



2025-05-29

17008929 CANADA INC.
2044 DOVERCOURT AVE
OTTAWA ON K2A 0X1

Policy Number: SC410168

Dear Client,

Thank you for placing your Commercial insurance with us.

Your Commercial insurance policy is enclosed with this package. It contains important details about your coverage. Please review your policy and keep it with your important papers.

Should you have any questions regarding your coverage, wish to make changes or require further assistance, please contact your agent.

Your Commercial policy includes 24/7 Emergency Claims Assistance. Should the unexpected happen, simply call your Desjardins Agent or 1-855-209-9549 and your claim will be handled promptly and efficiently.

We are committed to offering you superior insurance products to serve all of your needs.

Yours truly,

A handwritten signature in black ink that reads "Benaaz Irani".

Benaaz Irani
Vice-President, Desjardins Agent Network

Your Desjardins Agent

Christine Lunn Ins Agcy Ltd
Suite 205 2120 Robertson Rd
Nepean ON K2H 5Z1
Tel.: 613-820-0021 Fax: 613-820-0688

Desjardins Insurance refers to Certas Home and Auto Insurance Company, underwriter of automobile and property insurance.

Point of Sale Disclosure

Thank you for your interest in Desjardins Insurance underwritten by Certas Home and Auto Insurance Company.

Desjardins Insurance Agents' Commission Compensation

Our Desjardins Insurance Agents' commission compensation is a part of your insurance premium. Desjardins Insurance Agents receive commission for acquiring new clients and for servicing existing clients.

For your benefit, we have listed below the commission rates for automobile and property insurance as a percentage of your overall premium. If these rates should change, you will be notified.

Auto – Personal and Commercial: 8-10%

Property – Personal and Commercial: 8-11%

Our Desjardins Insurance Agents may also receive variable compensation, bonuses and non-monetary rewards such as travel incentives based on the quality, profitability and growth targets established by us. Variable compensation and bonuses are not guaranteed and can vary between 0-3% of premium.

For more information on how our Desjardins Insurance Agents are paid and your rights and responsibilities, refer to desjardins.com/agents > Customer Care > Disclosures > Point of Sale Disclosure & Code of Consumer Rights and Responsibilities.

Certas Home and Auto
Insurance Company

INVOICE

Notice date: 2025-05-29 09:38

17008929 CANADA INC.
2044 DOVERCOURT AVE
OTTAWA ON K2A 0X1


Billing Account Number: 6318741

Method of payment: In full upon receipt of Invoice

Amount due on 2025-06-29: \$2,540.16

For Policy Number: SC410168

Desjardins Agent: Christine Lunn Ins Agcy Ltd
Tel.: 613-820-0021

Please detach and return this portion with your payment (instructions on the back). - Thank you Organization number: SIPC-04165
Keep this portion for your files. 

Transactions	Effective Date	Amount	Tax	Total
New Commercial Insurance Policy SC410168	2025-05-29	\$2,352.00	\$188.16	\$2,540.16

Billing Account Details following the above Transactions

Policy Number	Description *	Policy effective from **	Amount ***	Due Date
Other policy(ies) and current transaction(s)				
SC410168	2715 County Road 43	2025-05-29 to 2026-05-29	\$2,540.16	2025-06-29

* For complete details, refer to your insurance documents.
 ** Effective as of 12:01 am local time at the postal address stated herein.
 *** The amount(s) are for information only, including taxes (if applicable).

Important Messages

This document can be used as an OFFICIAL RECEIPT for income tax purposes.
 Kindly disregard this invoice if you have already made your payment. Thank you.
 Reminder: This invoice is payable in full on the date indicated.

HOW TO PAY YOUR BILL

1 By visiting your Desjardins Agent
You will need your policy number or a copy of the Invoice that is included in the policy package.

2 By an electronic payment system through any participating financial institution
Register **Certas Home and Auto Ins. Co.** as a payee at your financial institution's website. Use your **POLICY OR BILLING ACCOUNT NUMBER** as your account/reference number.

3 By mail
Please make your cheque payable to Certas Home and Auto Ins. Co. and indicate your policy number on the front. **Do not send cash.** Enclose your cheque and this detachable portion in the envelope provided.

Address: **Certas Home and Auto Insurance Company
Billing Services
P.O. Box 5040 Stn Aurora Main
Aurora ON L4G 0B1**

4 No worries, no fuss
Opt for payment by preauthorized debit
Preauthorized debits are a fast and efficient way to make your insurance payments. No more cheques to write, no more stamps to buy and you don't have to go out of your way to make your payments. It's all done automatically through the financial institution of your choice.

Unpaid amounts
If a payment cannot be made due to insufficient funds, fees will be added to the unpaid amount. As legislated, we reserve the right to cancel your policy if the payment agreement is not respected.

Cancellation
As indicated in your insurance contract, if you choose to cancel it before the end of the term, we will calculate the premium owed using the short-term rate.

Questions?
For further information concerning your terms of payment, please contact your Desjardins Agent.

Certain terms and conditions apply to each method of payment.



Christine Lunn Ins Agcy Ltd
Suite 205 2120 Robertson Rd
Nepean ON K2H 5Z1
Tel.: 613-820-0021 Fax: 613-820-0688

DECLARATIONS PAGE

Insured(s)

 17008929 Canada Inc.
 2044 Dovercourt Ave
 Ottawa ON K2A 0X1

Your New Policy

Policy Number	SC410168
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 Policy effective from 2025-05-29* to 2026-05-29*
Year Month Day Year Month Day
* 12:01 a.m. local time at the Named Insured's postal address stated herein

Agent:	Christine Lunn Ins Agcy Ltd Tel.: 613-820-0021
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Location 1: 2715 County Road 43, North Grenville, ON K0G 1J0

Designated Operations	Office Building
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Coverage Summary

Form	Coverage	Deductible	Amount/Limit of Insurance	Premium
				\$2,352.00

General

Commercial Property Policy Conditions - 913535 (2017-09)				Included
Exclusion - Communicable Disease - Applicable to any Property, Building & Bus. Contents, Bus. Interruption, Equip. Breakdown, and Crime Coverage - 912415 (2020-10)				Included

Building and Business Contents

Commercial Property Insurance - Broad Form - 913101 (2019-12)				
Building	\$1,000.00		\$285,000.00	Included
Contents	\$1,000.00		\$10,000.00	Included
Contents at Temporary Locations	\$1,000.00		\$25,000.00	Included
Building at Newly Acquired Location	\$1,000.00		\$250,000.00	Included
Contents at Newly Acquired Location	\$1,000.00		\$100,000.00	Included
Property in Transit	\$1,000.00		\$15,000.00	Included
Property in the Custody of a Sales Representative	\$1,000.00		\$25,000.00	Included
Personal Property of Officers and Employees	\$1,000.00		\$10,000.00 \$1,000.00 per employee	Included
Property at an Exhibition or Trade Fair	\$1,000.00		\$25,000.00	Included
Fire Department Service Expenses	\$1,000.00		\$10,000.00	Included
Fire Protective Equipment Recharge Expenses	\$1,000.00		\$10,000.00	Included

DECLARATIONS PAGE

Policy Number	SC410168
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Location 1: 2715 County Road 43, North Grenville, ON K0G 1J0
Coverage Summary

Form	Coverage	Deductible	Amount/Limit of Insurance	Premium
Building and Business Contents				
	Land and Water Pollution Clean Up Expenses	\$1,000.00	\$25,000.00	Included
	Professional Fees	\$1,000.00	\$10,000.00	Included
	Computer Equipment and Electronic Media - Including Computer Breakdown	\$1,000.00	\$25,000.00	Included
	Inflation Protection			Included
	Debris Removal Expenses		\$1,000,000.00 10%	Included
	Contents at the Insured's Private Residence	\$1,000.00	\$25,000.00	Included
	Tools and Portable Equipment Away From Insured Premises	\$1,000.00	\$10,000.00	Included
	Sidewalk Sales	\$1,000.00	\$30,000.00 25%	Included
	Stock Spoilage and Off-Premises Services Interruption	\$1,000.00	\$25,000.00	Included
	Peak Season Increase		25%	Included
	Building By-laws			Included
	Replacement Cost			Included
	Extension of Coverage - Earthquake - 913315 (2019-12)	5% \$100,000.00		Included
	Extension of Coverage - Flood - 913123 (2022-03)	\$10,000.00		Included
	Extension of Coverage - Sewer Back Up - 913319 (2022-03)	\$2,500.00		Included
	Extension of Coverage - Roof Water - 915117 (2022-03)	\$2,500.00		Included
	Extension of Coverage - Accounts Receivable - 913303 (2017-09)	\$1,000.00	\$25,000.00	Included
	Extension of Coverage - Valuable Papers - 913305 (2017-09)	\$1,000.00	\$25,000.00	Included
	Property in Course of Installation Insurance - Broad Form - 913409 (2019-12)			
	Property in Course of Installation Insurance - Broad Form	\$500.00	\$5,000.00	Included
	Property in Course of Installation Insurance - Property in Transit	\$500.00	\$5,000.00	Included

DECLARATIONS PAGE

Policy Number	SC410168
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Location 1: 2715 County Road 43, North Grenville, ON K0G 1J0

