary "extra expense" or loss of "rental value" resulting from interruption of service caused directly by damage or destruction of off-premises public utility plants, transformer or switching stations, sub-stations, transformers or pumping stations, including underground power transmission and communications lines, which furnish heat, light, power, gas, water or communication services to your "scheduled risk location(s)".

The damage or destruction must be due to an "insured peril". This coverage does not apply if such property is:

- (i) located on your "premises";
- (ii) under your control; or
- (iii) located beyond 100 kilometres of your "premises".

Our liability for each interruption of business begins only when the period of interruption exceeds 24 consecutive hours or as otherwise indicated on the "schedule" and we are liable only for that part of the loss in excess of such number of consecutive hours.

The most that we will pay under this Extension of Coverage is as specified on the Coverage Summary, or as otherwise indicated on the "schedule" for any one interruption.

(d) **Accountants Fees**

We agree to extend the insurance provided by this **Part II -- Business Income** to apply to the reasonable expenses you incur at our request to pay your accountants to produce and certify particulars or details or other proofs, information or evidence as may be required for the purpose of investigating or verifying the quantum of any claim under **Part II -- Business Income**, the liability for which is otherwise accepted by us, and

reporting that such particulars or details are in accordance with your books of account and other business books or documents, resulting from "covered direct physical loss".

The most that we will pay under this Extension of Coverage is as specified on the Coverage Summary, or as otherwise indicated on the "schedule" for any one occurrence.

(e) **Civil Authority**

We agree to extend the insurance provided by this **Part II – Business Income** to apply to your loss of "business income", incurred necessary "extra expense" or loss of "rental value", if you are denied access to your "scheduled risk location" by a Government authority, due to damage to other property nearby for up to the number of days specified on the Coverage Summary or as otherwise indicated on the "schedule" for any one occurrence. This Extension of Coverage only applies if the other property involved has been damaged by an "insured peril".

(f) **Newly Acquired Locations**

We agree to extend the insurance provided by **Part II – Business Income** to apply to the loss of "business income", incurred necessary "extra expense" or loss of "rental value" that you sustain resulting from the loss or damage to property which you acquire after your Policy takes effect, as long as the damage or destruction is from an "insured peril" and the property is located in Canada.

This coverage will end when any of the following first occurs:

- (i) you report values to us;
- (ii) other insurance covering the property takes effect; or
- (iii) 90 days after you acquire the property.

We will charge an additional premium from the date that you first acquired the property.

The most that we will pay under this Extension of Coverage is as specified on the Coverage Summary, or as otherwise indicated on the "schedule" for any one occurrence.

(g) **Non Owned Heat, Power, Gas, Water or Communication Services**

We agree to extend the insurance provided by **Part II -- Business Income** to apply to your loss of "business income", incurred necessary "extra expense" or loss of "rental value" resulting from interruption of service caused directly by damage or destruction of non-owned utility transformers or pumping stations, including underground power transmission and communication lines, which furnish heat, light, power, gas, water or communication services and are located on your "scheduled risk location".

The damage or destruction must be due to an "insured peril". This coverage does not apply if:

- (i) such property is owned or leased by you; or
- (ii) coverage under **Part I – Property Insured** has been deleted by CBC 112 Deletion of Accident to an Object Coverage Endorsement shown on the "schedule".

Our liability for each interruption of business begins only when the period of interruption exceeds 24 consecutive hours or as otherwise indicated on the "schedule" and we are liable only for that part of the loss in excess of such number of consecutive hours.

The most that we will pay under this Extension of Coverage is as specified in the Coverage Summary, or as otherwise indicated on the "schedule" for any one interruption.

(h) **Mortgage Rate Guarantee**

We agree to extend the insurance provided by **Part II -- Business Income** to include the cost of additional competitive rate of interest that may be charged by mortgage providers for the rebuilding or reconstruction of your building resulting from "covered direct physical loss".

This Extension of Coverage is calculated on the difference in cost between the mortgage rate in effect at the time of the loss and new mortgage rate, based on the outstanding mortgage balance.

This Extension of Coverage will be in effect for whichever is the shortest of:

- (1) the duration of the existing mortgage period in effect at the time of the loss, until its expiry;
- (2) your interest in the building ceases; or
- (3) sixty (60) months.

This Extension of Coverage is subject to the following provisions:

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

The most that we will pay under this Extension of Coverage is as specified on the Coverage Summary, or as otherwise indicated on the "schedule" for any one occurrence.

(i) **Fines, Damages or Penalties for Breach of Contract**

We agree to extend the insurance provided by **Part II -- Business Income** to apply to fines, damages or penalties that you are legally liable for breach of a written contract with your customer located within Canada and continental United States and in effect prior to the loss for non-completion of orders at your "scheduled risk location" solely in consequence of "covered direct physical loss".

The most that we will pay under this Extension of Coverage is as specified on the Coverage Summary, or as indicated on the "schedule" for any one occurrence at your "scheduled risk location".

(j) **Negative Publicity**

We agree to extend the insurance provided by **Part II -- Business Income** to apply to your loss of "business income", incurred necessary "extra expense" or loss of "rental value" you sustain resulting from interruption of or interference to your business operations at your "scheduled risk location" as a result of:

- (i) A "noticeable" infectious or contagious disease manifested by:
 - (1) any of your employees; or

- (2) any person employed by the manufacturer of a product similar to your product;
- (ii) Poisoning of any person directly caused by the consumption of food or beverage:
 - (1) you manufactured; or
 - (2) produced by the manufacturer of a product similar to your product;
- (iii) Murder or suicide occurring at your “scheduled risk location”;
- (iv) Criminal discharge of firearm occurring at your “scheduled risk location”, which occurs during the policy period.

However, we will not cover any loss resulting from, caused by or contributed to by, arising or resulting, directly or indirectly, in whole or in part, from:

- (1) a “pandemic outbreak” declared by Civil Authority or “public health authority”;
- (2) asbestos or any materials containing asbestos in whatever form or quality, “fungi” and “spores”, “terrorism”, war, “pollutants”, nuclear incident or contamination by radioactive material;
- (3) any increased costs incurred to comply with the enforcement of any by-law, regulation, ordinance, building and construction code, law or order, including but not limited to any cost or expense arising out of the repair or upgrading or retrofitting of equipment or defective sanitation;
- (4) any loss, cost or expense arising out of testing for, monitoring of, clean up, removal, containment or treatment of a “noticeable” infectious or contagious disease, including but not limited to viral or bacterial infections, poisoning caused by the consumption of food or beverage, an infestation of animals, including but not limited to insects, birds or rodents or defective sanitation; or
- (5) any claim under **Part I Section 8. Extension of Coverage (II) Product Recall Expense**, the liability for which is otherwise accepted by us.

Our liability for each interruption of business begins only when the period of interruption exceeds 48 consecutive hours and we are liable only for that part of the loss in excess of 48 consecutive hours.

The limit of insurance provided under this Extension of Coverage will not be combined with any other limits of liability provided under **Part II – Business Income**.

The most that we will pay under this Extension of Coverage in any one policy period is as specified on the Coverage Summary, or as otherwise indicated on the “schedule”, subject to:

- (a) if indemnity provided by this Extension of Coverage is from (i), such indemnity will not exceed a maximum of 30 days from the date when the disease first became “noticeable”; or
- (b) if indemnity provided by this Extension of Coverage is from (ii), (iii) or (iv), such indemnity will not exceed a maximum of 30 days from the date of the poisoning, murder, suicide or criminal discharge of firearm.

(k) **Outbreak Extra Expense**

We agree to extend the insurance provided by **Part II -- Business Income** to apply to your incurred necessary “extra expense” resulting from interruption of or interference to your business operations as a result of a “pandemic outbreak” declared by Civil Authority or “public health authority” during the policy period.

However, we will not cover any loss resulting from, caused by or contributed to by, arising or resulting, directly or indirectly, in whole or in part, from:

- (1) any infectious or contagious disease which has not been declared a “pandemic outbreak” by Civil Authority or “public health authority”;
- (2) asbestos or any materials containing asbestos in whatever form or quality, “fungi” and “spores”, “terrorism”, war, “pollutants”, nuclear incident or contamination by radioactive material;
- (3) any increased costs incurred to comply with the enforcement of any by-law, regulation, ordinance, law or order, including but not limited to any cost or expense arising out of the repair or upgrading or retrofitting of equipment or defective sanitation; or
- (4) any loss, cost or expense arising out of testing for, monitoring of, clean up, removal, containment or treatment of a “noticeable” infectious or contagious disease, including but not limited to viral or bacterial infections, poisoning caused by the consumption of food or beverage, an infestation of animals, including but not limited to insects, birds or rodents or defective sanitation.

The most that we will pay under this Extension of Coverage in any one policy period is as specified on the Coverage Summary, or as otherwise indicated on the “schedule”, subject to indemnity provided by this Extension of Coverage will not exceed the shorter of:

- (i) 30 days from the date of the declaration by Civil Authority or “public health authority”; or
- (ii) the reasonable time required to comply with the declaration by Civil Authority or “public health authority”.

7. VALUATION

(a) **Business Income Valuation:**

Applicable only to “business income” coverage:

We will:

- (i) establish the amount of your net income before the “covered direct physical loss” occurred. This will include the reduction in any rents that you would have normally received;
- (ii) establish the likely amount of your net income if no loss or damage had occurred. This will consider the changes in the commercial environment during the Period of Indemnity that would have affected your net income, but this will not include any net income that would likely have been earned as a result of an increase in your business operations due to favourable commercial environment conditions caused by the impact of the “covered direct physical loss” on customers or other businesses;
- (iii) consider expenses, including payroll expenses, that are required so that your business can return to operations with the same quality of service that existed just prior to the “coverage direct physical loss”;
- (iv) add the “extra expense” you necessarily incur to continue or resume your business operations as nearly normal as possible.

(b) **Extra Expense Valuation:**

Applicable to “extra expense” coverage:

The amount of "extra expense" will be determined based on:

- (i) all expenses that exceed the normal operating expenses that would have been incurred by your business operations during the Period of Indemnity if no "covered direct physical loss" had occurred. We will deduct:
 - (1) the salvage value that remains of any property bought for temporary use during the Period of Indemnity once your business operations have resumed; and
 - (2) any costs and expenses that are paid for by other insurance;
 - (ii) all necessarily incurred expenses that reduce your "business income" loss that otherwise would not have been incurred.
- (c) **Rental Value Valuation:**
Applicable only to "rental value" coverage:
We will:
- (i) establish the amount by which your rental income has been reduced solely due to "covered direct physical loss";
 - (ii) subtract those costs and expenses that do not necessarily continue during the Period of Indemnity.

8. YOUR OBLIGATIONS TO MINIMIZE LOSS

You have certain additional obligations under this Part and you may not be covered for a loss if you do not meet these obligations:

- (a) You must resume operations and stop all "extra expenses" as soon as possible and to whatever extent is possible, as long as this will not increase your loss.
- (b) You must also make use of your merchandise, "stock", or other property at your "premises" or at other locations if it would reduce your loss.

If you fail to take any of these steps to reduce your loss, we will reduce the amount we will pay for your loss by the amount which could have been saved.

9. PROVISIONS AND CONDITIONS

All the General Provisions, Conditions, Exclusions and Definitions of the Policy apply to this Part except those specifically stated to apply only to other Parts. All the Provisions and Conditions applicable to **Part I – Property Insured** apply to this Part.

10. PREMIUM ADJUSTMENT

Applicable only to "business income" coverage.

(i) Adjustment Requirements

The premium stated on the "schedule" for Business Income coverage is provisional, subject to the following conditions:

- (1) The policy period is annual.
- (2) Within 2 months of the inception date of this policy period you submit to us the fully completed and signed Northbridge Worksheets specified by us:
A fully completed and signed Northbridge Worksheet is required for each insured risk location.
- (3) Your amount of insurance specified for each risk location on the "schedule" for Business Income equals not less than:
 - (a) the Estimated Total Business Income Amount after adjustment for any Period of Indemnity not equal to 12 months for the current Policy Period (column 2) on the Worksheet;
plus:
 - (b) the Estimated Value of Total Extra Expense Amount for the current Policy Period on the Worksheet.
- (4) Within 12 months of the expiry date of this policy period you submit to us the fully completed and signed Northbridge Worksheet for each insured risk location.

(ii) Adjustment Determination

If you comply with all the preceding conditions, we will determine if any return premium is due to you based on the following calculation:

For each risk location:

- (1) the amount of insurance specified on the "schedule" for Business Income for the risk location;
subtract:
- (2) the "extra expense" component as per (i) (3) (b) above;
subtract:
- (3) the Actual Total Business Income Amount after adjustment for any Period of Indemnity not equal to 12 months for the Actual Policy Period (column 1) on the most current Worksheet for the risk location. We will use the Worksheet from your financial year that is most nearly concurrent with the annual term of this policy period.

If the sum calculated is zero or negative then no return premium is due to you.

If the sum calculated is positive then return premium is due to you.

(iii) Adjustment Calculation

If the sum calculated from (ii) above is positive, we will allow in respect of the difference a return premium calculated as follows:

- (1) the sum calculated as per (ii) above;
multiplied by:
- (2) the rate per \$100 amount of insurance for Business Income coverage at the risk location;
subject to:
- (3) the return premium may not exceed 50% of the deposit premium.

11. DEFINITIONS

- (a) **"Business income" means:**

The sum of:

- (i) the estimated annual net income (Net Profit or Loss before income taxes) from all your business operations;
- (ii) continuing normal operating expenses incurred, including payroll;
- (iii) your incurred necessary "extra expense"; and
- (iv) your "rental value".

(b) **"Covered direct physical loss" means:**

Loss of or damage to "insured property" by an "insured peril" during the term of this Policy. However, any occurrence insured under the following **Part I – Section 8. Extensions of Coverage**:

- (l) Pollutant Cleanup and Removal;
- (m) Fire Department Service Charges;
- (q) Professional Fees;
- (r) Automatic Fire Suppression System Recharge Expenses;
- (u) Consequential Loss;
- (w) Installation Floater;
- (y) Tenant's Leasehold Interest – Rents;
- (aa) Roadways, Walkways, Parking Lots;
- (cc) Master Key Coverage;
- (dd) Condominium Unit Coverage;
- (ee) Rewards;
- (gg) Environmental Upgrade;
- (hh) Deferred Payment Plan (Stock);
- (ii) Brands and Labels;
- (jj) Top-Up Extension;
- (ll) Product Recall Expense; or
- (mm) Cyber Event Expense;

will not be considered a "covered direct physical loss" for the purposes of this Part.

It is also agreed that any occurrence insured under the following endorsements:

- CBC 122 Resident Health Care Facility Property Endorsement;
- CBC 123 Food Processors Property Extension Endorsement Spoilage Coverage;
- CBC 128 Veterinarians' Property Endorsement; or
- CBC 135 Plastic Products Property Extension Endorsement;

will not be considered a "covered direct physical loss" for the purposes of this Part.

(c) **"Extra expense" means:**

The excess of the total cost of conducting your business during the period required to repair or replace lost or damaged property over the total cost of conducting such business that would have been incurred had no loss occurred. "Extra expense" includes the reasonable extra cost of temporary repair and of expediting the repair or replacement of your lost or damaged property including overtime and the extra cost of express and other rapid means of transportation, but excludes:

- (i) all other direct or indirect loss or damage to property, and any expense for physical property unless incurred to reduce "extra expense" loss (and then not to exceed the amount by which such loss is reduced with due consideration for salvage value of such property), or
- (ii) loss of "business income".

(d) **"Fungi" means:**

See **General Definitions applicable to All Parts**.

(e) **"Insured peril" means:**

Perils insured under **Part I – Property Insured** of this Policy.

(f) **"Insured property" means:**

- (i) Property insured under **Part I – Property Insured** of this Policy;
- (ii) Buildings at the "scheduled risk location(s)"; or
- (iii) Business Personal Property at the "scheduled risk location(s)".

(g) **"Noticeable" means** an infectious or contagious disease requiring notification of "public health authority".

(h) **"Pandemic outbreak" means** an outbreak of disease due to an infectious disease resulting in serious illness that becomes prevalent over the human population throughout the region, as declared by Civil Authority or "public health authority".

(i) **"Pollutants" means:**

See **General Definitions applicable to All Parts**.

(j) **"Premises" means:**

See Definitions under **Part I – Property Insured Section 16. Definitions**.

(k) **"Public health authority" means** a governmental authority having jurisdiction over your business operations relating to creating and administering standards for the public's health and hygiene protection.

(l) **"Recall" means:**

The withdrawal of a product from the market because:

- (i) its use or consumption has resulted in bodily injury or property damage;
- (ii) of a criminal act, committed by someone other than you or your employees acting with your knowledge or consent, that has created a threat of bodily injury or property damage if the product is used or consumed; or
- (iii) it has become public knowledge that the use or consumption of the product could result in bodily injury or property damage.

A series of "recalls" of:

- (1) the same product or similar products;
- (2) two or more products arising from the same or a similar cause;
- (3) products with the same or a similar brand name, trademark, model, series or similar designation; or
- (4) products of the same manufacturer;

within any 12 month period will be considered one "recall".

(m) **"Rental value" means:**

The sum of the:

- (i) total anticipated annual rental income from tenant occupancy of the "scheduled risk location(s)" as furnished and equipped by you; and
- (ii) amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations; and
- (iii) estimated annual rental value of the unoccupied portion of the "scheduled risk location(s)"; and
- (iv) fair rental value of any portion of the "scheduled risk location(s)" which is occupied by you.

(n) **"Schedule" means:**

See Definitions under **Part I – Property Insured Section 16. Definitions.**

(o) **"Scheduled risk location" means:**

See Definitions under **Part I – Property Insured Section 16. Definitions.**

(p) **"Spores" means:**

See **General Definitions applicable to All Parts.**

(q) **"Stock" means:**

See Definitions under **Part I – Property Insured Section 16. Definitions.**

(r) **"Terrorism" means:**

See **General Definitions applicable to All Parts.**

PART III

COMMERCIAL GENERAL LIABILITY

(OCCURRENCE BASIS)

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

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

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

SECTION I – COVERAGES

COVERAGE A. BODILY INJURY and PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of “bodily injury” or “property damage” to which this insurance applies. We will have the right and duty to defend the insured against any “action” seeking those damages. However, we will have no duty to defend the insured against any “action” seeking damages for “bodily injury” or “property damage” to which this insurance does not apply. We may, at our discretion, investigate any “occurrence” and settle any claim or “action” that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A, B, D and E.

b. This insurance applies to “bodily injury” and “property damage” only if:

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

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

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

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

e. Damages because of “bodily injury” include damages claimed by any person or organization for care, loss of services or death resulting at any time from the “bodily injury”.

2. Exclusions

This insurance does not apply to:

a. Expected or Intended Injury

“Bodily injury” or “property damage” expected or intended from the standpoint of the insured. This exclusion does not apply to “bodily injury” or “property damage” resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

“Bodily injury” or “property damage” for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an “insured contract”, provided the “bodily injury” or “property damage” occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an “insured contract”, reasonable legal fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of “bodily injury” or “property damage”, provided:
 - (a) Liability to such party for, or for the cost of, that party’s defence has also been assumed in the same “insured contract”; and
 - (b) Such legal fees and litigation expenses are for defence of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Workers’ Compensation and Similar Laws

Any obligation of the insured under a workers’ compensation, disability benefits or unemployment or employment compensation law or any similar law.

d. Employer’s Liability

“Bodily injury” to:

- (1) your employees arising out of and in the course of:
 - (a) Employment by you; or
 - (b) Performing duties related to the conduct of your business.

(2) The spouse, child, parent, brother or sister of that employee as a consequence of Paragraph (1) above.

This exclusion applies:

- (i) Whether you may be liable as an employer or in any other capacity; and
- (ii) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to:

- (a) Liability assumed by you under an “insured contract”; or
- (b) A claim made or an “action” brought by a Canadian resident employee on whose behalf contributions are made by or required to be made by you under the provisions of any Canadian provincial or territorial workers’ compensation law, if cover or benefits have been denied by any Canadian Workers’ Compensation Authority.

e. **Automobile**

“Bodily injury” or “property damage” arising directly or indirectly, in whole or in part, out of the ownership, maintenance, use or entrustment to others of any “automobile” that is owned or operated by or on behalf of or rented or loaned to any insured. Use includes operation and “loading or unloading”. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the “bodily injury” or “property damage”.

This exclusion applies to any vehicle while being used in any speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity.

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

This exclusion does not apply to:

- (1) “Bodily injury” to an employee of the insured on whose behalf contributions are made by or required to be made by the insured under the provisions of any Canadian provincial or territorial workers’ compensation law.
- (2) “Bodily injury” or “property damage” arising out of a defective condition in, or improper maintenance of, any “automobile” that is owned by the insured while leased to others for a period of 30 days or more provided the lessee is obligated under contract to ensure that the “automobile” is insured.
- (3) the ownership, use or operation of machinery, apparatus or equipment mounted on or attached to any vehicle while at the site of the use or operation of such equipment, but this exception does not apply when such equipment is used for the purpose of “loading or unloading”.
- (4) “loading or unloading” if such operation is not insured under a motor vehicle liability policy.

f. **Aircraft or Watercraft**

“Bodily injury” or “property damage” arising out of the ownership, maintenance, use or entrustment to others by or on behalf of any insured of any aircraft, air cushion vehicle or watercraft that is owned or operated by or rented or loaned to any insured.

Use includes operation and “loading or unloading”.

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

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft that is:
 - (a) Less than 8 metres long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) “Bodily injury” to an employee of the insured on whose behalf contributions are made by or required to be made by the insured under the provisions of any Canadian provincial or territorial workers’ compensation law, if the “bodily injury” results from an “occurrence” involving watercraft.

g. **Airport**

“Bodily injury” or “property damage” arising out of ownership, existence, use or operation by or on behalf of any insured of any premises for the purpose of an airport or aircraft landing area and all operations necessary or incidental thereto.

h. **Damage To Property**

“Property damage” to:

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

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

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

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

i. **Damage To Your Product**

“Property damage” to “your product” arising out of it or any part of it.

- j. **Damage To Your Work**
 “Property damage” to that particular part of “your work” arising out of it or any part of it and included in the “products-completed operations hazard”.
 This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.
- k. **Damage To Impaired Property or Property Not Physically Injured**
 “Property damage” to “impaired property” or property that has not been physically injured, arising out of:
 - (1) A defect, deficiency, inadequacy or dangerous condition in “your product” or “your work”; or
 - (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.
 This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to “your product” or “your work” after it has been put to its intended use.
- l. **Recall of Products, Work or Impaired Property**
 Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:
 - (1) “Your product”;
 - (2) “Your work”; or
 - (3) “Impaired property”;
 if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.
- m. **Electronic Data**
 Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate “electronic data”.
- n. **Personal and Advertising Injury**
 “Bodily injury” arising out of “personal and advertising injury”.
- o. **Professional Services**
 “Bodily injury” (other than “incidental medical malpractice injury”), or “property damage” due to the rendering of or failure to render by you or on your behalf of any “professional services” for others, or any error or omission, malpractice or mistake in providing those services.
- p. **Asbestos** – see Common Exclusions
- q. **Fungi or Spores** – see Common Exclusions
- r. **Nuclear** – see Common Exclusions
- s. **Pollution** – see Common Exclusions
- t. **Terrorism** – see Common Exclusions
- u. **War Risks** – see Common Exclusions

COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of “personal and advertising injury” to which this insurance applies. We will have the right and duty to defend the insured against any “action” seeking those damages. However, we will have no duty to defend the insured against any “action” seeking damages for “personal and advertising injury” to which this insurance does not apply. We may, at our discretion, investigate any offence and settle any claim or “action” that may result. But:
 - (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
 - (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical expenses under Coverage C.
 No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A, B, D and E.
- b. This insurance applies to “personal and advertising injury” caused by an offence arising out of your business but only if the offence was committed in the “coverage territory” during the policy period.

2. Exclusions

This insurance does not apply to:

- a. **Knowing Violation Of Rights Of Another**
 “Personal and advertising injury” caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict “personal and advertising injury”.
- b. **Material Published With Knowledge Of Falsity**
 “Personal and advertising injury” arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.
- c. **Material Published Prior To Policy Period**
 “Personal and advertising injury” arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.
- d. **Criminal Acts**
 “Personal and advertising injury” arising out of a criminal act committed by or at the direction of the insured.
- e. **Contractual Liability**
 “Personal and advertising injury” for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- f. **Breach Of Contract**
 “Personal and advertising injury” arising out of a breach of contract, except an implied contract to use another’s advertising idea in your “advertisement”.

- g. **Quality Or Performance Of Goods – Failure To Conform To Statements**
“Personal and advertising injury” arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your “advertisement”.
- h. **Wrong Description Of Prices**
“Personal and advertising injury” arising out of the wrong description of the price of goods, products or services stated in your “advertisement”.
- i. **Infringement Of Copyright, Patent, Trademark or Trade Secret**
“Personal and advertising injury” arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. However, this exclusion does not apply to infringement, in your “advertisement”, of copyright, trade dress or slogan.
- j. **Insureds In Media and Internet Type Businesses**
“Personal and advertising injury” committed by an insured whose business is:
 - (1) Advertising, broadcasting, publishing or telecasting;
 - (2) Designing or determining content of web-sites for others; or
 - (3) An Internet search, access, content or service provider.
 However, this exclusion does not apply to Paragraph 18. a., b. and c. of “personal and advertising injury” under SECTION V – Definitions.
For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.
- k. **Electronic Interactive Websites, Chatrooms or Bulletin Boards**
“Personal and advertising injury” arising out of an electronic interactive website, chatroom, interactive forum or bulletin board the insured hosts, owns, or over which the insured exercises control.
- l. **Unauthorized Use Of Another’s Name or Product**
“Personal and advertising injury” arising out of the unauthorized use of another’s name or product in your email address, domain name or metatag, or any other similar tactics to mislead another’s potential customers.
- m. **Asbestos** – see Common Exclusions
- n. **Fungi or Spores** – see Common Exclusions
- o. **Nuclear** – see Common Exclusions
- p. **Pollution** – see Common Exclusions
- q. **Terrorism** – see Common Exclusions
- r. **War Risks** – see Common Exclusions

COVERAGE C. MEDICAL PAYMENTS

1. Insuring Agreement

- a. We will pay medical expenses as described below for “bodily injury” caused by an accident:
 - (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;
 provided that:
 - (i) The accident takes place in the “coverage territory” and during the policy period;
 - (ii) The expenses are incurred and reported to us within three years of the date of the accident; and
 - (iii) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance as described in Section III – Limits of Insurance. We will pay reasonable expenses for:
 - (1) First aid administered at the time of an accident;
 - (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
 - (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for “bodily injury”:

- a. **Any Insured**
To any insured, except “volunteer workers”.
- b. **Hired Person**
To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. **Injury On Normally Occupied Premises**
To a person injured on that part of premises you own or rent that the person normally occupies.
- d. **Workers Compensation and Similar Laws**
To a person, whether or not an employee of any insured, if benefits for the “bodily injury” are payable or must be provided under a workers’ compensation or disability benefits law or a similar law.
- e. **Athletic Activities**
To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.
- f. **Products-Completed Operations Hazard**
Included within the “products-completed operations hazard”.
- g. **Coverage A Exclusions**
Excluded under Coverage A.

COVERAGE D. TENANTS' LEGAL LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "property damage" to which this insurance applies. This insurance applies only to "property damage" to premises of others rented to you or occupied by you. We will have the right and duty to defend the insured against any "action" seeking those damages. However, we will have no duty to defend the insured against any "action" seeking damages for "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "action" that may result. But:
- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
 - (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical expenses under Coverage C.
- No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A, B, D and E.
- b. This insurance applies to "property damage" only if:
- (1) The "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
 - (2) The "property damage" occurs during the policy period; and
 - (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no employee authorized by you to give or receive notice of an "occurrence" or claim, knew that the "property damage" had occurred, in whole or in part. If such a listed insured or authorized employee knew, prior to the policy period, that the "property damage" occurred, then any continuation, change or resumption of such "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- c. "Property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any employee authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "property damage" after the end of the policy period.
- d. "Property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any employee authorized by you to give or receive notice of an "occurrence" or claim:
- (1) Reports all, or any part, of the "property damage" to us or any other insurer;
 - (2) Receives a written or verbal demand or claim for damages because of the "property damage"; or
 - (3) Becomes aware by any other means that "property damage" has occurred or has begun to occur.

2. Exclusions

This insurance does not apply to:

- a. **Expected or Intended Injury**
"Property damage" expected or intended from the standpoint of the insured.
- b. **Contractual Liability**
"Property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.
- c. **Asbestos** – see Common Exclusions
- d. **Fungi or Spores** – see Common Exclusions
- e. **Nuclear** – see Common Exclusions
- f. **Pollution** – see Common Exclusions
- g. **Terrorism** – see Common Exclusions
- h. **War Risks** – see Common Exclusions

COVERAGE E. EMPLOYEE BENEFITS LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages to any employee or former employee or the heirs, beneficiaries or legal representatives of either because of any act of negligence, error, mistake or omission of the insured or others for whom the insured is legally responsible in the "administration" of "employee benefit programs" of the insured. Damages arising out of the "administration" of "employee benefit programs" will be deemed to be caused by an "occurrence". We will have the right and duty to defend the insured against any "action" seeking those damages. However, we will have no duty to defend the insured against any "action" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "action" that may result. But:
- (1) The amount we will pay for damages is limited as described in Limits Of Insurance;
 - (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.
- No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A, B, D and E.
- b. This insurance applies to any act of negligence, error, mistake or omission which occurs:
- (i) in the "coverage territory";
 - (ii) during the period it is in effect, provided claim is made or action is brought during that period; or
 - (iii) prior to its effective date, if the insured first becomes aware thereof during the period of this insurance and claim is made or action is brought during such period.

2. Limits of Insurance

For the purpose of determining the Limits of Insurance for this coverage, any act of negligence, error, mistake or omission together with all related acts of negligence, errors, mistakes or omissions in the "administration" of these "employee benefit programs" will be considered one "occurrence".

The limit of insurance, Each Occurrence Limit stated in the Coverage Summary or the Schedule of Part III for this coverage is the most we will pay for damages because of any act of negligence, error, mistake or omission in the "administration" of "employee benefit programs" arising out of any one "occurrence". The limit of insurance stated in the Coverage Summary or the Schedule of Part III as Aggregate for this coverage is the most we will pay for all acts of negligence, errors, mistakes or omissions in the "administration" of "employee benefit programs" in any one policy period.

3. Deductible

Our obligation to pay damages on your behalf applies only to the amount of damages in excess of any deductible amount, if any, stated in the Coverage Summary or the Schedule of Part III applicable to the coverage.

4. Exclusions

This insurance does not apply to:

a. Dishonest, Fraudulent, Criminal Or Malicious Act

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

b. Bodily Injury, Property Damage, Or Personal And Advertising Injury

“Bodily injury”, “property damage” or “personal and advertising injury”.

c. Failure To Perform A Contract

Damages arising out of failure of performance of contract by any insured.

d. Insufficiency Of Funds

Damages arising out of any insufficiency of funds to meet any obligations under any plan included in the “employee benefit program”.

e. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation

Any claim based upon:

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

f. Workers’ Compensation And Similar Laws

Any claim arising out of your failure to comply with the mandatory provisions of any workers’ compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

g. Available Benefits

Any claim for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

h. Taxes, Fines Or Penalties

Taxes, fines or penalties imposed by law.

i. Employment-Related Practices

Damages arising out of wrongful termination of employment, discrimination or other employment-related practices.

j. Fiduciary, Trustee or Fiscal Agent

Any claim out of the failure of the insured or any insurer, fiduciary, trustee or fiscal agent to perform any of their duties or obligations or to fulfill any of their guarantees with respect to:

- i. the payment of benefits under “employee benefit programs”; or
- ii. the providing, handling or investment of funds related thereto.

5. Additional Definitions

a. “Employee Benefit Program”

means a program providing some or all of the following benefits to employees: group life insurance, group accident or health insurance, profit sharing plans, pension plans, employee stock subscription plans, travel, savings or vacation plans and, except as respects the insurance afforded under the terms of this agreement to employees, will also include workers compensation insurance, unemployment compensation insurance and disability benefits insurance.

b. “Administration”

The unqualified word “administration”, whenever used, will mean the following:

- i. counselling employees with respect to “employee benefit programs”;
- ii. interpretations relative to “employee benefit programs”;
- iii. record-keeping in connection with “employee benefit programs”;
- iv. enrolment, termination or cancellation of employees under “employee benefit programs”.

COMMON EXCLUSIONS – COVERAGES A, B, C and D

This insurance does not apply to:

1. Asbestos

“Bodily injury” or “property damage” or “personal and advertising injury” related to or arising from any actual or alleged liability for any legal remedy of any kind whatsoever (including but not limited to damages, interest, mandatory or other injunctive relief, statutory orders or penalties, legal or other costs, or expenses of any kind) in respect of actual or threatened loss, damage, cost or expense directly or indirectly caused by, resulting from, in consequence of or in any way involving, asbestos or any materials containing asbestos in whatever form or quantity.

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

2. Fungi or Spores

a. “Bodily injury”, “property damage” or “personal and advertising injury” or any other cost, loss or expense incurred by others, arising directly or indirectly from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any “fungi” or “spores” however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of “fungi” or “spores”;

- b. Any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with a. above; or
- c. Any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in a. or b. above.

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

This exclusion shall not apply to “bodily injury” or “property damage” which results directly from a “products-completed operations hazard” not otherwise excluded by this Policy, subject to the following Fungi and Spores Liability Limit:

The Fungi and Spores Liability Limit shown in the Coverage Summary is the most we will pay in any one policy period.

The Fungi and Spores Liability Limit shall be included in the Products-Completed Operations Aggregate Limit under Coverage A, as stated in Section III – Limits of Insurance, and is not in addition to any other limits of insurance provided.

For the purpose of the following exception:

- 1. “property damage” means physical injury to animals;
- 2. “products-completed operations hazard” means “bodily injury” and “property damage” that arises out of “your product” provided the “bodily injury” or “property damage” occurs after you have relinquished physical possession of “your product”.

This exclusion does not apply to “bodily injury” or “property damage” included in the “products-completed operations hazard” arising directly or indirectly from “fungi” or “spores” that are found in or on, or are, “your product”, and you intend “your product” to be:

- i. applied topically to; or
- ii. ingested by;

humans or animals.

3. Nuclear Energy Liability

- a. Liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof;
- b. “Bodily injury”, “property damage” or “personal and advertising injury” with respect to which an insured under this Policy is also insured under a contract of nuclear energy liability insurance (whether the insured is unnamed in such contract and whether or not it is legally enforceable by the insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability;
- c. “Bodily injury”, “property damage” or “personal and advertising injury” resulting directly or indirectly from the “nuclear energy hazard” arising from:
 - 1) The ownership, maintenance, operation or use of a “nuclear facility” by or on behalf of an insured;
 - 2) The furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any “nuclear facility”;
 - 3) The possession, consumption, use, handling, disposal or transportation of “fissionable substances”, or of other “radioactive material” (except radioactive isotopes, away from a “nuclear facility”, which have reached the final stage of fabrication so as to be useable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an insured.