Coverage Summary

Form	Coverage	Deductible	Amount/Limit of Insurance	Premium
Building and Business Contents				
	Property in Course of Installation Insurance - Property in Storage at Any Other Location	\$500.00	\$5,000.00	Included
Business Interruption				
Extended Business and Rental Income Insurance Actual Loss Sustained - Broad Form - 913237 (2017-09)				
	Actual Loss of Business Income and Rental Income		12 months	Included
	Accountant's Fees		\$25,000.00	Included
	Ordinary Payroll		90 days	Included
	Off Premises Services Interruption		\$25,000.00	Included
	Newly Acquired Location		\$100,000.00	Included
	Contingent Property - Suppliers or Customers		\$10,000.00	Included
	Interruption by Civil Authority		4 weeks	Included
Extra Expense Insurance - 913207 (2018-03)				
	Extra Expense		\$10,000.00	Included
	Interruption by Civil Authority		4 weeks	Included
	Extension of Coverage - Tenants Move Back Expenses - 915211 (2017-09)	\$500.00	\$15,000.00	Included
Equipment Breakdown				
Equipment Breakdown Insurance - 913705 (2017-09)				
	Equipment Breakdown	\$1,000.00		Included
	Water Damage	\$1,000.00	\$100,000.00	Included
	Off-premises Transportable Insured Equipment	\$1,000.00	\$10,000.00	Included
	Errors and Omissions	\$1,000.00	\$100,000.00	Included
	Brands and Labels	\$1,000.00	\$100,000.00	Included
	Green Property	\$1,000.00	\$25,000.00	Included
	Hazardous Substances	\$1,000.00	\$100,000.00	Included
	Public Relations	\$1,000.00	\$5,000.00	Included
	Data restoration	\$1,000.00	\$25,000.00	Included

DECLARATIONS PAGE

Policy Number SC410168

Location 1: 2715 County Road 43, North Grenville, ON K0G 1J0

Coverage Summary

Form	Coverage	Deductible	Amount/Limit of Insurance	Premium
Crime				
Dishonesty, Disappearance and Destruction Insurance - 923301 (2020-04)				
	Insuring Agreement I - Employee Dishonesty	\$500.00	\$25,000.00	Included
	Insuring Agreement II - Loss Inside the Premises or Within Financial Institution Premises	\$500.00	\$5,000.00	Included
	Insuring Agreement III - Loss Outside the Premises	\$500.00	\$5,000.00	Included
	Insuring Agreement IV - Money Orders or Counterfeit Paper Currency	\$500.00	\$5,000.00	Included
	Insuring Agreement V - Depositors Forgery	\$500.00	\$5,000.00	Included
	Insuring Agreement VI - Computer Fraud and Funds Transfer Fraud	\$500.00	\$5,000.00	Included
Extension of Coverage - Credit Card Forgery or Alteration - 915219 (2017-09)				
	Credit Card Forgery or Alteration	\$500.00	\$5,000.00	Included

Applicable to all locations and activities described in the Declarations Page

Coverage Summary

Form	Coverage	Deductible	Amount/Limit of Insurance	Premium
Liability				
Commercial General Liability Insurance - 923101 (2024-03)				
	Coverage A - Bodily Injury and Property Damage Liability	\$1,000.00	\$2,000,000.00	Included
	Coverage B - Personal and Advertising Injury Liability		\$2,000,000.00	Included
	Coverage C - Medical Payments		\$50,000.00 Any one person	Included
	Coverage D - Tenants' Legal Liability	\$500.00	\$250,000.00 Any one premises	Included
	Products-Completed Operations		\$2,000,000.00 Aggregate limit	Included
	Employee Benefits Liability Insurance - 913935 (2017-09)	\$1,000.00	\$250,000.00	Included

DECLARATIONS PAGE

Policy Number **SC410168**

Applicable to all locations and activities described in the Declarations Page

Coverage Summary

Form	Coverage	Deductible	Amount/Limit of Insurance	Premium
Liability				
	S.P.F. No. 6 - Standard Non-Owned Automobile Policy - 933209 (2017-09)		\$1,000,000.00	Included

Endorsements Applicable to All Coverages

Coverage Summary

Form	Coverage	Deductible	Amount/Limit of Insurance	Premium
General				
	Exclusion - Cyber Risk and Data - 925001 (2022-11)			Included

Premium for location 1 (excluding applicable taxes)	\$2,352.00
Total premium for this policy (excluding applicable taxes)	\$2,352.00

Additional Clauses

Your rights regarding your personal information

Respecting your privacy is our priority. For more information on our practices, go to desjardins.com/ca/privacy. You can access your file, make any changes or corrections or, if you have a complaint, please speak with your Desjardins Agent. If you are not satisfied with the outcome, please write to the Chief Privacy Officer at: 100, rue des Commandeurs, LEV-100-6e, Lévis (Québec) G6V 7N5 or by email: cpo@desjardins.com. You must provide your name and contact information, the nature of your request, the name of the department or person you have already contacted and any relevant

information. If you wish, you may also contact the Office of the Privacy Commissioner of Canada.

Cancellation of the Policy

In consideration of the refund of PREMIUM (IF APPLICABLE) this policy is cancelled and returned to the Insurer, and all renewal certificates relating thereto are considered null and void.


Insured's Signature:

Mortgagee or Creditor:

Cancellation Date:

- -
Year Month Day

Certas Home and Auto Insurance Company
333 First Commerce Drive
Aurora, ON
L4G 8A4



Valérie Lavoie
Chief Executive Officer

913 019 (2024-07)

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

1. Misrepresentation

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

2. Property of Others

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.

3. Change of Interest

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

4. Material Change

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

5. Termination

- 1) This contract may be terminated,
 - a) by the Insurer giving to the Insured written notice of termination at least:
 - i) five (5) days before the effective date of termination if personally delivered;
 - ii) fifteen (15) days before the effective date of termination if the contract is terminated by registered mail for non-payment of premium; or
 - iii) thirty (30) 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 (15) and thirty (30) 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.

6. Requirements After Loss

- 1) Upon the occurrence of any loss or of 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 willful 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 located at the time of loss or damage;
- c) if required, give a complete inventory of undamaged property, showing in detail quantities, cost, actual cash 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.

7. Fraud

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

8. Who May Give Notice and Proof

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

9. Salvage

- 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.

10. Entry, Control, Abandonment

After loss or damage to insured property, the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage. After the Insured has secured the property, the Insurer

has a further right of access and entry sufficient to enable its agents to make appraisal or particular estimate of the loss or damage. The Insurer is not entitled to the control or possession of the insured property. There can be no abandonment of insured property to the Insurer without the Insurer's consent.

11.Appraisal

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

12.When Loss Payable

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

13.Replacement

- 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 so within thirty (30) days after receipt of the proof of loss.
- 2) In that event, the Insurer shall commence to repair, rebuild, or replace the property within forty-five (45) days after receipt of the proof of loss, and shall proceed with all due diligence to completion of the work.

14.Action

Every action or proceeding against the Insurer for the recovery of any claim shall be absolutely barred unless commenced within one (1) year after the loss or damage occurs, unless legislation provides otherwise.

15.Notice

Any written notice to the Insurer may be sent by registered mail or delivered to the chief agency

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

16.Contribution

If on the happening of any loss or damage to property in consequence of which a claim is or may be made under this policy there is in force more than one contract covering the same interest, the liability of the Insurer hereunder shall be limited to its rateable proportion of such claim.

Short Rate Cancellation Table					
Days policy in force	% of retained premium	Days policy in force	% of retained premium	Days policy in force	% of retained premium
1 to 3	8	116 to 119	43	231 to 234	73
4 to 7	9	120 to 122	44	235 to 238	74
8 to 11	11	123 to 126	45	239 to 242	75
12 to 15	12	127 to 130	46	243 to 245	76
16 to 19	14	131 to 134	47	246 to 249	77
20 to 23	16	135 to 138	48	250 to 253	78
24 to 26	18	139 to 142	49	254 to 257	79
27 to 30	19	143 to 146	50	258 to 261	80
31 to 34	21	147 to 149	51	262 to 265	81
35 to 38	22	150 to 153	52	266 to 268	82
39 to 42	23	154 to 157	53	269 to 272	83
43 to 46	24	158 to 161	54	273 to 276	84
47 to 49	25	162 to 165	55	277 to 280	85
50 to 53	26	166 to 169	56	281 to 284	86
54 to 57	27	170 to 172	57	285 to 288	87
58 to 61	28	173 to 176	58	289 to 292	88
62 to 65	29	177 to 180	59	293 to 296	89
66 to 69	30	181 to 184	60	297 to 299	90
70 to 73	31	185 to 188	61	300 to 303	91
74 to 76	32	189 to 192	62	304 to 307	92
77 to 80	33	193 to 195	63	308 to 311	93
81 to 84	34	196 to 199	64	312 to 315	94
85 to 88	35	200 to 203	65	316 to 318	95
89 to 92	36	204 to 207	66	319 to 326	96
93 to 96	37	208 to 211	67	327 to 334	97
97 to 99	38	212 to 215	68	335 to 341	98
100 to 103	39	216 to 219	69	342 to 349	99
104 to 107	40	220 to 222	70	350 to 365	100
108 to 111	41	223 to 226	71		
112 to 115	42	227 to 230	72		

Various terms of the policy restrict coverage. The Insured is advised by the Insurer to read the entire policy carefully to determine rights, duties and what is and is not covered.

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN CLAUSE 18

1. Indemnity Agreement

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

- the value of the lost or damaged property as determined in clause 15;
- the interest of the Insured in the property;
- the amount of insurance specified on the Declarations Page for the lost or damaged property.