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

4. Pollution

- (1) “Bodily injury”, “property damage” or “personal and advertising injury” arising out of the actual, alleged or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants”:
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) “Bodily injury” if sustained within a building and caused by smoke, fumes, vapour or soot from equipment used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building’s occupants or their guests;
 - (ii) “Bodily injury” or “property damage” for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your Policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii) “Bodily injury” or “property damage” arising out of heat, smoke or fumes from a “hostile fire”;
 - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible; or
 - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured’s behalf are performing operations if the “pollutants” are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) “Bodily injury” or “property damage” arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment or its parts, if such fuels, lubricants or other operating fluids escape from a permanent and integral mobile equipment part designed to hold, store or receive them. This exception does not apply if the “bodily injury” or “property damage” arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii) “Bodily injury” or “property damage” sustained within a building and caused by the release of gases, fumes or vapours from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
 - (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or "action" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

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

5. Terrorism

"Bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly, in whole or in part, out of "terrorism" or out of any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism". This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

6. War Risks

"Bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly, in whole or in part, out of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

SUPPLEMENTARY PAYMENTS – COVERAGES A, B, D and E

1. We will pay, with respect to any claim we investigate or settle, or any "action" against an insured we defend:
 - a. All expenses we incur.
 - b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - c. All reasonable expenses you incur at our request to assist us in the investigation or defence of the claim or "action", including actual loss of earnings up to \$1,000 a day because of time off from work.
 - d. All costs assessed or awarded against you in the "action".
 - e. Any interest accruing after entry of judgment upon that part of the judgment which is within the applicable limit of insurance and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.
2. If we defend an insured against an "action" and an indemnitee of the insured is also named as a party to the "action", we will defend that indemnitee if all of the following conditions are met:
 - a. The "action" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defence of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - d. The allegations in the "action" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
 - e. The indemnitee and the insured ask us to conduct and control the defence of that indemnitee against such "action" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
 - f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defence of the "action";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "action";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "action"; and
 - (b) Conduct and control the defence of the indemnitee in such "action".

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

Our obligation to defend an insured's indemnitee and to pay for legal fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership, limited liability partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.

- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, limited liability partnership, joint venture or limited liability company, you are an insured. Your “executive officers” and directors are insureds, but only with respect to their duties as your officers or directors. Your shareholders are also insureds, but only with respect to their liability as shareholders.

If you are an organization other than a partnership, limited liability company or joint venture, any of your subsidiary companies or any company over which you exercise control and actively manage will qualify as an insured only if other valid and collectible insurance does not apply.

- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
- a. Your “volunteer workers” only while performing duties related to the conduct of your business, or your employees, other than either your “executive officers” (if you are an organization other than a partnership, limited liability partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these employees or “volunteer workers” are insureds for:
 - (1) “Bodily injury” or “personal and advertising injury”:
 - (a) To you, to your partners or members (if you are a partnership, limited liability partnership or joint venture), to your members (if you are a limited liability company), to a co-employee while in the course of his or her employment or performing duties related to the conduct of your business, or to your other “volunteer workers” while performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-“employee” or “volunteer worker” as a consequence of Paragraph (1) (a) above;
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above;
 - (d) Arising out of his or her providing or failing to provide professional health care services; or
 - (e) To any person who at the time of injury is entitled to benefits under any workers’ compensation or disability benefits law or a similar law.
 - (2) “Property damage” to property that is:
 - (a) Owned, occupied or used by,
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by, you, any of your employees, “volunteer workers”, any partner or member (if you are a partnership, limited liability partnership or joint venture), or any member (if you are a limited liability company).
 - b. Any person (other than your employee or “volunteer worker”), or any organization while acting as your real estate manager.
 - c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Policy.
 - e. Your “unit” owners and any tenants, but only with respect to the conduct of the “condominium corporation” for liability arising out of the common property, excluding property designated for exclusive use.
3. Any organization you newly acquire or form, other than a partnership, limited liability partnership or joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. Coverage A and D does not apply to “bodily injury” or “property damage” that occurred before you acquired or formed the organization; and
 - c. Coverage B does not apply to “personal and advertising injury” arising out of an offence committed before you acquired or formed the organization.
4. Members of any insured company sponsored social or recreational activities, club or association.
5. a. Any person, firm or organization (hereinafter called Additional Insured) for whom you have contracted to provide liability insurance. Coverage under this provision is afforded as per the present Policy terms, limits and conditions and only with respect to your premises, your properties or “your work”.
- b. Any person or organization (hereinafter called Additional Insured) with whom you agree in a written equipment lease or rental agreement to name as an insured is an insured with respect to liability arising out of the maintenance, operation, or use by you of the equipment leased to you by such person or organization, subject to the following additional exclusions:

The insurance provided under 5. a. and b. above does not apply to:

- i. “Bodily injury”, “property damage”, or “personal and advertising injury” occurring after you cease to lease the equipment.
- ii. “Bodily injury”, “property damage”, or “personal and advertising injury” arising out of the sole negligence of the Additional Insured.
- iii. “Property damage” to:
 - 1) Property owned, used, or occupied by or rented to the Additional Insured; or
 - 2) Property in the care, custody, or control of the Additional Insured or over which the Additional Insured is for any purpose exercising physical control.

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

SECTION III – LIMITS OF INSURANCE

- 1. The Limits of Insurance shown in the Schedule of Part III and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or “actions” brought; or

- c. Persons or organizations making claims or bringing “actions”.
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A, except damages because of “bodily injury” or “property damage” included in the “products-completed operations hazard”;
 - b. Damages under Coverage B; and
 - c. Medical expenses under Coverage C.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of “bodily injury” and “property damage” included in the “products-completed operations hazard”.
4. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. Medical expenses under Coverage C because of all “bodily injury” and “property damage” arising out of any one “occurrence”.
5. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all “personal and advertising injury” sustained by any one person or organization.
6. The Tenants’ Legal Liability Limit is the most we will pay under Coverage D for damages because of “property damage” to any one premises.
7. Subject to 4. above, the Medical Payments Limit is the most we will pay under Coverage C for all medical expenses because of “bodily injury” sustained by any one person.

The Limits of Insurance of this Policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

8. Deductible

1. Our obligation under Bodily Injury Liability, Property Damage Liability and Tenant’s Legal Liability to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the Schedule of Part III and the limits of insurance applicable to each “occurrence” for Bodily Injury Liability and Property Damage Liability and any one premises for Tenant’s Legal Liability will be reduced by the amount of such deductible. The Aggregate Limit for such coverages will not be reduced by the application of such deductible amount.
2. The deductible amounts stated in the Schedule of Part III apply as follows:

Under Coverage A, Bodily Injury Liability or Property Damage Liability respectively:

 - a. To all damages because of “bodily injury” as a result of any one “occurrence”;
 - b. To all damages because of “property damage” as the result of any one “occurrence”, regardless of the number of persons or organizations who sustain damages because of that “occurrence”; or
 - c. Bodily Injury Liability and Property Damage Liability combined, to all damages because of the “bodily injury” and “property damage” as a result of any one “occurrence”, regardless of the number of persons or organizations who sustain damages because of that “occurrence”.

Under Coverage D, Tenant’s Legal Liability:

To all damages because of “property damage” as the result of any one “occurrence”, regardless of the number of persons or organizations who sustain damages because of that “occurrence”.
3. The terms of this insurance, including those with respect to:
 - a. our right and duty to defend any “action” seeking those damages; and
 - b. your duties in the event of an “occurrence”, claim or action,
 apply irrespective of the application of the deductible amount.
4. We may pay any part or all the deductible amount to effect settlement of any claim or “action” and, upon notification of the action taken, you will promptly reimburse us for such part of the deductible amount as has been paid by us.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

If any portion of these provisions and conditions are found to be invalid, unenforceable or contrary to statute, the remainder will remain in full force and effect.

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured’s estate will not relieve us of our obligations under this form.

2. Canadian Currency Clause

See General Provisions / Conditions applicable to All Parts.

3. Changes.

See General Provisions / Conditions applicable to All Parts.

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

- a. You must see to it that we are notified as soon as practicable of an “occurrence” or an offence which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the “occurrence” or offence took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the “occurrence” or offence.
- b. If a claim is made or “action” is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or “action” and the date received; and
 - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or “action” as soon as practicable.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or “action”;

- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defence against the “action”; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured’s own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

5. Examination Of Your Books and Records.

See General Provisions / Conditions applicable to All Parts.

6. Garage Basis of Settlement.

With respect only to the Garage operations of the insured, the insured agrees that in the event of liability for loss or damage for which indemnity is provided under Coverage A, the insured will replace the property or make the necessary repairs adjusted at actual cost to the insured of labour and materials.

7. Inspections and Surveys

See General Provisions / Conditions applicable to All Parts.

8. Legal Action Against Us

No person or organization has a right under this form:

- a. To join us as a party or otherwise bring us into an “action” asking for damages from an insured; or
- b. To sue us on this Policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant’s legal representative.

Every action or proceeding against us for the recovery of insurance money payable under contract is absolutely barred unless commenced within the time set out in the Insurance act or other applicable legislation.

9. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A, B or D of this Policy, our obligations are limited as follows:

a. **Primary Insurance**

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. **Excess Insurance**

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (a) That is Fire, Extended Coverage, Builder’s Risk, Installation Risk or similar coverage for “your work”;
 - (b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (c) If the loss arises out of the maintenance or use of watercraft or “automobile” to the extent not subject to either Exclusion e. or f. of Section I – Coverage A – Bodily Injury and Property Damage Liability.
 - (d) That is a consolidated (wrap-up) insurance program in which you are involved.
- (2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations or “products-completed operations hazard” for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under Coverages A, B or D to defend the insured against any “action” if any other insurer has a duty to defend the insured against that “action”. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured’s rights against all those other insurers.

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

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

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

c. **Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer’s share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

10. Premium Audit

- a. We will compute all premiums for this Policy in accordance with our rules and rates.
- b. Premium shown in this Policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured subject to the retention of the minimum retained premium shown in the Declarations of this Policy.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

11. Premiums

See General Provisions / Conditions applicable to All Parts.

12. Representations

See General Provisions / Conditions applicable to All Parts.

13. Separation Of Insureds, Cross Liability

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

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

14. Termination

See General Provisions / Conditions applicable to All Parts.

15. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "action" or transfer those rights to us and help us enforce them.

16. Transfer Of Your Rights and Duties Under This Form

Your rights and duties under this Policy may not be transferred without our written consent except in the case of death of an individual Named Insured. If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

SECTION V – DEFINITIONS

1. "Action" means a civil proceeding in which damages because of
 - a. "bodily injury" or "property damage",
 - b. "personal and advertising injury",
 - c. a negligent act, error, mistake or omission in the "administration" of "employee benefits programs", or
 - d. an "error", where applicable,to which this insurance applies are alleged. "Action" includes:
 - i. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - ii. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
2. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
3. "Automobile" means a land motor vehicle, trailer or semitrailer that is required by law to be insured under a contract evidenced by a motor vehicle liability policy, or any vehicle insured under such a contract, including any attached machinery or equipment.
4. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
5. "Condominium corporation"
See General Definitions applicable to All Parts.
6. "Coverage territory" means:
 - a. Canada and the United States of America (including its territories and possessions);
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in a. above;
 - (2) The activities of an insured person whose home is in the territory described in a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offences that take place through the Internet or similar electronic means of communication; provided the insured's responsibility to pay damages is determined in an "action" on the merits, in the territory described in a. above or in a settlement we agree to.
7. "Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
8. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
9. "Fissionable substance"
See General Definitions applicable to All Parts.
10. "Fungi"
See General Definitions applicable to All Parts.
11. "Hostile fire" one which becomes uncontrollable or breaks out from where it was intended to be.
12. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;if such property can be restored to use by:
 - i) The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - ii) Your fulfilling the terms of the contract or agreement.

13. "Incidental medical malpractice injury" means "bodily injury" arising out of the rendering of or failure to render, during the policy period, the following services:
- i) medical, surgical, dental, x-ray or nursing services or treatment or the furnishing of food or beverages in connection therewith; or
 - ii) the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
- by any insured or any indemnitee causing the "incidental medical malpractice injury" who is not engaged in the business or occupation of providing any of the services described in i) and ii) above.
14. "Insured contract" means:
- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
 - b. A sidetrack agreement;
 - c. An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
 - d. Any other easement agreement;
 - e. An obligation, as required by ordinance or bylaw, to indemnify a municipality, except in connection with work for a municipality;
 - f. An elevator maintenance agreement;
 - g. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for damages because of "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
- Paragraph g. does not include that part of any contract or agreement:
- (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - (2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render "professional services", including those listed in (1) above and supervisory, inspection, architectural or engineering activities
15. "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "automobile";
 - b. While it is in or on an aircraft, watercraft or "automobile"; or
 - c. While it is being moved from an aircraft, watercraft or "automobile" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "automobile".
16. "Nuclear energy hazard"
- See General Definitions applicable to All Parts.
17. "Nuclear facility"
- See General Definitions applicable to All Parts.
18. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
19. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offences:
- a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - f. The use of another's advertising idea in your "advertisement"; or
 - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
20. "Pollutants"
- See General Definitions applicable to All Parts.
21. "Products-completed operations hazard"
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
 Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
 - b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle that is not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or

- (2) The existence of tools, uninstalled equipment or abandoned or unused materials.
22. "Professional services" shall include but not be limited to:
- a. Medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection therewith;
 - b. Any professional service or treatment conducive to health;
 - c. Professional services of a pharmacist;
 - d. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
 - e. The handling or treatment of deceased human bodies including autopsies, organ donations or other procedures;
 - f. Any cosmetic, body piercing, tonsorial, massage, physiotherapy, chiropody, hearing aid, optical or optometrical services or treatments;
 - g. Any engineer, architect or surveyor services including:
 - i) The preparation or approval of maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications;
 - ii) Supervisory, inspection, architectural, design or engineering services;
 - h. Accountant's, advertiser's, notary's (Quebec), public notary's, paralegal's, lawyer's, real estate broker's or agent's, insurance broker's or agent's travel agent's, financial institution's, or consultant's professional advices or activities;
 - i. Any computer programming or re-programming, consulting, advisory or related services; or
 - j. Claim, investigation, adjustment, appraisal, survey or audit services.
23. "Property damage" means:
- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.
- For the purposes of this insurance, "electronic data" is not tangible property.
24. "Radioactive material"
See General Definitions applicable to All Parts.
25. "Spores"
See General Definitions applicable to All Parts.
26. "Terrorism"
See General Definitions applicable to All Parts.
27. "Unit"
See General Definitions applicable to All Parts.
28. "Volunteer worker"
See General Definitions applicable to All Parts.
29. "Your product"
- a. Means:
 - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
 - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
 - b. Includes
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - (2) The providing of or failure to provide warnings or instructions.
 - c. Does not include vending machines or other property rented to or located for the use of others but not sold.
30. "Your work"
- a. Means:
 - (1) Work or operations performed by you or on your behalf; and
 - (2) Materials, parts or equipment furnished in connection with such work or operations.
 - b. Includes
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
 - (2) The providing of or failure to provide warnings or instructions.

SECTION VI – GENERAL PROVISIONS

All the General Provisions / Conditions, Exclusions and Definitions of the Policy apply to this Form except those specifically stated to apply only to other Parts.

PART VI CRIME

Section

A. Insuring Agreements

Coverage is provided under the following Insuring Agreements if:

- (a) an amount of insurance is specified on the Part I & II Coverage Schedule for Building or Business Personal Property; or
- (b) an amount of insurance is specified on the Part VI Coverage Schedule for the applicable Insuring Agreement.

1. Employee Dishonesty

We will pay for loss of "money", "securities" and "other property" used in your business due to dishonesty or fraud by any of your "employees", acting alone or in collusion with other persons with the manifest intent to:

- (a) cause you to sustain loss or damage; and
- (b) obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other "employee" benefits earned in the normal course of employment) for:
 - (i) any "employee"; or
 - (ii) any other person or organization.

If one "employee" commits a series of similar or related dishonest acts, or if more than one "employee" is involved in an act or series of acts, we will consider this to be a single loss.

If more than one person or organization is covered under this Policy, the limit of liability as stated on the Part VI Coverage Schedule for Employee Dishonesty will apply to all of them together. In other words, each one will not have the limit of liability as stated on the Part VI Coverage Schedule.

2. Money and Securities

We will pay for loss resulting from the actual destruction, disappearance or wrongful or illegal taking of "money", "securities" and "other property" from any of the following locations:

- (a) inside your "premises"; or outside your "premises"; or
- (b) within any "banking premises" or similar recognized places of safe deposit; or
- (c) while being carried by you, one of your partners or any of your "employees" authorized to have the "money" and "securities"; or
- (d) in the living quarters of your home or the home of one of your partners or any "employee" authorized to have the "money" or "securities".

3. Forgery Or Alteration

- (a) We will pay for loss resulting directly from "forgery" or alteration of cheques, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:
 - (i) made or drawn by or drawn upon you; or
 - (ii) made or drawn by one acting as your agent;or that are purported to have been so made or drawn.
- (b) If you are sued for refusing to pay any instrument covered in Paragraph (a) above, on the basis that it has been forged or altered, and you have our written consent to defend against the action, we will pay for any reasonable legal expenses that you incur and pay in that defence. The amount that we will pay is in addition to Limit of liability applicable to this Insuring Agreement.

4. Money Orders And Counterfeit Paper Currency

We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:

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

5. Credit Card Forgery

- (a) We will cover your losses which you sustain through forgery or alteration of, on or in any written instrument required in conjunction with any credit card issued to you or to any partner, officer or "employee" of yours or to your spouse or any child residing permanently in your residence, provided however, that you will comply fully with the provisions, conditions and other terms under which the credit card has been issued.
- (b) If you are sued for refusing to pay any instrument covered in Paragraph (a) above, on the basis that it has been forged or altered, and you have our written consent to defend against the action, we will pay for any reasonable legal expenses that you incur and pay in that defence. The amount that we will pay is in addition to the Limit of liability applicable to this Insuring Agreement.

6. Computer Fraud and Funds Transfer Fraud

- (a) We will pay for loss of or damage to "money", "security" and "other property" caused directly by "computer fraud".
- (b) We will pay for loss of money and security resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver money and security from your "transfer account".

B. Extensions of Coverage

The Extensions of Coverage either modify or are in addition to coverage granted under Part VI subject to the following conditions:

- (1) The limits of liability specified for the Extensions of Coverage apply as an additional amount of insurance, except with respect to the following extension:
 - (b) Third Party Employee Dishonesty.
- (2) If a loss covered under an Extension of Coverage also involves a loss under any Part, its Extension of Coverage or an endorsement, then, the maximum limit of insurance will not exceed the highest applicable limit under any one Part, Extension of Coverage or endorsement.
- (3) If a specified Extension of Coverage is indicated as not covered on the Part VI Coverage Schedule, there is no amount recoverable.
- (4) Unless otherwise stated, are subject to the exclusions, provisions, and conditions of this Part.

(a) **Professional Fees**

We agree to extend the insurance provided by this **Part VI - Crime** due to loss or damage insured in this Part to the reasonable expenses you incur at our request to pay your accountants, auditors, or other professionals to produce and certify particulars or details or other proofs, information or evidence as may be required for the purpose of investigating or verifying the quantum of any claim under Insuring Agreements 1 through 6, the liability for which is otherwise accepted by us.

This Extension of Coverage does not apply to any expense associated with use of lawyers, public adjusters, loss appraisers, loss consultants or any of their subsidiaries or associated entities, or your employees.

The most that we will pay under this Extension of Coverage is whichever is the lesser of:

- (i) the amount of insurance specified on the Coverage Summary or as otherwise indicated on the Part VI Coverage Schedule; or
- (ii) 25% of the total amount payable for covered loss plus the amount of the applicable deductible; for any one "occurrence".

(b) **Third Party Employee Dishonesty Extension**

We agree to extend the insurance provided under **Part VI Section A – Insuring Agreement, Item 1. Employee Dishonesty** for loss of or damage to "money", "securities" and "other property" sustained by your "client" resulting directly from "theft" committed by an identified "employee", acting alone or in collusion with other persons.

Coverage is limited to property:

- (i) that your "client" owns or leases;
- (ii) that your "client" holds for others; or
- (iii) for which your "client" is legally liable;

while the property is at your "client's premises"

The most that we will pay under this Extension of Coverage is as specified on the Coverage Summary or as otherwise indicated on the Part VI Coverage Schedule for any one "occurrence".

This Extension of Coverage is for your benefit only. It provides no rights or benefits to any other person or organization, including your "client". Any claim for loss that is covered under this coverage must be presented by you.

With respect to this Extension of Coverage, "client's premises" means the interior of that portion of any building your "client" occupies.

C. Limit of Liability

The most we will pay for loss in any one "occurrence" is the applicable Limit of liability specified on the Coverage Summary or as otherwise indicated on the Part VI Coverage Schedule for each Insuring Agreement.

D. Deductible

We will not pay for loss in any one "occurrence" unless the amount of loss exceeds whichever is the highest of:

- (a) \$1,000; or
- (b) the Deductible shown on the Part VI Coverage Schedule.

We will then pay the amount of loss in excess of the applicable Deductible, up to the Limit of liability.

E. Exclusions

(a) This policy does not apply to:

(i) **Acts Committed By You, A Partner Or Your Members**

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

- (1) You; or
- (2) Any of your partners;

whether acting alone or in collusion with other persons.

(ii) **Acts Of Employees, Directors, Trustees Or Representatives**

Loss resulting from "theft" or any other dishonest act committed by any of your "employees", directors, trustees or authorized representatives:

- (1) Whether acting alone or in collusion with other persons; or
- (2) While performing services for you or otherwise;

except when covered under Insuring Agreement **A.1.**

(iii) **Governmental Action**

Loss resulting from seizure, quarantine, confiscation or destruction of property by order of governmental authority.

(iv) **Indirect Loss**

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

- (1) Your inability to realize income that you would have realized had there been no loss.
- (2) Payment of damages of any type for which you are legally liable, but we will pay compensatory damages arising directly from a loss covered under this Part.
- (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this Part.

(v) **Legal Expenses**

Expenses related to any legal action, except when covered under Insuring Agreement **A.3.** or **A.5.**

(vi) **Data**

Loss directly or indirectly caused by or resulting from, in whole or in part, by "data" or "data problem". Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

(vii) **War Exclusion**

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

(viii) **Terrorism Exclusion**

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

(ix) **Nuclear Exclusion**

Any loss or damage caused directly or indirectly by:

- (a) any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or amending law) or nuclear explosion. This exclusion applies whether or not there are one or more causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of loss or damage, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas, all as defined and limited in **Part I Section 16. Definitions**;
- (b) contamination by radioactive material. This exclusion applies whether or not there are one or more causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.

(x) **Pollution Exclusion**

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

(xi) **Fungi and Spores Exclusion**

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

(b) Insuring Agreement **A.1.** does not apply to:

(i) **Employee Cancelled Under Prior Insurance**

Loss caused by any “employee” of yours, or your predecessor, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.

(ii) **Inventory Shortages**

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (1) An inventory computation; or
- (2) A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

(iii) **Trading**

Loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account.

(iv) **Discovery Period**

Loss discovered by you and reported to us after two years from the end of the policy period.

(c) Insuring Agreement **A.2.** does not apply to:

(i) **Accounting Or Arithmetical Errors Or Omissions**

Loss resulting from accounting or arithmetical errors or omissions.

(ii) **Exchanges Or Purchases**

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

(iii) **Fire**

Loss resulting from fire, however caused, except:

- (1) Loss from damage to a safe or vault; and
- (2) Loss of or damage to “money” and “securities”.

(iv) **Money Operated Devices**

Loss of property contained in any money operated device unless the amount of “money” deposited in it is recorded by a continuous recording instrument in the device.

(v) **Transfer Or Surrender Of Property**

- (1) Loss of or damage to “Money”, “Securities” and property after it has been transferred or surrendered to a person or place outside the “premises” or “banking premises”:
 - (a) On the basis of unauthorized instructions;
 - (b) As a result of a threat to do bodily harm to any person; or
 - (c) As a result of a threat to do damage to any property.

(2) But, this Exclusion does not apply to loss of “money”, “securities” or “other property” while outside the “premises” in the care and custody of a “messenger” if you:

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

(vi) **Voluntary Parting Of Title To Or Possession Of Property**

Loss resulting from you, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

(vii) **Records**

Loss of manuscripts, books of account or records.

(d) Insuring Agreement **A.3.** does not apply to:

(i) **Registered or Coupon Bonds**

We will not cover any registered or coupon bonds or other obligations that you issued, or which any one represents as having been issued by you.

F. Conditions

(a) **Conditions Applicable To All Insuring Agreements**

(i) **Cancellation As To Any Employee**

This policy is cancelled as to any “employee”:

- (1) Immediately upon discovery by:
 - (a) You; or
 - (b) Any of your partners, managers, officers, directors or trustees not in collusion with the “employee”;
of “theft” or any other dishonest act committed by the “employee” whether before or after becoming employed by you.
- (2) On the date specified in a notice mailed to the first Named Insured. That date will be at least 30 days after the date of mailing.

We will mail or deliver our notice to the first Named Insured’s last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

(ii) **Consolidation – Merger**

If through consolidation or merger with, or purchase or acquisition of assets or liabilities of, some other entity, any additional persons become “employees” or you acquire the use and control of any additional “premises”:

- (1) You must give us written notice and obtain our written consent to extend this insurance to such additional “employees” or “premises” within 30 days.

We may condition our consent upon payment of an additional premium; but

- (2) For the first 30 days after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities, any insurance afforded for “employees” or “premises” also applies to these additional “employees” or “premises” for acts committed or events occurring within this 30 day period.

(iii) **Loss Covered Under This Policy And Prior Insurance Issued By Us Or Any Affiliate**

If any loss is covered:

- (1) Partly by this Part; and
- (2) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;
the most we will pay is the larger of the amount recoverable under this policy or the prior insurance.

(iv) **Loss Sustained**

Subject to the Loss Sustained During Prior Insurance Condition **F.(a)(v)**, we will pay for loss that you sustain through acts committed or events occurring during the policy period shown on the Part VI Coverage Schedule and discovered by you:

- (1) During the policy period; or
- (2) During the period of time provided in the Extended Period To Discover Loss Condition **F.(a)(vi)**.

(v) **Loss Sustained During Prior Insurance**

- (1) If you, or any predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under that insurance except that the time within which to discover loss had expired, we will pay for it under this Policy, provided:

- (a) This Policy became effective at the time of cancellation or termination of the prior insurance; and
- (b) The loss would have been covered by this Policy had it been in effect when the acts or events causing the loss were committed or occurred.

- (2) The insurance under this Condition is part of, not in addition to, the Limits of Liability applying to this Part and is limited to the lesser of the amount recoverable under:

- (a) This Policy as of its effective date; or
- (b) The prior insurance had it remained in effect.

(vi) **Extended Period To Discover Loss**

- (1) We will pay for loss that you sustained prior to the effective date of termination or cancellation of this Policy, which is discovered by you no later than two (2) years from the date of that termination or cancellation.
- (2) However, this extended period to discover loss terminates immediately upon the effective date of any other insurance obtained by you replacing in whole or in part the insurance afforded by this Policy, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

(vii) **Joint Insured**

- (1) If more than one Insured is named in the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes of this policy. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.

- (2) If any Insured, or partner, or officer of that Insured has knowledge of any information relevant to this Policy, that knowledge is considered knowledge of every Insured.
- (3) An “employee” of any Insured is considered to be an “employee” of every Insured under this Policy.
- (4) If this Policy or any of its Insuring Agreements or coverages is cancelled or terminated as to any Insured, loss sustained by that Insured is covered only if discovered by you during the period of time provided in the Extended Period To Discover Loss Condition **F.(a)(vi)**.
- (5) We will not pay more for loss sustained by more than one Insured than the amount we would pay if all the loss had been sustained by one Insured.

(viii) **Legal Action Against Us**

You may not bring any legal action against us involving loss:

- (1) Unless you have complied with all the terms of this Policy; and
- (2) Until 90 days after you have filed proof of loss with us.

If law prohibits any limitation, such limitation is amended so as to equal the minimum period of limitation provided by such law.

(ix) **Non-Cumulation Of Limit of Liability**

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

(x) **Ownership Of Property; Interests Covered**

The property covered under this Policy is limited to property:

- (1) That you own or lease;
- (2) That you hold for others; or
- (3) For which you are legally liable, except for property inside the premises of a “client” of yours.

However, this policy is for your benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this Policy must be presented by you.

(xi) **Recoveries**

- (1) Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this Policy will be distributed as follows:
 - (a) To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of liability and the Deductible amount, if any;
 - (b) Then to us, until we are reimbursed for the settlement made; and
 - (c) Then to you, until you are reimbursed for that part of the loss equal to the Deductible amount, if any.
- (2) Recoveries do not include any recovery:
 - (a) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
 - (b) Of original “securities” after duplicates of them have been issued.

(xii) **Territory**

This Policy covers acts committed or events occurring within Canada and the United States of America (including its territories and possessions).

Under Insuring Agreement **A.1.**, we will pay for loss caused by any “employee” while temporarily outside the territory specified for a period of not more than 90 days.

Under Insuring Agreement **A.3.** and **A.5.**, we will cover loss you sustain anywhere in the world.

(xiii) **Valuation—Settlement**

- (1) Subject to **Part VI Section C. Limit of Liability**, we will pay for:
 - (a) Loss of “money” but only up to and including its face value. We may, at our option, pay for loss of “money” issued by any country other than Canada:
 - (i) At face value in the “money” issued by that country; or
 - (ii) In the Canadian dollar equivalent determined by the rate of exchange on the day the loss was discovered.
 - (b) Loss of “securities” but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:
 - (i) Pay the value of such “securities” or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those “securities”; or
 - (ii) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the “securities”. However, we will be liable only for the payment of so much of the cost of the bond as would be charged for bond having a penalty not exceeding the lesser of the:
 - i. Value of the “securities” at the close of business on the day the loss was discovered; or
 - ii. Limit of liability.
 - (c) Loss of or damage to “other property” or loss from damage to the “premises” or its exterior for the replacement cost of the property without deduction for depreciation. However, we will not pay more than the least of the following:
 - (i) The Limit of liability applicable to the lost or damaged property;
 - (ii) The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose; or
 - (iii) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

We will not pay on a replacement cost basis for any loss or damage:

 - (i) Until the lost or damaged property is actually repaired or replaced; and
 - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.

- (2) We may, at our option, pay for loss of or damage to property other than “money”:
 - (a) In the “money” of the country in which the loss occurred; or
 - (b) In the Canadian dollar equivalent of the “money” of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.
- (3) Any property that we pay for or replace becomes our property.

(xiv) **Loss Caused by Unidentifiable Employee**

If a loss is alleged to have been caused by the fraud or dishonesty of any one or more of the “employees” covered under Insuring Agreement A. 1., Employee Dishonesty, and you are unable to designate the specific “employee” or “employees” causing such loss, you shall nevertheless have the benefit of such applicable Coverage subject to the provisions and exclusions of this Part, provided that the evidence submitted reasonably proves that the loss was in fact due to the fraud or dishonesty of one or more of the said “employees”, and provided, further, that our aggregate liability for any such loss shall not exceed the Amount of Insurance applicable to such Coverage.

(b) **Conditions Applicable To Insuring Agreements A.2.**

(i) **Armored Motor Vehicle Companies**

Under Insuring Agreement A.2. we will only pay for the amount of loss you cannot recover:

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

(c) **Conditions Applicable To Insuring Agreement A.3. and A.5.**

(i) **Deductible**

The Deductible amount does not apply to legal expenses paid under these Insuring Agreements.

(ii) **Facsimile Signatures**

We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.

(iii) **Proof Of Loss**

You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

G. Definitions

- (a) “Banking premises” means the interior of that portion of any building occupied by a banking institution or similar safe depository.
- (b) “Clean up” means: See **General Definitions applicable to All Parts.**
- (c) “Client” means any entity for whom you perform services under a written agreement.
- (d) “Computer fraud” means the “theft” of “money”, “security” and “other property” as the result of or directly related to the use of any computer to fraudulently transfer property from inside your “premises” or from a banking location to a person (including any fictitious or false entity or payee), other than a “messenger”, outside the “premises” or to a place outside the “premises”.
- (e) “Counterfeit” means an imitation of an actual valid original which is intended to deceive and to be taken as the original.
- (f) “Custodian” means you, or any of your partners or members, or any “employee” while having care and custody of property inside the “premises”, excluding any person while acting as a “watchperson” or janitor.
- (g) “Data” means: See **General Definitions applicable to All Parts.**
- (h) “Data problem” means: See **General Definitions applicable to All Parts.**
- (i) “Employee”:
 - (i) “Employee” means:
 - (1) Any natural person:
 - (a) While in your service or for 30 days after termination of service;
 - (b) Who you compensate directly by salary, wages or commissions; and
 - (c) Who you have the right to direct and control while performing services for you;
 - (2) Any natural person who is furnished temporarily to you:
 - (a) To substitute for a permanent “employee” as defined in Paragraph (1) above, who is on leave; or
 - (b) To meet seasonal or short-term work load conditions;
 while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the “premises”.
 - (ii) “Employee” does not mean:
 - (1) Any agent, broker, person leased to you by a labor leasing firm, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
 - (2) Any volunteer, director or trustee except while performing acts coming within the scope of the usual duties of an “employee”.
- (j) “Forgery” means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one’s own name signed with or without authority, in any capacity, for any purpose.
- (k) “Fraudulent instruction” means:
 - (i) An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
 - (ii) A written instruction issued by you, which was forged or altered by someone other than you without your knowledge or consent or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or
 - (iii) An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an “employee” but which was in fact fraudulently transmitted by someone else without your or the “employee’s” knowledge or consent.
- (l) “Funds” means “money” and “securities”.

- (m) "Fungi" means: See **General Definitions applicable to All Parts**.
- (n) "Messenger" means you, or a relative of yours, or any of your partners or members, or any "employee" while having care and custody of property outside the "premises".
- (o) "Money" means:
 - (i) Currency, coins and bank notes in current use and having a face value; and
 - (ii) Travelers cheques, register cheques and money orders held for sale to the public.
- (p) "Occurrence" means:
 - (i) As respects Insuring Agreement **A.1.**, all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts.
 - (ii) As respects Insuring Agreements **A.3.** or **A.5.**, all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.
 - (iii) As respects all other Insuring Agreements:
 - (1) An act or series of related acts involving one or more persons; or
 - (2) An act or event, or a series of related acts or events not involving any person.
- (q) "Other property" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this policy.
- (r) "Pollutants" means: See **General Definitions applicable to All Parts**.
- (s) "Premises" means the interior of that portion of any building you occupy in conducting your business.
- (t) "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or property and includes:
 - (i) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - (ii) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".
- (u) "Spores" means: See **General Definitions applicable to All Parts**.
- (v) "Terrorism" means: See **General Definitions applicable to All Parts**.
- (w) "Theft" means the unlawful taking of "money", "securities" or "other property" to the deprivation of the Insured.
- (x) "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "money" and "securities":
 - (i) By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
 - (ii) 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.
- (y) "Watchperson" means any person you retain specifically to have care and custody of property inside the "premises" and who has no other duties.