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

2. Insured Property

This form covers direct physical loss or damage to those of the following items provided an amount of insurance is specified on the Declarations Page and only while at the "premises":

- "building";
- "equipment";
- "stock";
- "contents";
- "all property".

3. Deductible

The Insurer is liable for the amount by which the loss or damage caused by an insured peril exceeds the amount of the deductible specified on the Declarations Page 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.

4. Co-Insurance

This clause applies separately to each item provided a co-insurance percentage is specified on the Declarations Page.

The Insured shall maintain insurance concurrent with this form on the insured property to the extent of at least the amount produced by multiplying the value of the property as determined in clause 15 by the co-insurance percentage specified on the Declarations Page. If the Insured fails to do so, the Insured shall 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.

This co-insurance clause does not apply to losses that do not exceed \$10,000.

5. Insured Perils

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

6. Exclusions

A. Excluded Property

This form does not insure loss of or damage to:

- sewers, drains or watermains located beyond the outside bearing walls or foundations of the "building", outside communication towers, antennae (including satellite receivers) and attached equipment, except as provided in clause 7.A. q). This exclusion does not apply to loss or damage caused directly by "named perils";
- property at locations which, to the knowledge of the Insured, are vacant, unoccupied or shut down for more than thirty (30) consecutive days;
- electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing. This exclusion does not apply to loss or damage caused directly by resultant fire or explosion as described in clause 18 m);
- plants, flowers, trees or shrubs, all while outside the "building", except as provided in clause 7.A. g);
- animals, fish or birds. This exclusion does not apply to loss or damage caused directly by "named perils" or by theft or attempted theft;
- money, "cash cards", bullion, platinum and other precious metals and alloys, securities, stamps, tickets (except lottery tickets) and tokens, or evidence of debt or title;
- 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 watercraft or amphibious or air cushion vehicles held for sale, or to unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the "premises";
- furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, or precious and semi-precious stones. This exclusion does not apply to:

i) the first \$5,000 of any loss otherwise insured; or

ii) loss or damage caused directly by "named perils";

i) property insured under the terms of any marine insurance policy, and 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 the Insured's custody if it is:

i) loaned or rented or leased to others; or

ii) sold by the Insured under conditional sale or instalment payment or other deferred payment plan.

This exclusion j) does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at the risk of the Insured;

k) property in the custody of a sales representative outside the "premises", except as provided in clause 7.A. e);

l) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;

m) i) any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure;

ii) any boiler, including its connected piping and equipment, 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 and ready for use.

This exclusion m) does not apply to:

1) manually portable gas cylinders;

2) explosion of natural, coal or manufactured gas;

3) explosion of gas or unconsumed fuel within a furnace or within the gas passages from the furnace to the atmosphere;

n) roadways, walkways, parking lots or other exterior paved surfaces. This exclusion will not apply up to \$25,000 of any loss otherwise insured;

o) "equipment" or "stock" while actually being worked upon and directly resulting from such work or caused by any repairing, adjusting or servicing of "equipment" or "stock".

This exclusion does not apply to loss or damage caused directly by resultant fire or explosion as described in clause 18 m).

B. Excluded Perils

This form 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 or leakage from "fire protective equipment", all as described in clause 18 m). 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", all as described in clause 18 m). 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 the loss or damage is concurrently and directly caused by a peril not otherwise excluded in this form;
ii) by the backing up or overflow of water from sewers, sumps, septic tanks or drains, wherever located, unless the loss or damage is concurrently and directly caused by a peril not otherwise excluded in this form;
iii) by the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings, unless the loss or damage through an aperture is concurrently and directly caused by a peril not otherwise excluded in this form;
- iv) by the entrance of water or natural precipitation diffused over the surface of the roof, unless the loss or damage through an aperture is concurrently and directly caused by a peril not otherwise excluded in this form;

- d) by centrifugal force, mechanical or electrical breakdown or derangement, in or on the "premises". This exclusion does not apply to loss or damage caused directly by resultant fire;
- e) i) by dampness or dryness of atmosphere;
ii) by changes in or extremes of temperature, heating or freezing;
iii) by total or partial interruption to the supply of electricity, water, gas or steam.

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 clause 6.A.;
- 2) loss or damage to pipes caused directly by freezing, unless such pipes are excluded in paragraph m) of clause 6.A.;
- 3) loss of or damage to "building" or "equipment" caused directly by "named perils", theft or attempted theft;
- 4) loss or damage 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;
iii) by marring, scratching or crushing.

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

- 1) "named perils";
- 2) rupture of pipes or breakage of apparatus not excluded in paragraph m) of clause 6.A.;
- 3) theft or attempted theft;
- 4) an accident to a transporting conveyance;
- g) by smog, vapour, gas and smoke from agricultural smudging or industrial operations;
- h) by rodents, insects, bats, raccoons, skunks or vermin, unless the loss or damage is caused directly by a peril not otherwise excluded in this form;
- 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, except for ensuing loss or damage which results directly from fire, lightning or explosion of

natural, coal or manufactured gas, all as described in clause 18 m);

- ii) by contamination by radioactive material;
- l) i) by any dishonest or criminal act committed by the Insured or any agent of the Insured, acting alone or in collusion with others;
- ii) by theft or attempted theft committed by any employee of the Insured, acting alone or in collusion with others;
- iii) by any dishonest or criminal act committed by anyone, except as stated in l) ii), when the Insured or any agent of the Insured knew or ought to have known prior to the loss or damage, of the dishonest or criminal act.

This exclusion l) iii) does not apply if, upon becoming aware of the dishonest or criminal act, the Insured or any agent of the Insured immediately notifies the police and the Insurer;

- m) by snowslide, landslide, subsidence or other earth movement. This exclusion does not apply to property in transit, or to loss or damage caused directly by resultant fire, explosion, smoke or leakage from "fire protective equipment", all as described in clause 18 m);
- n) by explosion (except explosion of natural, coal, or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured:
 - i) 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;
 - ii) piping and apparatus or their parts normally containing steam or water under steam pressure from an external source and while under such pressure;
 - iii) other vessels and apparatus and their connected pipes while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure, but this exclusion does not apply to loss or damage resulting directly 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;
 - iv) moving or rotating machinery or its parts;
 - v) any vessels and apparatus and their connected pipes while undergoing pressure tests, but this exclusion does not apply

to other insured property that has been damaged by such explosion;

vi) gas turbines.

This exclusion n) does not apply to loss or damage caused by resultant fire;

- o) by settling, expansion, contraction, moving, shifting, subsidence or cracking. This exclusion does not apply to loss or damage caused directly and concurrently by a peril not otherwise excluded in this form;
- p) proximately or remotely, arising in consequence of or contributed to by the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which by-law, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss, except as provided in clause 7.B. c).

C. Pollution Exclusion

Except as provided in clause 7.A. k), this form 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".

D. Data Exclusion

This form does not insure:

- a) "data";
- b) loss or damage caused directly or indirectly by a "data problem". This exclusion b) does not apply to loss or damage caused directly by resultant fire, explosion, smoke or leakage from "fire protective equipment", all as described in clause 18 m).

E. Terrorism Exclusion

This form 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.

F. Fungi and Spores Exclusion

This form 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 form; or
 - ii) to loss or damage caused directly by a resultant peril not otherwise excluded in this form;
- b) the cost or expense for any testing, monitoring, evaluating or assessing of "fungi", or "spores".

G. Other Excluded Losses:

This form does not insure:

- a) i) wear and tear;
 - ii) rust or corrosion;
 - 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 form;
- b) the cost of making good:
 - i) faulty or improper material;
 - ii) faulty or improper workmanship;
 - 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 form;
- c) mysterious disappearance, or shortage of "equipment" or "stock" disclosed on taking inventory.

7. Extensions of Coverage

A. The following extensions of coverage provide amounts of insurance that are in addition to the amount of insurance specified on the Declarations Page for "building" or "contents". The extensions of coverage apply only if shown on the Declarations Page or if an amount of insurance is specified in the extension and are subject to all the terms of the policy. The extensions of coverage specified in clause 7.A. shall not be considered for the purpose of applying co-insurance.

a) Contents at Temporary Locations

Coverage is extended, provided an amount of insurance in any one occurrence is specified on the Declarations Page, to "contents" other than at a specified location, except while in transit or outside Canada.