H. General Provisions

All the General Provisions, Conditions, Exclusions and Definitions of the Policy apply to this Part except those specifically stated to apply only to other Parts. In addition, the following Provisions and Conditions apply to this Part:

(a) Notice To Authorities

Where loss is due to malicious acts, theft, burglary, robbery, or attempt thereof, or is suspected to be so due, you must give immediate notice thereof to the Insurer (us) or other authorities having jurisdiction.

(b) Other Insurance

If, on the happening of any loss or damage to insured property there is in force any other insurance covering the same interest, this Policy will apply only as excess insurance over any other valid and collectible insurance that would apply in the absence of this Policy.

(c) Insurance Under More Than One Part

In the event of loss or damage to property covered under the terms of this Policy, we will not, under any circumstances, be liable for more than the actual loss sustained by you, even though more than one Part applies to such loss.

(d) No Benefit To Bailee

It is warranted by you that this Policy will in no way be used directly or indirectly to the benefit of any carrier or other bailee for hire.

(e) Property of Others

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

(f) Bankruptcy

Your bankruptcy or insolvency or your estates' bankruptcy or insolvency will not relieve us of our obligations under this Policy.

(g) Examination Under Oath

If required by us following your loss or claim, you must:

- (i) submit to examination under oath;
 - (ii) produce for examination all documents in your possession or control that relate to the application for insurance and proof of loss; and
 - (iii) permit extracts and copies of such documents to be made by us;
- all at a reasonable place and time designated by us.

CYBER RISK INSURANCE

Our Agreement

Section 1: Insuring clause

We shall cover you for **claims** and **losses** up to the **limit of indemnity** shown in the **policy schedule** including claimants' costs and expenses, sustained by you in the course of **your business** within the **territorial limits** during the **period of insurance** and notified to us in writing, for;

Section 2: Your losses

2.1. Breach of personal data

Your loss arising after the **retroactive date** where you discover or suspect a **breach** has occurred. We shall cover;

- a. **Breach forensic costs;**
- b. Legal fees incurred by you to manage the response to the **breach;**
- c. Costs you incur to notify each affected **data subject** of the **breach;**
- d. Costs you incur in notifying any regulatory body, including the Office of the Information Commissioner of Canada, of the breach where you are required to do so by law or regulation;
- e. Costs you incur to use a third party call centre to answer enquires from affected **data subjects**, following notification of the **breach** to such **data subjects;** and
- f. **Credit monitoring costs;**

provided that they are incurred with our prior written agreement. We will not cover you for any **loss** which arises as a result of any **breach** caused by a supplier of yours.

2.2. Business interruption

Your loss of **income** during the **period of restoration** for any **increased costs of working**, resulting solely and directly from an interruption to your **business** which commenced during the **period of insurance** and lasting longer than the **time excess**, due to;

- a. the activities of a third-party who specifically targets you alone by maliciously blocking electronically the access to your **computer system, programmes** or data you hold electronically; or
- b. a **hacker** who specifically targets you alone.

2.3. Hacker damage

Your loss after the **retroactive date**, caused by a **hacker**:

- a. damaging, destroying, altering, corrupting, or misusing your **computer system, programmes** or data you hold electronically, or any **programmes** or data for which you are responsible; or
- b. copying or stealing any **programme** or data you hold electronically or for which you are responsible;

we will pay all the reasonable and necessary expenses incurred with our prior written consent in replacing or repairing your **computer system, programmes** or data you hold electronically to the same standard and with the same contents before it was damaged, destroyed, altered, corrupted, copied, stolen or misused.

2.4. Cyber extortion

The cost of a ransom demand if you receive an **illegal threat** from the third-party or, if the demand is for goods or services, their market value at the time of the surrender, provided that you can demonstrate to us that:

- a. the ransom was paid, or the goods or services were surrendered, under duress;
- b. before agreeing to the payment of the ransom or the surrender of goods or services, you made all reasonable efforts to determine that the **illegal threat** was genuine and not a hoax; and
- c. an individual within the definition of you agreed to the payment of the ransom or the surrender of the goods or services.

We will also pay:

- a. the fees of our appointed consultant, incurred by you with our prior written consent, for advising you on the handling and negotiation of the ransom demand; and
- b. the amount of any stolen ransom, where such theft occurs at or in transit to the agreed location for payment of the ransom.

Section 3: Claims made against you

No coverage is provided under this section

Section 4: Defence costs and expenses

4.1. **Defence costs and expenses, privacy forensic costs, privacy investigation costs** and **credit monitoring costs** which are included within the **limit of indemnity**.

Section 5: Our limit of liability

5.1 Our total liability

Our total liability under this **policy** shall not exceed the **limit of indemnity** stated in the **policy schedule** for;

- a. Any one **claim, loss, breach, privacy investigation, illegal threat**, and interruption or;
- b. All **claims, losses, breaches, privacy investigations, illegal threats**, and interruptions arising out of or in connection with the same originating cause or source or

- c. All losses for which indemnity is available, including all **defence costs and expenses, privacy forensic costs, privacy investigation costs** and **credit monitoring costs** arising out of or in connection with the same originating cause or source.

The General Aggregate Limit stated in the **schedule** is the most **we** will pay for all **claims, losses, breaches, privacy investigations, illegal threats,** and interruptions arising from all claim(s), against you during the policy period regardless as to whether a claim, occurrence or action gives rise to indemnity under more than one section of this policy. If the **schedule** is silent, the General Aggregate Limit will be the **limit of indemnity**.

5.2 Cyber business interruption

Following a covered Cyber business interruption under clause 2.2, **we** will pay;

- a. The difference between **your** actual **income** during the **period of indemnity** and the **income** it is estimated **you** would have earned during that period or,
- b. If this is **your** first trading year, the difference between **your income** during the **period of indemnity** and during the period immediately prior to the interruption, less any savings resulting from the reduced costs and expenses **you** pay out of **your income** during the **period of indemnity**.
- c. **We** will also pay for **increased costs of working**. **You** must bear the **time excess** in respect of each covered interruption.

5.3 Policy excess

The **policy excess** stated in the **policy schedule** applies in respect of;

- a. Each and every **claim, loss, breach, privacy investigation, illegal threat,** and interruption or;
- b. All **claims, losses, breaches, privacy investigations, illegal threats,** or interruptions arising out of or in connection with the same originating cause or source, or
- c. All losses for which indemnity is available, including all **defence costs and expenses, privacy forensic costs, privacy investigation costs** and **credit monitoring costs** arising out of or in connection with the same originating cause or source;

falling to be dealt with under the insuring clause. **Our limit of indemnity** is over and above the **policy excess**.

Section 6: Exclusions

We will not cover **you** for any liability directly or indirectly due to;

6.1. Assumed duty or obligation

any duty, obligation or liability incurred, entered into or assumed by **you** which is not incurred, entered into or assumed in the normal conduct of **your business**.

6.2. Contractual terms and warranties

- a. any express agreement, warranty, indemnity, waiver or guarantee;
- b. any warranty or agreement providing a greater liability or a longer period of liability than that given under the original contract and to which such warranty or agreement is supplemental.

6.3. Credit monitoring costs

credit monitoring costs unless:

- a. arising from a **breach** of a **data subject's** National Insurance number, driver's licence number or other government issued identification number that can be used, in combination with other information, to open a new financial account; or
- b. **you** are required by any law or regulation to provide credit monitoring or credit protection services.

6.4. Death and bodily injury

death, bodily injury, psychological injury, emotional distress or anguish, shock, sickness, disease or death sustained by any person, unless such damage arises solely because of defamation or breach of privacy covered under clause 3.1 Privacy information claim, if coverage is being provided under clause 3.1.

6.5. Defamatory statements

any statement **you** knew, or ought reasonably to have known, was defamatory at the time of publication.

6.6. Directors and officers

any breach by **you** of a personal duty owed solely in the capacity of a member, director, secretary or officer of a body corporate.

6.7. Dishonesty

any fraudulent, dishonest, malicious or criminal conduct intended to cause harm to another person or business, or any knowing or wilful violation of a law, whether committed by you or committed by another whose conduct or violation of the law you have ratified or actively condoned or any act you knew, or reasonably ought to have known at the time you performed it, would give rise to a **claim, loss, breach, privacy investigation, illegal threat** or interruption to **your business**.

6.8. Fines and penalties

taxes, fines or penalties, punitive, aggravated, multiple, exemplary or other non-compensatory damages.

6.9. Hack by an individual

any individual **hacker** that falls within the definition of **you** or **persons responsible to you**.

6.10. Insolvency

your insolvency or the insolvency of **your** suppliers or sub-contractors.

6.11. Investment and financial

- a. Depreciation or loss of investments when the depreciation or loss is as a result of any fluctuations in any financial, stock or commodity markets when such fluctuation is outside the influence or control of **you**.
- b. Any actual or alleged dealings of any nature by which it is sought to affect the price of, or market in, any shares or debentures of any company or commodity or currency, or of any negotiable instrument, other than dealings carried out in accordance with the laws, rules and regulations applicable to such dealings.
- c. Any regulated activities (as amended from time to time) as defined by the Canadian Securities Administrators, and provincial and territorial regulators, or equivalent.

6.12. Intellectual property, patent or trade secrets

theft or infringement, misappropriation or disclosure of any intellectual property, patent or trade secret.

6.13. Land, Buildings and transport

from the ownership, possession or use by **you** of land, buildings, property (mobile or immobile), aircraft, watercraft, vessels or by vehicles, whether mechanically propelled or otherwise.

6.14. Liability to employees

any employment dispute directly or indirectly based upon, attributable to or in consequence of bodily injury, mental injury, sickness, disease or death or any breach of any obligations owed by **you** as an employer for discrimination, harassment, unfair treatment or unfair dismissal or failure to promote any **employee**.

6.15. Media liability

media liability made by any person or entity, including but not limited to **employees** or **persons responsible to you**.

6.16. Nuclear

- a. Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting from or arising from or any consequential loss, or
- b. Any legal liability of whatever nature;

directly or indirectly caused by or contributed by or arising from;

- i. Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel or
- ii. The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

6.17. Payment Card Industry (PCI) charges

any liability for charges, fines, penalties, levies, costs, expenses, assessments, contractual damages or imposition of liabilities of any nature arising as a result of **your** failure to comply with PCI Data Security Standards due to a breach, including any sums in relation to card reissuance or fraudulent transactions.

6.18. Professional duties

any liability arising from a breach of a professional duty made by any individual or entity with whom **you** have provided professional advice or professional services.

6.19. Pollution

actual, alleged or threatened pollution, seepage, contamination, discharge, dispersal, release or escape of any solid, liquid, gaseous, or thermal irritant or contaminant including, but not limited to, smoke, vapours, soot, dust, fibres, bacteria, fumes, acids, alkalis, chemicals and waste or any actual or alleged advice given or services performed in relation to any irritant or contaminant, including but not limited to testing, monitoring, treatment, containment, cleaning up, neutralising or detoxification thereof.

6.20. Prior knowledge of claims and circumstances

- a. **claims** or **losses** **breaches**, **privacy investigations**, **illegal threats** or interruptions of any kind covered under this **policy** (including **defence costs and expenses**, **privacy forensic costs**, **privacy investigation costs** and **credit monitoring costs**) first made, threatened, intimated or sustained against **you** prior to the **period of insurance**;

- b. any situation or **circumstance** of which **you** first became aware prior to the **period of insurance** or which **you** ought reasonably to have been aware of prior to the **period of insurance** which may give rise to a liability under this **policy** and which was known or ought to have been known by **you** prior to the **period of insurance**.

6.21. Products

you or **persons responsible to you** having supplied, manufactured, constructed, altered, repaired, treated, sold, recalled, fabricated, distributed, installed or maintained any goods or products.

6.22. Property Damage

based upon or attributable to damage to property (except data covered under clause 2.3 Hacker damage).

6.23. Reckless conduct

any conduct committed by **you** in reckless disregard of another person's or business' rights.

6.24. Related parties

any **claim** brought by any person or entity within the definition of **you** or any party with a financial, executive or managerial interest in **you**, including any parent company or any party in which **you** have a financial, executive or managerial interest. This exclusion does not apply to a **claim** based on a liability to an independent third-party directly arising out of **your business**.

6.25. Routine privacy investigations

any privacy investigation arising from any routine regulatory supervision, enquiry or compliance review, any internal investigation or any investigation into the activities of **your** industry which is not solely related to an alleged breach of privacy by **you**.

6.26. Seizure and confiscation

any confiscation, requisition, expropriation, appropriation, seizure or destruction of property by or under the order of any government or public or local authority, or any order by such authority to take down, deactivate or block access to **your computer system**.

6.27. Service providers

any failure or interruption of service provided by an internet service provider, telecommunications provider, **cloud provider** but not including the hosting of hardware and software that **you** own, or other utility provider.

6.28. Territorial limits

any **claim** or **loss**, **breaches**, **privacy investigations**, **illegal threats**, and interruptions including **defence costs and expenses**, **privacy forensic costs**, **privacy investigation costs** and **credit monitoring costs** brought outside the **territorial limits**, including proceedings brought within the **territorial limits** to enforce a judgment or award, or which are based on a judgment or award from outside the **territorial limits**.

6.29. Trading debts

any **claim** arising from or directly or indirectly attributable to any trading debt or trading loss or any guarantee or undertaking given by **you** for a debt or performance of any obligation by a third party.

6.30. War and terrorism

any **claim** or **loss**, **breaches**, **privacy investigations**, **illegal threats**, and interruptions arising from or directly or indirectly attributable to war, invasion, acts of foreign enemies, riot, hostilities, **terrorism**, or war like operations whether declared or not, civil war, rebellion, revolution, insurrection, civil commotion amounting to an uprising, military or usurped power (regardless of any other cause or event contributing to the liability) and/or any action taken in controlling, preventing or suppressing the aforementioned risks.

This exclusion also applies to any liability for any **claim** or **loss** covered under this **policy** and/or costs including **defence costs and expenses**, **privacy forensic costs**, **privacy investigation costs** and **credit monitoring costs** on account of any **claim** or **loss** directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to the risks in the above paragraph.

Section 7: Important Conditions

7.1 Alteration to risk

Notwithstanding the notification provisions of this **policy**, **you** must notify **us** within the **period of insurance** of any material alteration to the risk including but not limited to any material change in the nature of or cessation of the **business**.

7.2 Assignment

You must not assign this **policy** or any rights under this **policy** without **our** consent by way of **endorsement** to form part of this **policy**.

7.3 Authorisation

The insured named in the **policy schedule** shall act on behalf of all insureds with respect to the giving and receiving of notices under this **policy**, including the giving of notice of any **claim** or **loss**, the payment of the **premium**, the receipt and acceptance of any **endorsements** attaching to and forming part of this **policy**.

7.4 Confidentiality

You shall not disclose the terms of this **policy** or disclose the amount of the **premium** paid to any third party except:

- a. To the extent that **you** are required by law to do so or by any regulatory authority as may be necessary to demonstrate to such regulatory authority that any mandatory insurance requirements of such authority have been satisfied, or
- b. That the existence of the **policy**, policy number, lead insurer, **limit of indemnity** and **policy excess** available may be disclosed to an insurer, to a client or a prospective client, wholesale broker or placing agent necessary to maintain agency facilities, provided that no such disclosure shall be permitted where **you** are aware or ought reasonably to be aware that the person to whom disclosure is going to be made, has made, or is likely to make a **claim** against **you** or
- c. To the extent that **we** consent to such disclosure which **you** have sought, such consent not to be unreasonably withheld.

7.5 Document management

We may hold the **proposal** (including any attachments thereto) and any documents relating to this insurance and any **claim** or **loss** in electronic form and may destroy the originals. An electronic copy of any such document will be admissible in evidence to the same extent as, and carry the same weight as, the original.

7.6 Fraudulent claims

If **you** shall knowingly make any false or fraudulent request in respect of any **claim** or **loss**, as regards amount or otherwise, **you** will forfeit the right to cover only of the actual **claim** in relation to which there has been a false or fraudulent request.

7.7 Indemnity to employees

At **your** reasonable request, **we** will cover any **employee** provided the **employee**, as though they were **you**, observes and complies and is subject to the terms of this **policy**.

7.8 Notification to law enforcement authorities

You must inform, or allow **us** to inform, the appropriate law enforcement authorities where any illegal threat was made, and keep **us** fully informed of all developments concerning any illegal threat or ransom demand.

7.9 Other insurance

The insurance provided by this **policy** shall apply only in excess of any other valid insurance, with the sole exception of any insurance written as specific excess insurance over the **limit of indemnity** provided by this **policy**.

7.10 Sanctions

We shall **not** be deemed to provide cover and shall not be liable to pay any **claim** or provide any benefit to the extent that the provision of cover, payment of claim or provision of benefit would expose **us** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

7.11 Senior Counsel

In the event that;

- a. **We** recommend settlement of a **claim** and **you** do not agree to the settlement of the **claim** and **you** decide to contest the **claim**; or
- b. **You** wish to settle a **claim** and **we** do not agree to the settlement of the **claim**;

Senior Counsel (agreed upon by **you** and **us** or failing such agreement to be nominated by the Chairman for the time being of the Bar Council or where appropriate by a similar official of any similar body in any other applicable jurisdiction) shall advise whether the **claim** should be settled or contested taking into account all likely costs, prospects of success and the damages and costs likely to be recovered by the third party claimant, and **your** commercial interest. The costs of this exercise will be allocated by the agreed or appointed party on a fair and equitable basis, and the parties will abide by that allocation. This condition applies to clause 3.1 only when **you** and **we** have exhausted all appropriate forms of alternative dispute resolution and coverage is being provided under clause 3.1. For purposes of this condition, only definition (a) and (b) of **you** applies.