There shall be no coverage under this item at any location owned, rented, or controlled in whole or in part by the Insured. This extension of coverage does not apply to "tools and portable equipment" belonging to the Insured when they are away from the "premises".

b) Building at Newly Acquired Location

Coverage is extended, provided an amount of insurance in any one occurrence is specified on the Declarations Page, to "building" at any newly acquired location within Canada. This coverage attaches at the time of the acquisition and extends for a period of sixty (60) days, or to the date of endorsement of this form adding such location, or until the expiry date of this policy, whichever occurs first. There is no coverage under this item for any "building" that is in the course of construction. The Insured agrees to declare the values of that location to the Insurer within sixty (60) days of acquisition and to pay any additional premium required by the Insurer, calculated as of the day of acquisition.

c) Contents at Newly Acquired Location

Coverage is extended, provided an amount of insurance in any one occurrence is specified on the Declarations Page, to "contents" at any newly acquired location within Canada that is owned, rented or controlled by the Insured in whole or in part. This coverage attaches at the time of the acquisition and extends for a period of sixty (60) days, or to the date of endorsement of this form adding such location, or until the expiry date of this policy, whichever occurs first. The Insured agrees to declare the values of that location to the Insurer within sixty (60) days of acquisition and to pay any additional premium required by the Insurer, calculated as of the day of acquisition.

d) Property in Transit

Coverage is extended, provided an amount of insurance in any one occurrence is specified on the Declarations Page, to "contents" in the course of transit within Canada or the continental United States of America until delivered.

e) Property in the Custody of a Sales Representative

Coverage is extended, provided an amount of insurance in any one occurrence is specified on the Declarations Page, to "contents", whether in transit or otherwise, within Canada or the continental United States of America while in the custody of a sales representative of the Insured.

f) Personal Property of Officers and Employees

At the option of the Insured, "equipment" also includes personal property of officers

and employees of the Insured. The insurance provided for such property:

- i) shall not attach if it is insured by the owner, unless the Insured is under the obligation to insure it or is liable for its loss or damage;
- ii) is, in any event, limited to the amount of insurance specified on the Declarations Page with respect to any one officer or employee, and is subject to the amount of insurance in any one occurrence specified on the Declarations Page;
- iii) shall apply only to loss or damage occurring at the "premises".

g) Plants, Flowers, Trees or Shrubs Outside the Building

Coverage is extended to insure loss of or damage to plants, flowers, trees or shrubs outside the "building" caused directly by "named perils" (with the exception of wind-storm or hail as described in clause 18 m) or from theft or attempted theft. This extension of coverage shall be limited to a maximum recovery, including debris removal expense, of:

- i) up to \$500 for each plant, flower, tree or shrub; and
- ii) up to \$5,000 in any one occurrence.

h) Property at an Exhibition or Trade Fair

Coverage is extended, provided an amount of insurance in any one occurrence is specified on the Declarations Page, to property temporarily at any exhibition or trade fair within Canada or the continental United States of America, at a location that does not belong to the Insured. Coverage applies while the property is in transit from or to the destination of such locations.

i) Fire Department Service Expenses

Coverage is extended, provided an amount of insurance in any one occurrence is specified on the Declarations Page, to municipal fire department expenses, if the fire department is called to fight a fire exposing or threatening the insured property.

j) Fire Protective Equipment Recharge Expenses

Coverage is extended, provided an amount of insurance in any one occurrence is specified on the Declarations Page, to expenses to recharge "fire protective equipment" that are incurred as a result of an insured peril. This extension of coverage applies only to recharge existing "fire protective equipment".

k) Land and Water Pollution Clean Up Expenses

Coverage is extended, provided an amount of insurance per policy period is specified on the Declarations Page, to expenses incurred to "clean up" "pollutants" from land

or water at the "premises" provided the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" first occurs during the policy period, and:

- i) is caused by loss or damage to insured property at the "premises" for which insurance is afforded under this form; and
- ii) is sudden, unexpected and unintended from the standpoint of the Insured.

No Automatic Reinstatement

Notwithstanding clause 10 – Reinstatement of this form – the amount of insurance specified for this extension of coverage on the Declarations Page will be reduced, following a loss, by the amount payable.

Exclusions

This extension of coverage does not apply to:

- i) expenses for "clean up" away from or beyond the "premises" resulting from any spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", even if the "pollutants" emanated from the "premises";
- ii) expenses for "clean up" of any spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" that began before the effective date of this policy;
- iii) fines, penalties and punitive or exemplary damages;
- iv) expenses incurred for the "clean up" of "pollutants" at or from any premises, site or location which is or was at any time used by or for any Insured or others for the handling, storage, disposal, processing or treatment of waste.

Special Provisions

i) Reporting Period

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

ii) Other Insurance

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

l) Replacement of Locks and Keys

In the event that the keys are lost or stolen, coverage is extended up to \$25,000 in any one occurrence to expenses incurred to rekey or replace, whichever is least costly,

locks, master keys, electronic access devices or magnetic cards controlling the opening of the doors of the "building" at the "premises" described on the Declarations Page.

m) Professional Fees

Coverage is extended, provided an amount of insurance in any one occurrence is specified on the Declarations Page, to reasonable and necessary fees of architects, engineers, auditors, accountants or other experts incurred by the Insured for preparing a proof of loss or any other documents required with respect to an insured loss involving an insured property. However, this extension of coverage does not insure expenses incurred by the Insured for claims adjusters' or lawyers' fees.

n) Computer Equipment and Electronic Media – Including Computer Breakdown

- i) Coverage is extended, provided an amount of insurance in any one occurrence is specified on the Declarations Page, to loss or damage caused directly by an insured peril to "computer equipment" and "electronic media" at the "premises".

This extension of coverage does not apply to:

- 1) "electronic media" which cannot be replaced by property of like kind and quality;
 - 2) damage covered by a manufacturer's warranty or a maintenance contract, except for damage in excess of the amount received by the Insured from such warranties or contracts;
 - 3) the consequences of programming errors or faulty machine instructions;
- ii) Coverage is extended, provided an amount of insurance in any one occurrence is specified on the Declarations Page, to loss or damage caused by system breakdown to the "computer equipment" and "electronic media" by system breakdown at the "premises".

With regards to system breakdown, this extension of coverage is extended to loss, damage or expenses caused by:

- 1) mechanical breakdown, machinery breakdown and "electronic media" while said media is being run through the electronic data processing system;
- 2) short-circuits or other electrical or magnetic disturbance, other than lightning, within electrical devices;
- 3) electric or magnetic damage, disturbance or erasure of electronic records.

o) Debris Removal Expenses

Coverage is extended to expenses incurred:

- i) in the removal from the “premises” of debris of the insured property, occasioned by loss of or damage to such property, for which loss or damage insurance is afforded under this form;
- ii) in the removal of debris or other property which is not insured by this form but which has been blown by windstorm upon the “premises”;
- iii) in the removal from the “premises” of debris from trees, shrubs and plants outside the “building” that were damaged by hail or windstorm.

The amount payable under this extension of coverage shall not exceed ten percent (10%) of the amount of insurance specified on the Declarations Page for “building” and/or “contents”, subject to a maximum of \$1,000,000 in the event the amounts of insurance are used up.

Extension of coverage o) does not apply to costs or expenses:

- a) to “clean up” “pollutants” from land or water; or
- b) 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”.

p) Inflation Protection

Coverage is extended as follows:

- i) the amount of insurance shown on the Declarations Page for “building” and/or “contents” shall increase, during the policy period, by the proportion by which the latest published Statistics Canada price index has increased since the latest “premium due date”;
- ii) at the “premium due date”, the amount of insurance shown for “building” and/or “contents” shall be increased automatically in accordance with the latest published Statistics Canada price index, and the appropriate premium charged;
- iii) if the amount of insurance shown for “building” and/or “contents” is changed at the request of the Insured during the policy period, the effective date of this extension of coverage is deemed to coincide with the effective date of that change.

q) Antennae, Telecommunication Towers and Satellite Dishes

Coverage is extended up to \$25,000 in any one occurrence to loss or damage caused

directly to telecommunication towers, antennae (including satellite receivers) and equipment attached thereto, belonging to the Insured, while outside at the “premises”.

r) Contents at the Insured's Private Residence

Coverage is extended, provided an amount of insurance in any one occurrence is specified on the Declarations Page, to insure loss or damage caused directly to “contents” at the Insured's private residence.

s) Tools and Portable Equipment Away From Insured Premises

Coverage is extended, provided an amount of insurance with respect to each item and an amount of insurance in any one occurrence are specified on the Declarations Page, to insure loss or damage caused directly to “tools and portable equipment” belonging to the Insured that are temporarily away from the “premises”.

t) Sidewalk Sales

Coverage is extended, provided a percentage and an amount of insurance in any one occurrence are specified on the Declarations Page and only if an amount of insurance for “contents” is specified on the Declarations Page, to loss or damage caused directly to “contents” temporarily removed from the “premises” for use at a sidewalk sale.

u) Peak Season Increase

The amount of insurance for “stock” or “contents” specified on the Declarations Page may be automatically increased by twenty-five percent (25%) where there has been an increase in “stock” during the Insured's peak season.

This extension of coverage will apply only if the following conditions are satisfied:

- i) the amount of insurance for “stock” or “contents” specified on the Declarations Page is at least one hundred percent (100%) of the value of the “equipment” and of the average monthly inventory of “stock” for the twelve (12) months immediately preceding the date of loss;
- ii) if the Insured has been in business for less than (12) months, the average monthly inventory is calculated as of the date the Insured's business commenced.

v) Stock Spoilage and Off-Premises Services Interruption

1) Coverage is extended, provided an amount of insurance in any one occurrence is specified on the Declarations Page, to cover loss or damage to “stock” on the “premises” caused by dampness or dryness of atmosphere or changes in

temperature. The dampness or dryness of atmosphere or changes in temperature must be the direct result of i) or ii) below:

- i) physical loss of or damage to “building” or “equipment” on the “premises”, including supply or transmission lines and pipes and their connections furnishing “services”. The physical loss or damage must directly result from an insured peril. The part of the “building” or of the “equipment” that sustains loss or damage must be used for refrigerating, cooling, humidifying, dehumidifying or heating, or for generating or converting power; or
- ii) interruption in the supply of “services” to the “premises”. The interruption must be caused by physical loss of or damage to apparatus that generates or supplies such “services” to the “premises”. The physical loss or damage must directly result from an insured peril. The apparatus that sustains loss or damage must be located on the “premises” on or within one (1) kilometre thereof.

2) Exclusions

This extension of coverage does not cover loss or damage resulting directly or indirectly from:

- a) total or partial interruption of the supply of “services” sustained in the first consecutive twenty-four (24) hours of loss of “services”;
- b) loss of or damage to any overhead electrical transmission or distribution lines or their supporting structures located more than one (1) kilometre from the “premises”;
- c) the lack or reduction of “services” as a result of insufficient capacity; or
- d) the interruption or intentional reduction of “services”.

w) Brands and Labels

Up to \$25,000 in any one occurrence and in the event of recovery by the Insurer of any “stock” for which the Insurer has made any payment under this form, the Insured reserves the right to remove any indication from the “stock” associating it with the Insured's business, including labels, warranties and trademarks, or, if the removal is impossible or impractical, the “stock” or its wrapping may be stamped with the word “salvage” or be transferred to bulk containers, at the Insurer's expense.

x) Rewards

Coverage is extended up to \$5,000 in any one occurrence and in the event of loss of

or damage to insured property, to pay rewards to third parties, excluding the Insured and its officers, partners and employees in exchange for information leading to the arrest and conviction of one or more persons with respect to a criminal act, such as arson, theft, attempted theft or act of vandalism giving rise to a payment being made under this form or allowing for recovery of all or part of the loss.

The Insurer shall determine the amount of the reward and beneficiary or beneficiaries thereof.

B. The following extensions of coverage do not increase the amounts of insurance that apply to this form and are subject to all the terms of the policy set forth herein.

a) Removal as a Precautionary Measure

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

b) Building Damaged by Theft

This form is extended to insure damage (except by fire) to that part of a "building" occupied by the Insured directly resulting from theft or attempted theft and from vandalism or malicious acts committed on the same occasion, provided the Insured is not the owner of such "building" and is legally liable for such damage and the "building" is not otherwise insured under this form. This extension of coverage shall be limited to \$2,500 in any one occurrence.

c) Building By-laws

This insurance is, without increasing the amount of insurance, and only as a result of an insured peril to the "building", extended to indemnify the Insured for:

- i) loss occasioned by the demolition of any undamaged portion of the "building";
- ii) the cost of demolishing and clearing the "premises" of any undamaged portion of the "building";
- iii) any increase in the cost of repairing, replacing, constructing or reconstructing the "building" on the same "premises" or

on an adjacent site, of like height, floor area and style and for like occupancy;

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

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

Exclusions

This extension of coverage does not insure against:

- i) the enforcement of any by-law, regulation, ordinance or law which prohibits the Insured from rebuilding or repairing on the same "premises" or on an adjacent site or prohibits continuance of like occupancy;
- ii) direct or indirect loss or 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";
- iii) direct or indirect loss or 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
- iv) the enforcement of any by-law, regulation, ordinance or law which would apply in the absence of a loss.

8. Permission

Permission is granted:

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

9. Breach of Condition

If the Insured does not comply with all the terms of the policy, any claim for subsequent loss or damage is not recoverable. The Insurer will not deny a claim for this reason if the Insured proves that the non-compliance neither caused nor worsened the loss or damage. Coverage will not be affected if the Insured fails to comply with a condition in part of the "premises" over which the Insured has no control.

10. Reinstatement

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

11. Subrogation

The Insurer, upon making any payment or assuming liability for payment under this form,

shall be subrogated to all rights of recovery of the Insured against others and may bring action to enforce such rights. All rights of subrogation are waived against any corporation, firm, individual or other interest with respect to which insurance is provided by this policy.

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

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

12. Property Protection Systems

It is a condition of this insurance, for the purpose of clause 9, that the Insured shall immediately notify the Insurer of any interruption to, or flaw or defect, coming to the knowledge of the Insured, in any:

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

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

13. Premium Adjustment

This clause is applicable only if the premium for "stock" is shown as adjustable on the Declarations Page and if an amount of insurance and an adjustment rate are specified therein.

If, within six (6) months after the expiry or anniversary date of each policy period, the Insured shall file with the Insurer a premium adjustment application form showing, for the policy period, the value of the "stock" on the last day of each month at each "premises" as commented upon by the Insured's accountant, the actual premium for the policy period shall then be calculated at the rate applying to each "premises" for the average amount of the total values declared. If the premium paid by the Insured for such "stock" exceeds the actual premium thus calculated, the Insurer shall refund to the Insured any excess paid, subject to a maximum refund of fifty percent (50%) of the premium paid. In the event of any monthly declared values being in excess of the amount of insurance, the amount of the excess shall not be included in the premium adjustment calculations.

14. Verification of Values

The Insurer or its duly appointed representative shall 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 the Insured's books, records and such policies as relate to any insured property. Such inspection or examination shall not waive nor in any manner affect any of the terms of this form.

15. Loss Settlement

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

- a) unsold "stock": the actual cash value of the property at the time and place of loss or damage, but in no event to exceed the cost of repair or replacement of the lost or damaged property with property of like kind and quality;
- b) sold "stock": the selling price after allowance for discounts;
- c) used or obsolete "stock": the actual cash value of the property at the time and place of loss or damage, but in no event to exceed the actual cost to the Insured evidenced by receipts of purchase;
- d) tenant's improvements:
 - i) if repairs or replacement have been made with due diligence and dispatch, the amount actually and necessarily expended, but in no event to exceed the "replacement cost" of the tenant's improvements at the time and place of loss or damage;
 - ii) if repairs or replacement have not been made with due diligence and dispatch, that portion of the original cost of the lost or damaged tenant's improvements which the unexpired term of the lease at the time of loss or damage bears to the period(s) from the date(s) such tenant's improvements were made to the expiration date of the lease;
- e) business records, including those which exist on electronic or magnetic media (other than pre-packaged software programs) and "electronic media":
 - i) the cost of blank materials for reproducing the records; and
 - ii) the cost of labour to transcribe or copy the records when there is a duplicate.
- f) glass: "replacement cost" of damaged glass, lettering, ornamentation and burglar tapes thereon, including:
 - i) the repair or replacement of frames immediately encasing and contiguous to such glass when necessary because of the damage;
 - ii) the installation of temporary plates in or the boarding up of openings containing such glass when necessary because of unavoidable delay in the repair or replacement of such damaged glass;
 - iii) the removal or replacing of any obstruction, other than window displays, when necessary for the replacement of such damaged glass, lettering, or ornamentation and burglar tapes;
- g) all other insured property under this form and provided no more specific conditions have

been set out: the "replacement cost" at the time and place of loss or damage, but not exceeding the cost of repair or "replacement" with property of like kind and quality;

- h) 1) except as provided elsewhere in clause 15, the Insurer agrees to use "replacement cost" as the basis of settlement, subject to the following provisions:
 - i) "replacement" must be effected by the Insured with due diligence and dispatch;
 - ii) settlement on a "replacement cost" basis shall be made only when "replacement" has been effected by the Insured and in no event shall it exceed the amount actually and necessarily spent for such "replacement";
 - iii) any other insurance effected by or on behalf of the Insured in respect of the insured perils under this form on the property insured hereunder shall be on a "replacement cost" basis;
 - iv) failing compliance by the Insured with conditions i) to iii) set forth above, settlement shall be on the basis of the actual cash value, up to the cost of replacement with property of like kind and quality.
 - v) if "replacement" is effected on a different site, such "replacement" is limited to the cost that would have been incurred if the "replacement" had been effected on the location described on the Declarations Page.
- 2) in the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that lost or damaged and which is capable of performing the same function shall be deemed to be new property of like kind and quality for the purpose of this clause.
- 3) Exclusions

This clause does not apply to:

 - i) patterns, dies and moulds;
 - ii) paintings, etchings, pictures, tapestries, statuary, marble objects, bronzes, antique furniture, rare books, antique silver, porcelain, rare glassware and bric-a-brac or other articles of art, rarity, or antiquity;
 - iii) business records, including valuable papers and documents on electronic or magnetic media (other than pre-packaged software programs);
 - iv) any property classified as historic monuments under the Cultural Heritage Act or any other Canadian cultural heritage regulation or law;
 - v) any increase in the cost of "replacement" occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.

Actual Cash Value: Various factors shall be considered in the determination of actual cash value. The factors to be considered shall include, but not be limited to, replacement cost

less any depreciation and market value. In determining depreciation, consideration shall be given to the condition of the property immediately before the damage, the resale value, the normal life expectancy of the property and its obsolescence.

16. Property of Others

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

The basis of settlement for the property of others in the custody or control of the Insured for the purpose of performing work upon it is the amount for which the Insured is liable, but not exceeding the actual cash value at the time and place of loss or damage plus allowance for labour and materials expended for such work.