7.12 Several liability of insurers

Where there is more than one insurer named in the **policy schedule** subscribing to this **policy**, insurers' obligations are several and not joint and are limited solely to the extent of their individual subscriptions. **We** are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of their obligations.

7.13 Subrogation

- a. Where **we** have paid a **claim** or **loss** covered under this **policy**, **we** will be entitled to any rights **you** have against any party in relation to the **claim** or **loss** to the extent of **our** payment.
- b. **You** must assist **us** and provide information as **we** may reasonably require to exercise **our** rights of subrogation, including bringing any action or suit in **your** name. This may include providing and signing statements and other documents and the giving of evidence.
- c. Any recovery received shall be applied first against any **claim**, **loss** or costs insofar as it exceeds the **limit of indemnity**, then against any payment made by **us**, and finally against the **policy excess**.
- d. **We** will not subrogate against any current or former principal, partner, member, director or **employee** under this **policy** unless that person is found to have committed a criminal, fraudulent, malicious or dishonest act or omission.

7.14 Take over and mergers

In the event of a take-over or merger where there is a sale or a merger with or acquisition by another entity such that **you** are not the surviving entity

and no longer: (a) control the composition of the board of directors or (b) control more than half the voting power or (c) hold more than half of the issued share capital then this **policy** shall apply only to any **claim** or **loss** arising from **your business** carried out prior to the date of such take-over or merger, unless **we** otherwise agree.

7.15 Third party rights

A person who is not a party to this **policy** has no rights under the *Contracts (Rights of Third Parties) Act 1999* or any amendment or re-enactment thereof to enforce any term of this **policy**.

7.16 Waiver or amendment

The terms of this **policy** shall not be waived or amended except by **endorsement** to form part of this **policy**.

Section 8: Claims conditions

8.1 Claims notification

You shall notify the **nominee** named in the **policy schedule** as soon as practicable within the **period of insurance** or at the latest within 21 days of receipt of any **claim**, or **loss**, **breach**, **privacy investigation**, **illegal threat** or interruption made against **you**, or an **employee** or **persons responsible to you** during the **period of insurance**.

If **you** become aware of any situation during the **period of insurance** which may give rise to a **claim** or **loss**, **breach**, **privacy investigation**, **illegal threat** or **interruption**, **you** shall notify the **nominee** named in the **policy schedule** as soon as practicable, or at the latest within 21 days following such awareness.

Notifications made under this clause which subsequently give rise to a **claim** shall in each case be deemed to have been a **claim** made during the **period of insurance**.

8.2 Co-operation

As soon as practicable following receipt by **you**, **you** must deliver to the **nominee** named in the **policy schedule** any preliminary letter of **claim**, pre-action protocol letter, claim form, other legal procedural documents, summons, arbitration notice or other similar correspondence and documents to those described. **You** shall provide **us** with all information and assistance that **we** and **our** representatives and others appointed by **us** may reasonably require. Compliance with this condition will be at **your** own cost.

8.3 Legal defence and settlement

- a. **We** are entitled but not obliged to assume the legal defence of any **claim** covered under this **policy** in **your** name and **we** shall have full discretion in managing any negotiation or proceedings as to the resolution of such **claim**
- b. **We** shall be entitled to select and appoint the lawyers and other representatives that will defend and represent **you** or **employee** in respect of any **claim**;
- c. Subject to the conditions of this **policy**, **we** shall be entitled to settle a **claim** if **we** so choose;
- d. **You** agree in relation to any **claim** or potential **claim** or **loss** not to admit liability for or settle any such **claim**, make any admission, offer payment or assume any obligation in connection with any **claim** or potential **claim** or **loss**, or incur any costs in connection with any **claim** or **loss**, without **our** consent, such consent not to be unreasonably withheld;
- e. **You** must not disclose the nature or terms of this insurance to any person unless required to do so by law or in compliance with the rules of their regulatory body, or in negotiating a contract with any client unless **we** have agreed to the disclosure in writing;
- f. **We** shall not be liable for any settlement, costs, admission, offer, payment or assumed obligation without **our** consent, such consent not to be unreasonably withheld;
- g. **We** may at any time pay to **you** the **limit of indemnity** (having deducted any sums already paid) or any lesser amount for which such **claim** or **loss** may be settled and having paid that sum **we** shall relinquish the control of the **claim** and be under no further liability in connection with the **claim** or **loss**;
- h. Prior to settling any **claim** or **loss** within the **policy excess you** shall obtain from the claimant a signed form of discharge in full and final settlement of the **claim** or **loss** and **you** shall advise **us** of the final amount for which the **claim** or **loss** was settled or resolved.
- i. **You** must ensure that our rights of recovery against a third-party are not unduly restricted or financially limited by any term in any of your contracts. If **you** do not, **we** may reduce any payment we make under this section by an amount equal to the detriment **we** have suffered as a result.

Section 9: Definitions

Word	Special meaning
Breach	Means the unauthorised acquisition, access, use or disclosure of, or the loss or theft of personal data , which compromises the security or privacy of that information such that it poses a significant risk of financial harm to the data subject ; or any unauthorised acquisition, access, use or disclosure of personal data which triggers your obligations under any statute, law or regulation to make any notification of such unauthorised acquisition, access, use or disclosure.
Breach forensic costs	Means following a possible breach , the costs you incur for computer forensic analysis conducted by outside forensic experts to confirm the breach and identify the affected data

	subjects , as well as outside legal fees necessary for the preservation of the lawyer-client privilege of forensic reports and findings.
Business	means the business as specified in the policy schedule and/or declared in the proposal to us .
Circumstance	means something that may result in a claim against you .
Claim	means any written or oral demand for monetary damages or other relief including non-pecuniary relief or any civil, arbitration or adjudication proceedings including any counterclaim or appeal.
Cloud provider	Any entity providing hardware or software services to you over the internet including the provision of software as a service, infrastructure as a service or platform as a service.
Computer systems	Any computer network, hardware, software, information technology and communications system, including any email, intranet, extranet or website.
Credit monitoring costs	Following a breach , the costs you incur to provide one year of credit monitoring services or other credit protection services to each affected data subject . Such services must be redeemed by the data subject within 12 months of the data subject first being offered such services.
Data subject	Any natural person who is the subject of personal data
Defence costs and expenses	means any fees, expenses, costs and disbursements incurred in investigating, adjusting, settling or defending a claim that may be covered by this policy . Your internal or overhead expenses or the cost of your time is not included.
Employee	means any person employed by you under a contract of service or apprenticeship during or prior to the commencement of the period of insurance .
Endorsement	means a change to the terms of the policy
Excess	means the amount specified in the policy schedule .
Hacking attack	means any malicious specific or unauthorised electronic act including but not limited to denial of service phishing spear phishing Trojans botnets worms brute-force port scanning spoofing ransomware cracking or phreaking that has been instigated by any third party or any employee or persons responsible to you .
Illegal threat	Any threat from a third-party to: <ul style="list-style-type: none"> a. damage, destroy or corrupt your computer system, programmes or data you hold electronically, or any programmes or data for which you are responsible, including by specifically introducing a virus; or b. disseminate, divulge or use any electronically held commercial information which: <ul style="list-style-type: none"> i. you are responsible for; ii. is not in the public domain; and iii. will cause commercial harm if made public; following any unauthorised external electronic access by that third-party.
Income	The net profit loss you sustain during the period of restoration as a direct result of a covered cause of loss . Income does not include: <ol style="list-style-type: none"> 1. Any loss arising out of a physical cause or natural peril, including but not limited to, fire, wind, water, flood, subsidence, or earthquake; 2. Any loss or expense arising out of updating your computer systems to a level beyond that which existed before the covered cause of loss. 3. Contractual penalties or consequential damages; 4. Any liability to third parties for whatever reason, including but not limited to, legal costs and expenses of any type; 5. Fines or penalties imposed by law; 6. Costs or expenses incurred to identify, patch, or remediate software program errors or your computer system vulnerabilities; 7. Loss of goodwill or reputational harm; Costs to upgrade, redesign, reconfigure, or maintain your computer system to a level of functionality beyond that which existed prior to the covered cause of loss .
Increased costs of working	The reasonable and necessary costs and expenses incurred by you for the sole purpose of minimising the reduction in income from your business during the time excess , but not exceeding the reduction in income saved.

Investigation	means a civil, criminal, administrative or regulatory examination, investigation or other proceeding conducted by any official body or institution empowered under statute to investigate your affairs. Investigation does not mean routine regulatory supervision, inspection or compliance reviews. Proceedings includes an appeal against the outcome of any initial proceedings
Investigation costs	means reasonable fees, costs and expenses (except remuneration of any employee or persons responsible to you) incurred with our consent (which shall not be unreasonably withheld) in connection with preparing for and attending an investigation.
Limit of indemnity	means our maximum total liability as specified in the policy schedule or as may be specifically endorsed to this policy to cover you within the terms and conditions of this policy .
Loss(es)	means any financial harm caused to your business
Media liability	means; <ol style="list-style-type: none"> 1. defamation, libel, slander, product disparagement, trade libel, infliction of emotional distress, outrage, outrageous conduct, or other tort related to disparagement or harm to the reputation or character of any person or organisation, including any breach of any Fair Trading or similar legislation of any country, state, province or territory; 2. misappropriation of any name or likeness for commercial advantage, or trade secret; 3. plagiarism, piracy or misappropriation of ideas under implied contract; 4. infringement of copyright; 5. infringement of trade dress, domain name, title or slogan, or the dilution or infringement of trademark or service mark; 6. negligence concerning the content of any media communication, including harm caused through any reliance of failure to rely on such content. Media communication means the display, broadcast, dissemination, distribution or release of media material to the public by you
PCI Charges	means charges, fines, penalties, levies, costs, expenses, assessments, contractual damages or imposition of liabilities of any nature arising as a result of your failure to comply with PCI Data Security Standards due to a breach , including any sums in relation to card reissuance or fraudulent transactions.
Period of insurance	means the time for which this policy is in force as stated in the policy schedule .
Period of restoration	The period of time commencing on the date when the interruption, degradation in service, or failure of your computer system began, and ending on the earlier of: <ol style="list-style-type: none"> 1. The date when your computer system is restored or could have been repaired or restored with reasonable speed to the same condition, functionality and level of service that existed prior to the covered cause of loss, plus a maximum of thirty (30) additional consecutive days after the restoration of your computer system to allow for restoration of your business; or 2. One hundred and twenty (120) consecutive days after the notice of the covered cause of loss is received by Us
Personal data	Any non-public individually identifiable information about a data subject , including but not limited to such information protected by <i>The Personal Information Protection and Electronic Documents Act</i> .
Persons responsible to you	means locum, consultant, sub-consultant or agent or self-employed person appointed by you to perform services on your behalf so as to enable you to perform your business .
Policy	means this policy wording, the policy schedule and any endorsements .
Policy schedule	means the document attaching to or incorporated into this policy wording and headed policy schedule and bearing the policy number applicable to this insurance.
Pollution	means any substance, solid, liquid, gaseous or thermal irritant or contaminant including but not limited to smoke, vapours, soot, fumes, acids, alkalis, chemicals and waste materials. Waste materials include, but are not limited to, recycled, reconditioned or reclaimed materials.
Premium	means the amount stated against the premium in the policy schedule

Privacy forensic costs	Following a claim under Privacy investigation claim subject to coverage being provided under clause 3.1, the reasonable and necessary costs incurred by you with our prior written consent for forensic services conducted by outside forensic experts to defend a claim .
Privacy investigation	Any official examination, official enquiry or official investigation brought against you based on the same allegations as a claim under Privacy investigation claim, subject to coverage being provided under clause 3.1 a. i, ii and iv, conducted by any regulator, government department or other body legally empowered.
Privacy investigation costs	All reasonable and necessary lawyers' and experts' fees and legal costs, including privacy forensic costs , incurred with our prior written agreement in investigating, settling, defending, appealing or defending an appeal against a privacy investigation , but not including any overhead costs, general business expenses, salaries or wages incurred by you or any other person or entity entitled to coverage under this section.
Programmes	A collection of instructions that performs a specific task when executed by your computer systems .
Proposal	means the written proposal made by you to us together with any other related particulars and statements that have been supplied to us and which have been taken into consideration by us when deciding whether to provide this Insurance and upon what terms.
Regulatory award	Following a privacy investigation , any civil or regulatory sanctions, fines, penalties, disgorgement of profits, treble damages or multiple damages, including but not limited to those imposed by any national, federal, Province, Territorial or local governmental body or any licensing organisation, if insurable in the jurisdiction where such award was first ordered, but not including PCI charges .
Retroactive date	means the date specified against the retroactive date in the policy schedule .
Subsidiary	An entity that has been identified in your proposal for this policy and of which you own more than 50% of the book value of the assets or of the outstanding voting rights as of the first day of the period of insurance .
Territorial limits	The territorial limits specified in the schedule
Terrorism	means an act of terrorism including but limited to the use of force or violence and/or the threat of any person or group of persons, whether acting alone or on behalf of or in connection with any organisation or government, committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public in fear.
Time excess	The period shown in the schedule as the time excess, being the period immediately following an interruption during which no cover is provided under Cyber business interruption, clause 2.2.
Virus	means a piece of unauthorised executable code which propagates itself through a computer system .
We, us, our	Means the coverholder for the Lloyd's underwriters subscribing to this insurance noted in the policy schedule .
You, your means	<ul style="list-style-type: none"> a. The named insured on the policy schedule; b. any person who was, is or during the period of insurance becomes your partner, director, trustee, in-house counsel or senior manager in actual control of your operations; c. any subsidiary

Section 10: Governing Law and Disputes Clause

Any dispute between **you** and **us** arising out of or in connection with this **policy** shall be referred to arbitration before a sole arbitrator (to be mutually agreed upon by **you** and **us** or failing agreement to be appointed by the Chairman for the time being of the Bar Council in the applicable Province or Territory where the **policy** was issued) whose decision shall be final and binding on all parties.

Furthermore, in the event of any dispute between any insurer concerning this **policy** such dispute shall be referred to arbitration before a sole arbitrator (to be mutually agreed upon or failing agreement to be appointed by the Chairman for the time being of the Bar Council in the applicable Province or Territory where the **policy** was issued) whose decision shall be binding on all parties.

As an alternative to the above paragraphs, disputes arising from or in connection with this **policy** may be referred to a recognised mediation service if **you** and **we** agree in writing.

Disputes arising from or in connection with this **policy** shall be subject to the jurisdiction of the laws of Canada and the Province or Territory where the **policy** was issued.

Section 11: Interpretation

In this **policy**;

- a. reference to any Act, statute or statutory provision shall include a reference to that provision as amended, re-enacted or replaced from time to time whether before or after the date of the inception of this **policy**;
- b. if any term, condition, exclusion or **endorsement** or part thereof is found to be invalid or unenforceable the remainder shall be in full force and effect;
- c. headings herein are for reference only and shall not be considered when determining the meaning of this **policy**.

NOTICE CONCERNING PERSONAL INFORMATION

How we use your information

By purchasing insurance from certain Underwriters at Lloyd's, London ("Lloyd's"), a customer provides Lloyd's with his or her consent to the collection, use and disclosure of personal information. Consent is subject to the customer's understanding of the nature, purpose and consequences of the collection, use or disclosure of their personal information.

Information is collected and stored for the following purposes:

- the communication with Lloyd's policyholders
- the underwriting of policies
- the evaluation of claims
- the analysis of business results
- purposes required or authorized by law

What personal information we collect about you

We collect, process and store the following personal information about you:

- Name
- Address including postal code and country
- Policy number
- Claim number
- Credit card details
- Bank account details

We also collect information about you when you visit www.lloyds.com. Further details can be found on our online Privacy & Cookies policy at <http://www.lloyds.com/common/privacy-and-cookies-statement>.

We will not use your personal information for marketing purposes and we will not sell your personal information to other parties.

Who we disclose your information to

For the purposes identified, personal information may be disclosed to Lloyd's related or affiliated organisations or companies, their agents/mandataires, and to certain non-related or unaffiliated organisations or companies, including service providers. These entities may be located outside Canada therefore a customer's information may be processed in a foreign jurisdiction (the United Kingdom and the European Union) and their information may be accessible to law enforcement and national security authorities of that jurisdiction.

Disclosure without consent

The following are reasonable grounds to permit the disclosure of personal information without the knowledge or consent of a customer:

- Detecting or suppressing fraud
- Investigating or preventing financial abuse
- For communication with the next of kin or authorized representative of an injured, ill or deceased individual
- Investigating a breach of an agreement or a contravention of the laws of Canada or a foreign jurisdiction
- Witness statement necessary to assess, process or settle insurance claims
- Information produced in the course of employment and the disclosure is consistent with the purpose it was produced for

How to access your information and/or contact us

To access and request correction or deletion of your information, or to obtain written information about Lloyd's policies and practices in respect of service providers located outside Canada, please contact the Ombudsman at info@lloyds.ca. The Ombudsman will also answer customer's questions about the collection, use, disclosure or storage of their personal information by such Lloyd's service providers.

Further information about Lloyd's personal information protection policy may be obtained from the customer's broker or by contacting Lloyd's on: 514 861 8361, 1 877 455 6937, or through info@lloyds.ca.