17. Locked Vehicle Warranty

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

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

18. Definitions

Wherever used in this form:

- a) "All property" means "building", "equipment" and "stock".
- b) "Building" means:

the building(s) described on the Declarations Page and includes:

 - i) outbuilding structures, fixtures and other outdoor fixed facilities located on the "premises";
 - ii) fixed structures pertaining to the building(s) and located on the "premises";
 - iii) additions and extensions communicating and in contact with the building(s);
 - iv) permanent fittings and fixtures attached to and forming part of the building(s);
 - v) materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to the "building" or for building services;
 - vi) plants, flowers, trees or shrubs inside the "building" used for decorative purposes when the Insured is the owner of the "building";
 - vii) solely with regards to apartment buildings occupied by tenants, household appliances owned by the Insured such as cooking, refrigerating, washing, drying and dish-washing appliances.
- c) "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.
- d) "Clean up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to any of these processes.
- e) "Computer equipment" means the central processing unit, peripheral equipment including, but not limited to, terminals, keyboards, printers, disk and tape drives and cassette tape recorders, and word processing equipment belonging to the Insured or to others and for which the Insured is legally liable.
- f) "Contents" means "equipment" and "stock".
- g) "Data" means representations of information or concepts, in any form.
- h) "Data problem" means:
- erasure, destruction, corruption, misappropriation or misinterpretation of "data";
 - error in creating, amending, entering, deleting or using "data"; or
 - inability to receive, transmit or use "data".
- i) "Electronic media" means any device on which "data" is converted, recorded or stored as well as all programs and other electronic instruction devices used to process "data" for the Insured's business, with the exception of unused or obsolete "electronic media".
- j) "Equipment" means:
- generally all "contents" usual to the Insured's business, including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances, other than "building" or "stock";
 - similar property belonging to others which the Insured is under obligation to keep insured or for which the Insured is legally liable;
 - tenant's improvements, which are defined as building improvements, alterations and betterments made at the expense of the Insured to a "building" occupied by the Insured and which are not otherwise insured, provided the Insured is not the owner of such "building". If the Insured purchased the use interest in tenant's improvements made by a predecessor tenant, this policy applies as though such tenant's improvements had been made at the expense of the Insured.
- k) "Fire protective equipment" includes 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:
- branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - any watermains or appurtenances located outside of the "premises" and forming a part of the public water distribution system;
 - any pond or reservoir in which the water is impounded by a dam.
- l) "Fungi" includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxic, and any substance, vapour or gas produced by, emitted from or arising out of any "fungi" or "spores" or resultant mycotoxins, allergens, or pathogens.
- m) "Named perils" means:
- A. FIRE OR LIGHTNING
- B. EXPLOSION: Except with respect to the explosion of natural, coal or manufactured gas, there shall 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 the Insured:
- a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - b) piping and apparatus or their parts normally containing steam or water under steam pressure from an external source and while under such pressure;
 - c) 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;
 - ii) 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 which is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders;
 - iii) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
 - iv) any vessels and apparatus and connected pipes while undergoing pressure tests, but this exclusion shall not apply to other insured property that has been damaged by such explosion;
 - v) gas turbines.
- The following are not explosions within the intent or meaning of this section:
- electric arcing or any coincident rupture of electrical equipment due to such arcing;
 - bursting or rupture caused by hydrostatic pressure or freezing;
 - bursting or rupture of any safety disc, rupture diaphragm or fusible plug.
- C. IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE: The terms Aircraft and Spacecraft include articles dropped from them.
- There shall in no event be any liability for cumulative damage or for loss or damage:
- caused by land vehicles belonging to or under the control of the Insured or any of the Insured's employees;
 - to aircraft, spacecraft or land vehicles causing the loss;
 - caused by any aircraft or spacecraft when being taxed or moved inside or outside of a "building".
- D. RIOT, VANDALISM OR MALICIOUS ACTS: The term Riot includes open assemblies of strikers inside or outside the "premises" who have quitted work and of locked-out employees.
- There shall in no event be any liability for loss or damage:
- due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
 - due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under clause 18 m) B);
 - due to theft or attempted theft.
- E. SMOKE: The term Smoke means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability for any cumulative damage.
- F. LEAKAGE FROM "FIRE PROTECTIVE EQUIPMENT": The term Leakage From "Fire Protective Equipment" means:
- the leakage or discharge of water or other substances from;
 - the collapse of;
 - the rupture due to freezing of:
"fire protective equipment" for the "premises" or for adjoining structures.
- G. WINDSTORM OR HAIL: There shall in no event be any liability for loss or damage:
- to the interior of the "building" or to "contents" unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
 - directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslide.
- n) "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals

- and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- o) "Premises" means the entire area within the property lines and areas under adjoining sidewalks and driveways at:
- i) each location described on the Declarations Page;
 - ii) temporary Locations and any Newly Acquired Location, if covered by this form; and in or on vehicles within one hundred (100) metres (three hundred and twenty-eight (328) feet) of such locations.
- p) "Premium due date" means the inception, renewal or anniversary date of the policy. "Premium due date" does not mean the date on which any periodic instalment of the premium is payable.
- q) "Replacement" includes repair, construction or reconstruction with new property of like kind and quality.
- r) "Replacement cost" means whichever is the least of the cost of replacing, repairing, constructing, or reconstructing the property, with new property of like kind and quality and for like occupancy without deduction for depreciation.
- s) "Services" means electricity, water, gas or steam.
- t) "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".
- u) "Stock" means:
- i) merchandise of every description usual to the Insured's business;
 - ii) packing, wrapping and advertising materials; and
 - iii) similar property belonging to others which the Insured is under obligation to keep insured or for which the Insured is legally liable.
- v) "Surface water" means water or natural precipitation temporarily diffused over the surface of the ground.
- w) "Terrorism" means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.
- x) "Tools and portable equipment" means tools and portable equipment, with the exception of "computer equipment" and "electronic media", usual to the Insured's business.

Various terms of the policy restrict coverage. The Insured is advised by the Insurer to read the entire policy carefully to determine rights, duties and what is and is not covered.

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN CLAUSE 14

1. Indemnity Agreement

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

- a) the value of the lost or damaged property as determined in clause 8;
- b) the interest of the Insured in the property;
- c) the amount of insurance specified on the Declarations Page for the lost or damaged property.

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

2. Insured Property

This form covers direct physical loss or damage to the following items provided an amount of insurance is specified on the Declarations Page:

A. At the "installation sites" within Canada, provided that the value of the described property, owned by the Insured or by others, is included in the amount of insurance:

- i) property in course of construction, installation, reconstruction or repair other than property described in 2.A. ii), all to form part of the operations related to the business of the Insured described on the Declarations Page, including expendable materials and supplies, not otherwise excluded, necessary to complete the work;
- ii) landscaping, trees, plants and shrubs, all to form part of the work related to the business of the Insured described on the Declarations Page;
- iii) temporary buildings, scaffolding, falsework, forms, hoardings, excavation, site preparation at the "installation site" and similar work, but only to the extent that "replacement" or restoration is necessary to complete the work.

B. The property described in clause 2.A. anywhere in Canada or the continental United States of America while:

- i) in transit;
- ii) in storage at any other location not specified on the Declarations Page, but not while:

- 1) in transit;
- 2) being manufactured;
- 3) undergoing any process.

3. Deductible

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

Should any occurrence give rise to the application of more than one deductible amount for any one "installation site", only the highest deductible will be applied.

4. Insured Perils

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

5. Exclusions

A. Excluded Property

This form does not insure loss of or damage to:

- a) property at locations which, to the knowledge of the Insured, are vacant, unoccupied or shut down for more than thirty (30) consecutive days;
- b) electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing. This exclusion does not apply to loss or damage caused directly by resultant fire or explosion nor when the proximate cause of the loss or damage is a peril not otherwise excluded in this form;
- c) money, "cash cards", bullion, platinum and other precious metals and alloys, securities, stamps, tickets (except lottery tickets) and tokens, or evidence of debt or title;
- d) automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property;
- e) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
- f) property:
 - i) while waterborne, except while on a regular ferry or railway car transfer in connection with land transportation;
 - ii) insured under the terms of any marine insurance policy;
 - iii) aboard or being transported by an aircraft;
- g) "tools and portable equipment" and contractor's equipment, including spare parts and accessories, whether owned by or leased or loaned to the Insured or the sub-

contractors of the Insured, other than property specified in clause 2.A. iii) above.

B. Excluded Perils

This form 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 vents (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 or leakage from "fire protective equipment". 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". This exclusion does not apply to property in transit or loss or damage caused directly by leakage from a water-main;
- c) by centrifugal force, mechanical or electrical breakdown or derangement. This exclusion does not apply to loss or damage caused directly by a resultant peril not otherwise excluded in this form;
- d) i) by dampness or dryness of atmosphere;
ii) by changes in or extremes of temperature, heating, frost or freezing.
This exclusion d) does not apply to loss or damage caused directly by:
 - 1) fire, lightning, explosion, impact by aircraft, spacecraft or land vehicle, riot, strike, vandalism or malicious acts;
 - 2) rupture of pipes or breakage of apparatus;
 - 3) theft or attempted theft;
 - 4) an accident to transporting conveyance; provided such perils are not otherwise excluded in this form;
- e) i) by shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, or change in colour or texture or finish;
ii) by contamination;
iii) by marring, scratching or crushing.
This exclusion e) does not apply to loss or damage caused directly by:

- 1) fire, lightning, explosion, impact by aircraft, spacecraft or land vehicle, riot, strike, vandalism or malicious acts;
- 2) rupture of pipes or breakage of apparatus;
- 3) theft or attempted theft;
- 4) an accident to a transporting conveyance;
- f) by smog, vapour, gas and smoke from agricultural smudging or industrial operations;
- g) by rodents, insects, bats, raccoons, skunks or vermin, unless the loss or damage is caused directly by a peril not otherwise excluded in this form;
- h) by delay, loss or market, or loss of use or occupancy;
- i) 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;
- j) i) by any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any amending law) or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
- ii) by contamination by radioactive material;
- k) i) by any dishonest or criminal act committed by the Insured or any agent of the Insured, acting alone or in collusion with others;
- ii) by theft or attempted theft committed by any employee of the Insured, acting alone or in collusion with others;
- iii) by any dishonest or criminal act committed by anyone, except as stated in k) ii), when the Insured or any agent of the Insured knew or ought to have known prior to the loss or damage, of the dishonest or criminal act.
This exclusion k) iii) does not apply if, upon becoming aware of the dishonest or criminal act, the Insured or any agent of the Insured immediately notifies the police and the Insurer;
- l) proximately or remotely, arising in consequence of or contributed to by the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which by-law, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss;

m) by cessation of work or by interruption of construction. This exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded in this form.

C. Pollution Exclusion

This form 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".

D. Data Exclusion

This form does not insure:

- a) "data";
- b) loss or damage caused directly or indirectly by a "data problem". This exclusion b) does not apply to loss or damage caused directly by resultant fire, explosion, smoke or leakage from "fire protective equipment".

E. Terrorism Exclusion

This form 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 revent, 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.

F. Fungi and Spores Exclusion

This form 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 form; or

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

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

G. Other Excluded Losses

This form does not insure:

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

- b) the cost of making good:
 - i) faulty or improper material;
 - ii) faulty or improper workmanship;
 - 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 form;

- c) mysterious disappearance, or shortage of insured property disclosed on taking inventory;
- d) penalties or liquidated damages for non-completion of or delay in completion of contract or non-compliance with contract conditions. Also excluded are costs incurred solely in an effort to eliminate or reduce such penalties or liquidated damages.

6. Extensions of Coverage

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

a) Removal as a Precautionary Measure

Coverage is extended to new locations where the insured property necessarily removed from the "installation site" as a precautionary measure is transported. The applicable amount of insurance in such a case is the amount remaining available after the settlement of any loss already incurred (irrespective of clause 10 – Reinstatement); the said remaining amount applies to the property at each described or new location in the proportions which the value of the property in each of the locations bears to the value of the property in them all. This extension of coverage applies for seven (7) days only, or for the unexpired term of the policy if less than seven (7) days.

b) Debris Removal Expenses

Coverage is extended to expenses incurred:

- i) in the removal from the "installation site" of debris of the insured property, occasioned

by loss of or damage to such property, for which loss or damage insurance is afforded under this form.

- ii) in the removal of debris or other property which is not insured by this form, but which has been blown by windstorm upon the "installation site".

The amount payable under this extension of coverage shall not exceed ten percent (10%) of the amount of insurance specified on the Declarations Page for the "installation site", subject to a maximum of \$1,000,000 in the event the amount of insurance is used up.

Extension of coverage b) does not apply to costs or expenses:

- a) to "clean up" "pollutants" from land or water; or
- b) 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".

7. Cessation of Coverage

Subject to its expiration date, this form ceases to insure the property as soon as:

- a) the interest of the Insured in the installed property ends;
- b) the construction or installation work, or any part of it, is completed;
- c) the "installation site" is left unattended for more than thirty (30) consecutive days or when construction or installation activity has ceased for more than thirty (30) consecutive days.

8. Loss Settlement

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

- a) the Insurer agrees to make settlement on the basis of "replacement cost", without any deduction on the usual profit margin nor of the standing charges of the Insured, subject to the following provisions:
 - i) "replacement" must be effected by the Insured with due diligence and dispatch;
 - ii) "replacement" shall be on the same site or on an adjacent site;
 - iii) settlement on a "replacement cost" basis shall be made only when "replacement" has been effected by the Insured and in no event shall it exceed the amount actually and necessarily spent for such "replacement";
 - iv) any other insurance effected by or on behalf of the Insured in respect of the perils insured against by this form on the property to which this clause is applicable shall be on a "replacement cost" basis;
 - v) failing compliance by the Insured with conditions i) to iv) set forth above, settlement

shall be on the basis of the actual cash value, up to the cost of repair or replacement with property of like kind and quality;

- vi) the usual profit margin does not apply to property which has not yet been made part of the "installation site" when the loss occurred.
- b) in the event that new property of like kind and quality are not obtainable, new property which are as similar as possible to that lost or damaged and which are capable of performing the same function shall be deemed to be new property of like kind and quality for the purposes of this clause;
- c) this clause does not apply to any increase in the cost of "replacement" occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.

Actual Cash Value: Various factors shall be considered in the determination of actual cash value. The factors to be considered shall include, but not be limited to, the cost of replacement less any depreciation and market value. In determining depreciation, consideration shall be given to the condition of the property immediately before the damage, the resale value, the normal life expectancy of the property and obsolescence.

9. Breach of Condition

If the Insured does not comply with all the terms of the policy, any claim for subsequent loss or damage is not recoverable. The Insurer will not deny a claim for this reason if the Insured proves that the non-compliance neither caused nor worsened the loss or damage. Coverage will not be affected if the Insured fails to comply with a condition in part of the "installation site" over which the Insured has no control.

10. Reinstatement

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

11. Subrogation

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

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

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

12. Premium Adjustment

The premium stated on the Declarations Page for this form is only provisional. Within thirty (30) days after the termination or expiration of this insurance, the Insured shall report to the Insurer the total completed value of all work performed.

The actual premium shall be calculated from inception date of this form on the total value so reported at the rate shown on the Declarations Page. If the premium so calculated exceeds the provisional premium, the Insured shall pay to the Insurer the amount of such excess. If such premium is less than the provisional premium, the Insurer shall refund to the Insured the amount of the difference, subject to any minimum retained premium. Nothing in this clause shall increase the limit of the Insurer's liability.

13. Verification of Values

The Insurer or its duly appointed representative shall 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 the Insured's books, records and such policies as relate to any insured property. Such inspection or examination shall not waive nor in any manner affect any of the terms of this form.

14. Definitions

Wherever used in this form:

- a) "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.
- b) "Clean up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to any of these processes.
- c) "Computer equipment" means the central processing unit, peripheral equipment including, but not limited to, terminals, keyboards, printers, disk and tape drives and cassette tape recorders, and word processing equipment belonging to the Insured or to others and for which the Insured is legally liable.
- d) "Data" means representations of information or concepts, in any form.
- e) "Data problem" means:
 - i) erasure, destruction, corruption, misappropriation or misinterpretation of "data";
 - ii) error in creating, amending, entering, deleting or using "data"; or
 - iii) inability to receive, transmit or use "data".
- f) "Electronic media" means any device on which "data" is converted, recorded or stored as well as all programs and other electronic

- instruction devices used to process "data" for the Insured's business, with the exception of unused or obsolete "electronic media".
- g) "Fire protective equipment" includes 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 "installation site" and forming a part of the public water distribution system;
 - iii) any pond or reservoir in which the water is impounded by a dam.
- h) "Fungi" includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "fungi" or "spores" or resultant mycotoxins, allergens, or pathogens.
- i) "Installation site" means any site where the work related to the business of the Insured described on the Declarations Page is performed.
- j) "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- k) "Replacement" includes repair, construction or reconstruction with new property of like kind and quality.
- l) "Replacement cost" means whichever is the least of the cost of replacing, repairing, constructing, or reconstructing the property on the same "installation site", with new property of like kind and quality and for like occupancy without deduction for depreciation.
- m) "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".
- n) "Surface water" means water or natural precipitation temporarily diffused over the surface of the ground.
- o) "Terrorism" means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.
- p) "Tools and portable equipment" means tools and portable equipment, with the exception of "computer equipment" and "electronic media", usual to the Insured's business.

Various terms of the policy restrict coverage. The Insured is advised by the Insurer to read the entire policy carefully to determine rights, duties and what is and is not covered.

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN CLAUSE 9 OF THIS FORM OR IN THE COMMERCIAL PROPERTY INSURANCE – BROAD FORM TO WHICH THIS INSURANCE IS ATTACHED.

1. Indemnity Agreement

Subject to the terms of the Commercial Property Insurance – Broad Form and the terms below, in the event that the business of the Insured is interrupted as a result of a direct physical loss or damage from an insured peril, the Insurer shall pay to the Insured the actual loss of "business income" and "rental income" sustained during the "indemnity period" in consequence thereof.

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

2. Property Damage Provision

It is a condition precedent to any payment under this form that, at the time of the happening of the direct physical loss or damage, there shall be in force insurance covering the interest of the Insured in the property at the "premises" against such direct physical loss or damage and that payment shall have been made or liability admitted therefor under such insurance. However, this clause shall not apply where no payment is made or liability is admitted under such insurance solely owing to the application of a deductible.

3. Measure of Recovery

This insurance is limited to the actual loss of "business income" sustained by the Insured due to a reduction in "revenue" and an increase in cost of operations, including the actual loss of "rental income" sustained by the Insured due to a reduction in "rental income" and an increase in cost of operations, and the amount payable will be as follows:

- a) In respect of the reduction of "revenue", the amount obtained by multiplying the "business income percentage" by the amount by which the "revenue" during the "indemnity period" falls short of the "expected revenue" in consequence of the loss or damage;

In respect of the increase in cost of operations, the additional expenditure, subject to Special Provision 4 b), necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in "revenue" which but for that expenditure would have taken place during the "indemnity period" in consequence of the loss or damage, but not exceeding the sum obtained by multiplying the

amount of the reduction thereby avoided by the "business income percentage";

provided that there shall be deducted from the amount payable any sum saved during the "indemnity period" in respect of such of the "insured standing charges" of the business payable out of the "business income" that may cease or be reduced in consequence of the loss or damage.