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SANCTION LIMITATION AND EXCLUSION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

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MICROORGANISM EXCLUSION (ABSOLUTE)

This Policy does not insure any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to:

mould, mildew, fungus, spores or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This Exclusion applies regardless whether there is

- (i) any physical loss or damage to insured property;
- (ii) any insured peril or cause, whether or not contributing concurrently or in any sequence;
- (iii) any loss of use, occupancy, or functionality; or
- (iv) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

This Exclusion replaces and supersedes any provision in the Policy that provides insurance, in whole or in part, for these matters.

14/09/2005
LMA5018

Form approved by Lloyd's Market Association

Code of Consumer Rights and Responsibilities

Insurers (including Lloyd's Underwriters), along with the brokers and agents who sell home, auto and business insurance are committed to safeguarding your rights both when you shop for insurance and when you submit a claim following a loss. Your rights include the right to be informed fully, to be treated fairly, to timely complaint resolution, and to privacy. These rights are grounded in the contract between you and your insurer and the insurance laws of your province. With rights, however, come responsibilities including, for example, the expectation that you will provide complete and accurate information to your insurer. Your policy outlines other important responsibilities. Insurers and their distribution networks, and governments also have important roles to play in ensuring that your rights are protected.

Right to Be Informed

You can expect to access clear information about your policy, your coverage, and the claims settlement process. You have the right to an easy-to-understand explanation of how insurance works and how it will meet your needs. You also have a right to know how insurers calculate price based on relevant facts. Under normal circumstances, insurers will advise an insurance customer or the customer's intermediary of changes to, or the cancellation of a policy within a reasonable prescribed period prior to the expiration of the policy, if the customer provides information required for determining renewal terms of the policy within the time prescribed, which could vary by province, but is usually 45 days prior to expiry of the policy.

You have the right to ask who is providing compensation to your broker or agent for the sale of your insurance. Your broker or agent will provide information detailing for you how he or she is paid, by whom, and in what ways.

You have a right to be told about insurers' compensation arrangements with their distribution networks. You have a right to ask the broker or agent with whom you deal for details of how and by whom it is being paid. Brokers and agents are committed to providing information relating to ownership, financing, and other relevant facts.

Responsibility to Ask Questions and Share Information

To safeguard your right to purchase appropriate coverage at a competitive price, you should ask questions about your policy so that you understand what it covers and what your obligations are under it. You can access information through one-on-one meetings with your broker or agent. You have the option to shop the marketplace for the combination of coverages and service levels that best suits your insurance needs. To maintain your protection against loss, you must promptly inform your broker or agent of any change in your circumstances.

Right to Complaint Resolution

Insurers, their brokers and agents are committed to high standards of customer service. If you have a complaint about the service you have received, you have a right to access Lloyd's Underwriters' complaint resolution process for Canada. Your agent or broker can provide you with information about how you can ensure that your complaint is heard and promptly handled. Consumers may also contact their respective provincial insurance regulator for information. Lloyd's is a member of an independent complaint resolution office, the General Insurance OmbudService.

Responsibility to Resolve Disputes

You should always enter into the dispute resolution process in good faith, provide required information in a timely manner, and remain open to recommendations made by independent observers as part of that process.

Right to Professional Service

You have the right to deal with insurance professionals who exhibit a high ethical standard, which includes acting with honesty, integrity, fairness and skill. Brokers and agents must exhibit extensive knowledge of the product, its coverages and its limitations in order to best serve you.

Right to Privacy

Because it is important for you to disclose any and all information required by an insurer to provide the insurance coverage that best suits you, you have the right to know that your information will be used for the purpose set out in the privacy statement made available to you by your broker, agent or insurance representative. This information will not be disclosed to anyone except as permitted by law. You should know that Lloyd's Underwriters are subject to Canada's privacy laws - with respect to their business in Canada.

10/12
LSW1565C

NUCLEAR INCIDENT EXCLUSION CLAUSE-LIABILITY-DIRECT (BROAD)-CANADA (For use with all Public Liability Policies except Personal, Farmers' and Storekeepers')

It is agreed that this Policy does not apply:

- (a) to liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof; nor
- (b) to bodily injury or property damage with respect to which an Insured under this policy is also insured under a contract of nuclear energy liability insurance (whether the Insured is unnamed in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an Insured under any such policy but for its termination upon exhaustion of its limit of liability; nor
- (c) to bodily injury or property damage resulting directly or indirectly from the nuclear energy hazard arising from:
 - (i) the ownership, maintenance, operation or use of a nuclear facility by or on behalf of an Insured;
 - (ii) the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility; and
 - (iii) the possession, consumption, use, handling, disposal or transportation of fissionable substances, or of other radioactive material (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an Insured.

As used in this policy:

1. The term "nuclear energy hazard" means the radioactive, toxic, explosive, or other hazardous properties of radioactive material;
2. The term "radioactive material" means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances which may be designated by or pursuant to any law, act or statute, or law amendatory thereof as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy;

3. The term "nuclear facility" means:
 - (a) any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
 - (b) any equipment or device designed or used for (i) separating the isotopes of plutonium, thorium and uranium or any one or more of them, (ii) processing or utilising spent fuel, or (iii) handling, processing or packaging waste;
 - (c) any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the Insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
 - (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste radioactive material; and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.
4. The term "fissionable substance" means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
5. With respect to property, loss of use of such property shall be deemed to be property damage.

It is understood and agreed that, except as specifically provided in the foregoing to the contrary, this Clause is subject to the terms, exclusions, conditions and limitations of the Policy to which it is attached.

01/4/96
NMA1978a

WAR AND TERRORISM EXCLUSION ENDORSEMENT

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

1. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
2. any act of terrorism.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 1 and/or 2 above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

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

08/10/01
NMA2918

ELECTRONIC DATE RECOGNITION EXCLUSION (EDRE)

This policy does not cover any loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

- a) the calculation, comparison, differentiation, sequencing or processing of data involving the date change to the year 2000, or any other date change, including leap year calculations, by any computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the insured or not; or
- b) any change, alteration, or modification involving the date change to the year 2000, or any other date change, including leap year calculations, to any such computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the insured or not.

This clause applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

EDRE NMA2802 17/12/1997

MADE IN CANADA CLAUSE

For the purpose of the *Insurance Companies Act* (Canada), this Canadian Policy was issued in the course of Lloyd's Underwriters' insurance business in Canada.

The business insured/reinsured herein meets the necessary conditions to qualify as, and is being transacted as, "insuring in Canada a risk" in accordance with Part XIII of the *Insurance Companies Act* (Canada).

01/11/11
LMA5185

SERVICE OF SUIT CLAUSE (CANADA) **(Action against Insurer)**

In any action to enforce the obligations of the Underwriters they can be designated or named as "Lloyd's Underwriters" and such designation shall be binding on the Underwriters as if they had each been individually named as defendant. Service of such proceedings may validly be made upon the Attorney In Fact in Canada for Lloyd's Underwriters, whose address for such service is 1155, rue Metcalfe, Suite 2220, Montreal, Quebec, H3B 2V6.

LMA5028 10/08/06

RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE

(Approved by Lloyd's Underwriters' Non-Marine Association)

This Policy does not cover

- (a) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
- (b) any legal liability of whatsoever nature

directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

NMA1270

LLOYD'S UNDERWRITERS' POLICYHOLDERS' COMPLAINT PROTOCOL

Lloyd's strives to enhance your customer experience with us through superior service and innovative insurance products.

We have developed a formal complaint handling protocol in accordance with the Insurance Companies Act of Canada to ensure your concerns as our valued customer are addressed expeditiously by our representatives. This protocol will assist you in understanding the steps we will undertake to help resolve any dispute which may arise with our product or service. All complaints will be handled in a professional manner. All complaints will be investigated, acted upon, and responded to in writing or by telephone by a Lloyd's representative promptly after the receipt of the complaint. If you are not satisfied with our products or services, you can take the following steps to address the issue:

- Firstly, please contact the broker who arranged the insurance on your behalf about your concerns so that he or she may have the opportunity to help resolve the situation.
- If your broker is unable to help resolve your concerns, we ask that you provide us in writing an outline of your complaint along with the name of your broker and your policy number.

Please forward your complaint to:

Lloyd's Underwriters

Attention: Complaints Officer:

1155 rue Metcalfe, Suite 2220, Montréal (Québec) H3B 2V6 Tel: 1-877-455-6937 - Fax: (514) 861-0470

E-mail: info@lloyds.ca

Your complaint will be directed to the appropriate business contact for handling. They will write to you within two business days to acknowledge receipt of your complaint and to let you know when you can expect a full response. If need be, we will also engage internal staff in Lloyd's Policyholder and Market Assistance Department in London, England, who will respond directly to you, and in the last stages, they will issue a final letter of position on your complaint.

In the event that your concerns are still not addressed to your satisfaction, you have the right to continue your pursuit to have your complaint reviewed by the following organizations:

General Insurance OmbudService (GIO): assists in the resolution of conflicts between insurance customers and their insurance companies. The GIO can be reached at:

Toll free number: 1-877-225-0446 www.giocanada.org

For Quebec clients:

Autorité des marchés financiers (AMF): The regulation of insurance companies in Quebec is administered by the AMF. If you remain dissatisfied with the manner in which your complaint has been handled, or with the results of the complaint protocol, you may send your complaint to the AMF who will study your file and who may recommend mediation, if it deems this action appropriate and if both parties agree to it. The AMF can be reached at

Toll Free: 1-877-525-0337

Québec: (418) 525-0337

Montréal: (514) 395-0311 www.lautorite.qc.ca

If you have a complaint specifically about Lloyd's Underwriters' complaints handling procedures you may contact the FCAC.

Financial Consumer Agency of Canada (FCAC) provides consumers with accurate and objective information about financial products and services, and informs Canadians of their rights and responsibilities when dealing with financial institutions. FCAC also ensures compliance with the federal consumer protection laws that apply to banks and federally incorporated trust, loan and insurance companies. The FCAC does not get involved in individual disputes. The FCAC can be reached at:

427 Laurier Avenue West, 6th Floor, Ottawa ON K1R 1B9 Services in English: 1-866-461-FCAC (3222)

Services in French: 1-866-461-ACFC (2232) www.fcac-acfc.gc.ca

09/14 LSW1542F

TELEPHONE EXPENSE INSURANCE

DAS Business

Legal Expense Insurance Policy

DAS Legal Protection Inc. (**DAS**) acts as the insurance manager and has the authority to issue this insurance policy and administer claims on behalf of Temple Insurance Company (**Temple**). **DAS** and **Temple** are members of the Munich Re (Group).

Temple Insurance Company

390 Bay Street, 22nd Floor, Toronto, Ontario M5H 2Y2

DAS Legal Protection Inc.

390 Bay Street, 22nd Floor, Toronto, Ontario M5H 2Y2

THIS POLICY CONTAINS CLAUSES WHICH MAY LIMIT THE AMOUNT PAYABLE.

This is a Named Perils policy and provides coverage only for the insured events listed within this policy. Words and phrases in **bold** have special meaning as defined in Definitions section.

Legal helpline

We will provide **you** access to a Legal Helpline through which **you** can receive confidential general legal assistance and information over the phone relating to any legal problem affecting **your** business to help determine your legal rights and options under the laws of the applicable province and the federal laws of Canada. The lawyer cannot provide case specific research or review documents.

We will provide this service between the hours of 8am and midnight, local time, 7 days a week. In addition, **we** will facilitate access to a lawyer twenty-four hours a day, 7 days a week, in emergency situations. Calls to this service may be recorded.

To contact this service, call 1-877-255-4269.

We will not accept responsibility if the helpline service is unavailable for reasons **we** cannot control.

Making a claim

Please contact **us** as soon as practicable following an insured event, and in no event later than 120 days after the **date of occurrence** of the insured event.

Please note that the Insurer will not pay for any legal costs you incur before we have accepted your claim, even if we later accept the claim.

You may report a claim to **us** by mail at **our** Head Office address: 390 Bay Street, 22nd Floor, Toronto, Ontario M5H 2Y2, by email at claims@das.ca, or by calling your Legal Helpline phone number while **you** are insured under this policy.

We will then advise **you** on next steps.

AGREEMENT

In return for payment of the premium, and subject to the policy terms, definitions, conditions, exclusions and limitations set out in this policy and the policy declaration page, the **Insurer** will provide insurance for **legal costs** incurred for insured events described in this policy, provided that:

1. the **date of occurrence** of the insured event happens within the period the **Insurer** has agreed to cover an **insured person**; and
2. the insured event occurs within the **territorial limit** and any legal proceedings will be dealt with by a court, or other body which **we** agree to, within the **territorial limit**; and
3. the **legal costs** are incurred after the claim has been accepted by **us**, and are limited to:
 - a. the reasonable and necessary costs, inclusive of any applicable sales or retail taxes, incurred by the **appointed representative**, including any additional expenses and disbursements such as court fees, experts' fees, police reports and medical reports incurred by the **appointed representative**;
 - b. costs awarded by a court in Canada to opponents in civil cases if the **insured person** has been ordered to pay them, or pays them with our agreement; and
 - c. the cost of the **insured person's** net salary or wages, that are not otherwise payable or recoverable, for the time that they are off work to attend any court proceeding, tribunal, arbitration, mediation or other hearing at the request of the **appointed representative**, up to a maximum of \$500 per **insured person** per day, and \$10,000 in total in respect of all claims resulting from any one court or tribunal proceeding, arbitration, mediation or other hearing; and
4. for civil cases and appeals relating to any insured event, **reasonable prospects** exist for the duration of the claim.

Except where stated otherwise, the **Insurer** will not pay **legal costs** incurred with respect to the enforcement of judgments or final orders, or settlement agreements, or minutes of settlement, which may arise in the pursuit or defence of **your** legal rights from an accepted claim under this policy.

Except where stated otherwise, the **Insurer** will pay **legal costs** incurred in making or defending an appeal, as long as:

- the matter being appealed was previously accepted as a claim under this policy,
- the **insured person** tells **us** within the time limits allowed to file an appeal that they want to appeal (and within reasonable time to allow for the filing of all necessary documents for an appeal), and
- **we** agree there are **reasonable prospects** of success for the appeal.

The policy, together with the policy declaration page and any endorsement, and incorporating the application and any information **you** have provided, forms the contract of insurance between **you** and the **Insurer**.

This is not a policy for reimbursement of legal costs you have already incurred.

INSURED EVENTS

1. Tax protection	
What is covered	What is not covered
<p>The Insurer will pay legal costs in respect of a tax appeal or a tax audit relating to</p> <ol style="list-style-type: none"> 1. liability for income tax, GST, PST or HST arising from your business 2. payroll deductions compliance by your business. <p><i>Provided that you have taken reasonable care to ensure that all returns are complete and correct and submitted within the statutory time limits allowed.</i></p>	<p>Any claim relating to:</p> <ol style="list-style-type: none"> (a) a tax avoidance scheme, arrangement, or plan of any kind (b) your failure to register for GST and/or PST and/or HST. (c) an investigation or inquiry by the CRA into alleged gross negligence, dishonesty or criminal offences.

DEFINITIONS

The following definitions apply wherever these words or phrases appear in bold in the policy.

Appointed representative

The lawyer, accountant or other suitably qualified person appointed by **us** on behalf of the **insured person** to act for an **insured person**.

Broker

The company, as identified on the Policy Declaration Page for this DAS policy, which facilitated the purchase of this DAS Policy by **you**.

Criminal offence

An offence under the Criminal Code of Canada (R.S.C., 1985, c. C-46).

Date of occurrence

1. For civil cases: the date of the event which leads to a claim. If there is more than one event arising at different times from the same originating cause, the **date of occurrence** is the date of the first of these events.
2. For criminal cases: the date of the alleged criminal offence, or the earliest date in a series of related alleged criminal offences, for which an **insured person** is charged.

3. For a **tax appeal**: when the Canada Revenue Agency (“CRA”) or a provincial tax authority first issues **you** a notice of assessment, reassessment or determination with which **you** disagree.
4. For a **tax audit**: when the CRA or a provincial tax authority first contacts **you** in relation to commencing an audit.

The insured event must occur within the period the **Insurer** has agreed to cover the **insured person**.

Insured person

You and **your** directors, officers, partners, managers and employees.
Anyone claiming under this policy must have **your** agreement to claim.

Insurer

Temple Insurance Company

Legal costs

In respect of the insured events described in this policy:

1. all reasonable and necessary costs, inclusive of any applicable sales or retail taxes, incurred by the **appointed representative** including any additional expenses and disbursements such as court fees, experts’ fees, police reports and medical reports incurred by the **appointed representative**;
2. the costs awarded by a court in Canada to opponents in civil cases if the **insured person** has been ordered to pay them, or pays them with **our** agreement; and
3. the **insured person’s** net salary or wages, that are not otherwise payable or recoverable, for the time that they are off work to attend any court proceeding, tribunal, arbitration, mediation or other hearing at the request of the **appointed representative**, up to a maximum of \$500 per **insured person** per day, and \$10,000 in total in respect of all claims resulting from any one court or tribunal proceeding, arbitration, mediation or other hearing.

Reasonable prospects

For civil cases **reasonable prospects** means that **we** agree that it is always more likely than not that an **insured person** will recover losses or damages (or obtain other legal remedy which **we** have agreed to) or make a successful defence.

For appeals relating to any insured event, **reasonable prospects** means that **we** agree that it is always more likely than not that the appeal will be successful.

Tax appeal

An appeal regarding an assessment, reassessment or determination made by the CRA or a provincial tax authority, including an administrative appeal to the CRA or a provincial tax authority and an appeal to the Tax Court of Canada or a superior court of a province.

Tax audit

An inspection and verification by the CRA or a provincial tax authority of **your** financial accounting records to determine whether or not **you** have paid the correct amount of tax.

Territorial limit

Canada.

We, us, our

DAS Legal Protection Inc. who has been authorized by the **Insurer** to act as the insurance manager for this policy.

You, your

The corporation or partnership shown in the Policy Declaration Page as the policyholder.

LIMIT OF INDEMNITY UNDER THIS POLICY

The **Insurer** will pay up to the limit of indemnity shown in the policy declaration page in respect of **legal costs** related to all claims resulting from one or more events arising at the same time or from the same originating cause.

Subject to the above, the **Insurer** will pay, in aggregate, **legal costs** of no more than the aggregate limit shown in the policy declaration page in respect of all claims that arise in that period of insurance that result from different originating causes.

GENERAL EXCLUSIONS

This insurance does not apply to:

1. **Events not connected with your business** Any event not arising in connection with the business shown in **your** policy declaration page.
2. **Wilful acts** Any claim resulting from an act which is wilfully committed, and the results of which are consciously intended, by an **insured person**.
3. **Late reported claims** A claim reported to **us** more than 120 days after the **date of occurrence**.
4. **Legal costs not agreed with us** **Legal costs** incurred before **our** written agreement that the **Insurer** will pay them.
5. **Legal action not agreed with us** Legal action an **insured person** takes which **we** or the **appointed representative** have not agreed to or where an **insured person** does anything that hinders **us** or the **appointed representative**.
6. **Contingency fee agreements** Any **legal costs** arising as a consequence of a contingency fee agreement.
7. **Disputes with any governmental or public body** Except as it relates to claims accepted under **Tax Protection**, any **legal costs** relating to a review or dispute regarding the lawfulness of any decision or action of any federal or provincial governmental or quasi – governmental body, or any other local or public authority, other than in relation to an accepted claim in respect of any event insured under this policy.

8. **Class action proceedings** Any claim where an **insured person** is a party to a legal action brought under applicable class proceedings legislation, or where an **insured person** has opted out of being a party to a legal action brought under applicable class proceedings legislation.
9. **Costs awarded outside of Canada** Any **legal costs** awarded in any jurisdiction outside of Canada.
10. **Damages, fines and penalties** Damages, fines, penalties, compensation or restitution orders which the **insured person** is ordered to pay by a court or other authority and any costs awarded in criminal or statutory proceedings.
11. **Disputes with DAS, the Insurer, or the Broker** Any dispute with **us**, the **Insurer**, or the **Broker** not otherwise dealt with under **Policy condition 10. Disputes over reasonable prospects for a claim.**
12. **Fraudulent claims** Any claim which is fraudulent, exaggerated or dishonest.
13. **Claims under this policy by a third party** Apart from **us**, only an **insured person** may enforce all or any part of this policy and the rights and interests arising from or connected with it.
14. **Nuclear, war, terrorism and pollution or contamination risks** Any claim caused by, contributed to, or arising from any of the following:
 - (a) war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
 - (b) an event which is required to be insured under a nuclear energy liability policy issued by the Nuclear Insurance Association of Canada, or any other group or pool of insurers;
 - (c) terrorism or a decision of a government agency or other entity to prevent, respond to or terminate terrorism;
 - (d) pollution or contamination.
15. **Bankruptcy of policyholder** Any matter or claim if, at any time:
 - (a) **you** are declared bankrupt, placed into receivership, are in the process of being wound-up or if any part of **your** affairs or property is in liquidation;
 - (b) **you** have made a proposal, petition, filing or arrangement for the benefit of any creditor or creditors;
 - (c) a creditor seeks to have **you** placed into bankruptcy, declared insolvent, liquidated or be wound-up;
 - (d) any of **your** property is placed under the care or control of a trustee, receiver or administrator.
16. **Intellectual property disputes** Any claim related to disputes about patents, copyrights, trademarks, merchandise marks, registered designs, intellectual property, secrecy and confidentiality agreements.
17. **Agency agreement disputes** Any claim relating to rights under a franchise or agency agreement entered into by **you**.
18. **Shareholding or partnership disputes** Disputes about a shareholding or partnership interest in **you** unless such shareholding or partnership interest was acquired under a plan open to all of **your** employees or a substantial number of them.
19. **Defamation**
A claim relating to written or oral remarks which damage an **insured person's** reputation.
20. **Disputes relating to the validity of legislation**
Any constitutional or other challenge to the validity of Federal, Provincial, or Municipal Legislation.

POLICY CONDITIONS

1. **Observance of policy terms**
The **insured person** must:
 - (a) comply with the terms and conditions of this policy;
 - (b) notify **us** immediately of any change in circumstance which may materially affect **our** assessment of the risk;
 - (c) take reasonable steps to avoid and prevent claims;
 - (d) take reasonable steps to avoid incurring unnecessary costs;
 - (e) send everything **we** reasonably ask for in writing;
 - (f) report to **us** full and factual details of any claim as soon as practicable and give **us** any information **we** reasonably need.
2. **Notice of Insured Event**
The **insured person** shall notify **us** of any insured event which may give rise to coverage, as soon as they become aware of it. Any interested person may give such notice. In the event that the requirement set out in the preceding paragraph is not fully complied with, all rights to coverage shall be forfeited by the person insured where such non-compliance has caused prejudice to **us**.
3. **Conduct and control of claim**
 - (a) If it is necessary to take legal proceedings, including a **tax appeal**, an **appointed representative** will be appointed by **us** on behalf of the **insured person** in accordance with **our** standard terms of appointment and will be retained by the **insured person**.
 - (b) Where **we** have agreements with more than one law firm with respect to a specialty, the **insured person** may select their **appointed representative** from that panel of law firms.
 - (c) The **insured person** must cooperate with **us** and must keep **us** up-to-date regarding the progress of the claim.
 - (d) The **insured person** must cooperate with the **appointed representative** and must follow the recommendations of the **appointed representative**, which have been agreed to by **us**.
 - (e) The **insured person** must give the **appointed representative** any instructions that **we** require.
4. **Consent to access information**
The **insured person** will provide written consent, at the commencement of the retainer of the **appointed representative**, permitting the **appointed representative**, at **our** request, to give **us**, or **our** reinsurers, actuaries or auditors, or any regulatory authority or its agents, to the extent required by law, access to all correspondence, documents and records in the **appointed representative's** possession or control which are relevant to the matter. This consent will include permission to deliver up all such documents or copies of all such documents at **our** request.
5. **Offers to settle a claim**
 - (a) The **insured person** must tell **us** if anyone offers to settle a claim and must not negotiate or agree to a settlement without **our** written consent.
 - (b) If the **insured person** does not accept an offer **we**, based on the advice of the **appointed representative**, consider reasonable to settle a claim, **we** may refuse to pay further **legal costs**.
 - (c) **We** reserve the right to pay the **insured person** the reasonable amount of damages that the **insured person** is claiming, or that is being claimed against them, or negotiate a reasonable settlement of any claim, instead of starting or continuing legal proceedings. In these circumstances the **insured person** must allow **us** to take over and conduct in their name the pursuit or settlement of any claim. The **insured person** will also allow **us** to pursue at **our** own expense and for **our** own benefit, any claim for compensation against any other party and must give **us** all information and assistance required.
6. **Withdrawal of coverage**
If an **insured person** settles or negotiates a claim without **our** consent, or withdraws a claim without **our** consent, or does not give to the **appointed representative** any instructions that **we** require, **we** can withdraw coverage and will be entitled to reclaim from the **insured person** any **legal costs** **we** have paid.

7. **Sanction limitation**
The **Insurer** shall not be deemed to provide coverage and the **Insurer** shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the **Insurer** to any sanction, prohibition or restriction under trade or economic sanctions, laws, or regulations of Canada, the United Nations, or the European Union.
8. **Assessment and recovery of costs**
(a) The **insured person** must instruct the **appointed representative** to have **legal costs** taxed, assessed or audited if **we** ask for this.
(b) The **insured person** must take every reasonable step to recover **legal costs** that **we** have to pay and must pay **us** any amounts that are recovered.
(c) Where a settlement is made on a without costs basis the **appointed representative** will determine what proportion of that settlement will be deemed **legal costs** and payable to or by **us**.
9. **Cancellation of a representative's appointment**
If the **appointed representative** refuses to continue acting for the **insured person**, or if the **insured person** dismisses the **appointed representative** without **our** prior consent, the coverage the **Insurer** provides will end immediately.
10. **Disputes over reasonable prospects for a claim**
If there is a dispute between an **insured person** and **us** over **reasonable prospects**, the **insured person** may obtain, at their expense, an opinion, from a lawyer mutually agreed to by the **insured person** and **us**, on the merits of a claim or proceedings. If the lawyer's opinion indicates that **reasonable prospects** exist, **we** will pay the reasonable cost of obtaining the opinion.
11. **Complaint handling**
If **you** are not satisfied with any aspect of **our** service, please write to **us** at DAS Legal Protection Inc., 390 Bay Street, 22nd Floor, Toronto, Ontario M5H 2Y2. Alternatively **you** can telephone **us** at 1-888-582-5586 or email **us** at customerrelations@das.ca.
If **you** are still not happy, **you** can contact the General Insurance OmbudService (GIO). The GIO is an independent organization which exists to help resolve problems between individuals and their insurance providers. The GIO's services are available free of charge to the customer and the GIO can be contacted by telephone (toll-free Number 1-877-225-0446), or through their website at www.giocanada.org. The GIO should be contacted only after **you** have first tried to resolve the issue directly with **us**.
12. **Other insurance**
The **Insurer** will not pay any claim covered under any other policy, or any claim that would have been covered by any other policy if this policy did not exist.
13. **Applicable law**
This policy will be governed, interpreted and enforced in accordance with the laws of the province where this policy was issued and the federal laws of Canada.
14. **Currency**
All of the dollar limits described in this policy are in Canadian funds.
15. **Action against us or the Insurer**
Any action or proceeding against **us** or the **Insurer** for the recovery of any claim under this policy is absolutely barred unless commenced within two years after the **date of occurrence**, or prior to the expiry of the applicable limitation period in the province where this policy was issued, whichever is earlier. Any such action or proceeding shall be held in the province where this policy was issued and in accordance with its laws and the federal laws of Canada.
16. **Communication with us**
The **insured person** can communicate with **us** by telephone, mail or email. New claims may also be reported to **us** by mail or telephone, or via **our** website.

DAS Legal Protection Inc.
390 Bay Street, Suite 1610, Toronto ON M5H 2Y2

www.das.ca

Telephone: 416-342-5400 or 1-888-582-5586

If you have any other questions about your policy, please contact your broker.

Coverage Summary

Part I, II and VI

Part I – Property (if Part I is selected)	
Replacement Cost with Same Site Clause amended	Included
Sewer Backup (subject to min. \$2,500 deductible)	Included
Extensions of Coverage	
a. Newly Acquired or Constructed Buildings (90 Day Reporting)	\$1,000,000
b. Newly Acquired Business Personal Property (90 Day Reporting)	\$500,000
c. Personal Effects (including Volunteers)	\$2,500/person \$25,000/policy year
d. Accounts Receivable	\$100,000
e. Valuable Papers	\$100,000
f. Property Off-Premises	\$25,000
g. Property in Transit	\$25,000
Parcel Post	\$10,000
h. Growing Plants, Lawns, Trees, Shrubs, Flowers	\$10,000/occurrence
i. Glass (excluding stained glass)	Included
j. Debris Removal	25% of loss up to \$50,000
k. Removal of Windstorm Debris	\$50,000
l. Pollutant Cleanup and Removal	\$50,000
m. Fire Department Service Charges	\$50,000
n. Protection of Property	Up to 30 days
o. Fine Arts	\$25,000
p. Building Damage by Theft	\$10,000
q. Professional Fees	10% of loss up to \$100,000
r. Automatic Fire Suppression System Recharge Expenses	\$25,000
s. EDP Equipment, Data and Media Breakdown	\$50,000
t. Automatic Inflation Adjustment	Included
u. Consequential Loss (on/off premises)	\$50,000
v. Building By-Laws	Included
w. Installation Floater	\$25,000
x. Peak Season	25% on Stock
y. Tenant's Leasehold Interest – Rents	\$10,000
z. Property of Tenants or Registered Guests of a Hotel/Apartment/Health Care Facility	\$1,000/occurrence \$5,000 aggregate
aa. Roadways, Walkways, Parking Lots	\$50,000
bb. Outdoor Property	\$25,000
cc. Master Key Coverage	\$10,000
dd. Condominium Unit Coverage	
Loss Assessment	\$10,000
Contingent Building Coverage	\$25,000
ee. Rewards	\$10,000
ff. Furs, Fur Garments, Jewels, and Jewellery	\$5,000
gg. Environmental Upgrade	25% of loss up to \$25,000
hh. Deferred Payment Plan (Stock)	\$50,000
ii. Brands and Labels	\$100,000
jj. Top-Up Extension	\$50,000 aggregate
kk. Extra Expense / Expediting Expense	\$50,000
ll. Product Recall Expense	\$25,000

Part II – Business Income (if Part II is selected)	
Extensions of Coverage	
a. Retailers Product Impairment	\$10,000
b. Contingent Business Income	\$25,000
c. Off Premises Heat, Power, Gas, Water or Communication Services	\$25,000
d. Accountants Fees	\$25,000
e. Civil Authority	30 days
f. Newly Acquired Locations	\$250,000
g. Non Owned Heat, Power, Gas, Water or Communication Services	\$25,000
h. Mortgage Rate Guarantee	\$25,000
i. Fines, Damages or Penalties for Breach of Contract	\$25,000
j. Negative Publicity (48hr waiting period)	\$10,000
k. Outbreak Extra Expense	\$10,000

Part VI – Crime (if Part VI is selected)	
Money & Securities	\$10,000
Employee Dishonesty	\$10,000
Credit Card Forgery	\$10,000
Forgery or Alteration	\$10,000
Money Order and Counterfeit Paper Currency	\$10,000
Computer Fraud and Funds Transfer Fraud	\$10,000
Extensions of Coverage	
a. Professional Fees	25% of loss up to \$10,000
b. Third Party Employee Dishonesty	\$5,000

The information state above is only a summary of the applicable Limits of Insurance in the Policy and will not be interpreted as increasing, modifying or varying any other terms or Limits of Insurance specified in the Coverage Schedule. In the event of any inconsistency between the information set in this summary and the Coverage Schedule, the Coverage Schedule will govern.

Coverage Summary

Part III and IV

Part III – Commercial General Liability (if Part III is selected)	
All Risks Tenants' Legal Liability (blanket all locations)	\$500,000
Medical Payments	\$25,000/person
Employee Benefits	\$1,000,000
Fungi and Spores Liability	\$250,000
Including:	
Products and Completed Operations Aggregate	
Personal and Advertising Injury Liability	
General Aggregate	
Contingent Employers Liability	
Contractual Liability	
Incidental Medical Malpractice	
Automatic Coverage for Newly Acquired Subsidiaries (90 Day Reporting)	
Separation of Insureds, Cross Liability	
Broad Form Property Damage	
Broad Form Completed Operations	
Employees and "Volunteer Workers" and unit owners of condominiums as Additional Insureds	
Blanket Additional Insureds (as required by contract)	
Pollution Exclusion with Hostile Fire Exception (includes accidental discharge of fuels or lubricants from mobile equipment)	

Part IV – Non-Owned Automobile (if Part IV is selected)	
S.P.F. No. 6 – Standard Non-Owned Automobile Policy	Included
SEF #94 Legal Liability For Damage To Hired Automobiles Endorsement	\$75,000 any one accident
SEF #96 Contractual Liability	Included
SEF #99 Excluding Long Term Leased Vehicles	Included
OEF #98B (for Ontario Risks)	Included

The information state above is only a summary of the applicable Limits of Insurance in the Policy and will not be interpreted as increasing, modifying or varying any other terms or Limits of Insurance specified in the Coverage Schedule. In the event of any inconsistency between the information set in this summary and the Coverage Schedule, the Coverage Schedule will govern.

PART I

Deletion Of Accident To An Object Coverage Endorsement

This endorsement modifies insurance provided under Part I – Property Insured as follows:

1. all coverage pertaining to “Accident to an Object”, as defined in any forms or endorsements attached to this Policy, is deleted from this policy in its entirety.
2. Part I of this Policy does not insure loss of or damage to:
 - a. any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure; or
 - b. any boiler, including the piping and equipment connected thereto which contains steam or water under steam pressure (except tanks having an internal diameter of 610 millimetres (24 inches) or less used for the storage of hot water for domestic use);caused directly or indirectly by explosion, rupture, bursting, cracking, burning out or bulging of such property while connected ready for use, but this exclusion does not apply to:
 - i) manually portable gas cylinders;
 - ii) explosion of natural, coal or manufactured gas; or
 - iii) explosion of gas or unconsumed fuel within a furnace or within the gas passages therefrom to the atmosphere.
3. in respect only to Buildings, as defined in any form or endorsement attached to Part I of this policy, Part I of this Policy does not insure against loss or damage caused directly or indirectly by explosion (except with respect to explosion of natural, coal or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by you, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire:
 - a. the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - b. piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 - c. other vessels and apparatus and pipes connected therewith while under pressure, or while in use or in operation provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure but this exclusion does not apply to loss or damage resulting from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimetres (24 inches) or less used for the heating and storage of hot water for domestic use;
 - d. moving or rotating machinery or parts thereof;
 - e. any vessels and apparatus and pipes connected therewith while undergoing pressure test but this exclusion does not apply to other property insured hereunder that has been damaged by such explosion; or
 - f. gas turbines.

All other terms and conditions remain unchanged.

PART II

Outbreak Extra Expense Exclusion

It is hereby understood and agreed that the following clause is hereby deleted from this policy in its entirety, along with any sub-limits of coverage shown for this section under the coverage summary sheet:
CBC001 – Part II Business Income – Section 6 (k) Outbreak Extra Expense

All other terms and conditions remain unchanged.