- b) In respect of the reduction of "rental income", the amount by which the "rental income" during the "indemnity period" falls short of the "expected rental income" in consequence of the loss or damage;

In respect of the increase in cost of operations, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of "rental income" which would have taken place during the "indemnity period" in consequence of the loss or damage, but not exceeding the reduction in "rental income" thereby avoided;

provided that there shall be deducted from the amount payable any charges or expenses during the "indemnity period" payable out of "rental income" that may cease or be reduced in consequence of the loss or damage.

4. Special Provisions

- a) If, during the "indemnity period", goods are sold or services are rendered elsewhere than at the "premises" for the benefit of the business of the Insured, either by the Insured or by others on his behalf, the money paid or payable in respect of such sales or services shall be brought into account in the calculation of the "revenue" for the said period.
- b) If any of the standing charges are not insured, then, in computing the amount recoverable hereunder as increase in cost of operations, that proportion only of the additional expenditure shall be brought into account which the sum of the "net income" and the "insured standing charges" bears to the sum of the "net income" and all standing charges.
- c) If during the "indemnity period" alternate business facilities are provided elsewhere than at the "premises", either by or on behalf of the Insured, the money paid or payable in respect of such accommodation shall be brought into account in the calculation of the "rental income" for the said period.

5. Obligation to Minimize Loss

In the event of a loss or damage in consequence of which a claim is or may be made under this form, the Insured shall with due diligence do and concur doing and permit to be done all things

which may be reasonably practicable to minimize the loss.

6. Other Excluded Losses

In addition to the exclusions specified in the Commercial Property Insurance – Broad Form, this form does not insure:

- a) any increase of loss caused by delays or loss of time due to the presence of strikers or other persons or to labour disturbances on or about the "premises" interfering with the rebuilding, repairing, or replacing the property damaged or destroyed or the resumption or continuation of business or free access to or control of the "premises" or due to the action of sympathetic strikers outside the "premises";
- b) loss due to the suspension, lapse or cancellation of any lease or license, contract or order, which may affect the Insured's income after the "indemnity period";
- c) loss due to fines or damages for breach of contract, for late or non-completion of orders, or for any penalties of whatever nature, subject to the exceptions provided in paragraph d) of Section 8.A.

7. Data Exclusion

Subject to a) and b) below, the Insurer shall not be liable for loss of "business income" or "rental income" directly or indirectly caused by a "data problem".

- a) If a "data problem" results in loss of or damage to property at the "premises" caused by:
- fire;
 - explosion;
 - smoke;
 - leakage from "fire protective equipment";
- all as described in paragraph 18 m), "named perils", of the Commercial Property Insurance – Broad Form, this exclusion shall not apply to resulting loss of "business income" and "rental income" suffered through such resulting loss or damage.
- b) If the "data problem" is the direct result of:
- fire;
 - lightning;
 - explosion;
 - impact by aircraft, spacecraft or land vehicle;
 - smoke;
 - leakage from "fire protective equipment";
 - windstorm or hail;
- all as described in paragraph 18 m), "named perils", of the Commercial Property Insurance – Broad Form, at the "premises", this exclusion shall not apply.

8. Extensions of Coverage

A. The following extensions of coverage apply only if shown on the Declarations Page or if an amount of insurance is specified in the extension and are subject to all the terms of the policy.

a) Accountant's Fees

The Insurer will pay to the Insured, provided an amount of insurance in any one occurrence is specified on the Declarations Page, the reasonable charges payable by the Insured to their professional accountants for producing such particulars or details or other proofs, information or evidence required by the Insurer for the purpose of investigating or verifying any claim hereunder and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents.

b) Ordinary Payroll

Coverage is extended to "ordinary payroll" (except any payroll included in the definition of "insured standing charges"), provided the number of consecutive days is specified on the Declarations Page immediately following the date of loss or damage, which may continue during a total or partial suspension of business, insuring only to the extent necessary to resume the normal business of the Insured with the same quality of service which existed immediately preceding the loss or damage, and which would have been earned had no loss or damage occurred.

The Insurer shall not be liable, in the event of loss or damage, for a greater proportion of the loss or damage under this extension of coverage than the amount of insurance hereby afforded to the percentage of "ordinary payroll" that would have been earned (had no loss or damage occurred) during the number of consecutive days immediately following the date of loss or damage.

c) Off Premises Services Interruption

1) Coverage is extended, provided an amount of insurance in any one occurrence is specified on the Declarations Page, to the actual loss of "business income" sustained caused directly by an insured peril due to an interruption of "services" to property located within twenty-five (25) kilometers of the "premises" and used to generate or supply "services" to the said "premises".

2) Exclusions

This extension of coverage does not cover loss or damage resulting directly or indirectly from:

- a) total or partial interruption of the business of the Insured sustained during the first twenty-four (24) consecutive hours;
- b) loss of or damage to any overhead electrical transmission lines or distribution lines or their supporting structures outside a one (1) kilometer radius from the "premises";
- c) lack of or reduction of "services" due to lack of capacity; or
- d) the interruption of or intentional reduction of "services".

d) Fines or Damages for Breach of Contract

Coverage is extended up to \$10,000 in any one occurrence to fines and damages for breach of contract, when the penalties are specifically stated in the contract. The amount payable as indemnity hereunder is limited to such sums the Insured shall be legally liable to pay for fines or damages incurred solely for non-completion or late completion of orders as a result of loss or damage.

e) Newly Acquired Location

Coverage is extended, provided an amount of insurance in any one occurrence is specified on the Declarations Page, to the actual loss of "business income" and "rental income" sustained by the Insured caused directly by an insured peril to the "building" or "contents" at any newly acquired location within Canada.

This coverage attaches at the time of the acquisition and extends for a period of sixty (60) days, or to the date of the endorsement to this form adding such location, or until the expiry date of this policy, whichever occurs first. There is no coverage under this item for any "building" that is in the course of construction.

The Insured agrees to declare the values of that location to the Insurer within sixty (60) days of the acquisition and to pay any additional premium required by the Insurer, calculated as of the day of acquisition.

f) Contingent Property – Suppliers or Customers

1) Coverage is extended, provided an amount of insurance in any one occurrence is specified on the Declarations Page, to the actual loss of "business income" sustained by the Insured during the policy period resulting from interruption of the business in consequence of

direct loss of or damage by an insured peril to the property (at any location within Canada or the continental United States of America) of a supplier providing "stock" to the Insured or of a customer to which the Insured's products are shipped.

2) Exclusions

This extension of coverage does not cover:

- a) loss or damage resulting directly or indirectly from a total or partial interruption of the business of the Insured sustained during the first twenty-four (24) consecutive hours;
- b) the suppliers of energy or other public utility services; or
- c) the suppliers of which the Insurer is the owner or operator.

B. The following extensions of coverage do not increase the amounts of insurance that apply to this form and are subject to all the terms of the policy set forth herein.

a) Interruption by Civil Authority

Coverage is extended to the actual loss of "business income" or of "rental income" sustained by the Insured during the period of time, not exceeding four (4) consecutive weeks, due to an interruption of the Insured's activities while access to the "premises" is prohibited by order of civil authority, but only when such order is given as a direct result of damage to neighbouring premises by an insured peril.

b) By-laws

This insurance is extended, without increasing the amount of insurance nor extending the "indemnity period", to the consequences of the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of "buildings" damaged by an insured peril.

9. Definitions

Wherever used in this form:

a) "Annual rental income", "rental income" and "expected rental income":

i) "annual rental income" means "rental income" during the twelve (12) months immediately before the date of the loss or damage.

ii) "expected rental income" means the "rental income" during the period corresponding with the "indemnity period" in the twelve (12) months immediately before the date of the loss or damage, the "rental income" being

proportionally increased if the "indemnity period" is more than twelve (12) months.

iii) "rental income" means the sum of money paid or payable to the Insured by tenants in respect of rental of the "premises", plus a fair rental value of the proportion(s), if any, of the building(s) occupied by the Insured.

Adjustments shall be made to the elements in paragraphs i) and ii) above as may be necessary to provide for the trend of the business and for variations in or other circumstances affecting "rental income" either before or after the loss or damage or which would have affected the "rental income" had the loss or damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the loss or damage would have been obtained during the corresponding "indemnity period".

b) "Annual revenue" means the "revenue" during the twelve (12) months immediately before the date of the loss or damage.

c) "Business income" means the sum produced by adding to the "net income" the amount of the "insured standing charges" or, if there is no "net income", the amount of "insured standing charges" less such a proportion of any net trading loss as the amount of the "insured standing charges" bears to all standing charges of the business.

d) "Business income percentage" means the percentage obtained by dividing the "business income" by the "revenue" during the financial year immediately before the date of the loss or damage.

e) "Expected revenue" means the "revenue" during that period in the twelve (12) months immediately before the date of the loss or damage which corresponds with the "indemnity period", the "revenue" being proportionally increased if the "indemnity period" is more than twelve (12) months.

f) "Indemnity period" means the period beginning with the date of the loss or damage and ending no later than twelve (12) consecutive months (or such other period so specified on the Declarations Page) thereafter during which the results of the business shall be affected in consequence of the loss or damage. However, if "electronic media" for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including "data" thereon be lost or damaged, then the "indemnity period" in respect thereof shall not extend beyond thirty (30) consecutive days after such loss or damage or the date upon which liability ceases under this form for loss arising from other property lost or damaged by the same occurrence.

g) "Insured standing charges" means all permanent standing charges. The following shall in no event be deemed to be standing charges:

- i) depreciation of inventory;
- ii) bad debts;
- iii) wages and salaries of employees whose services are not essential.

h) "Net income" means the net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured at the "premises" after due provision has been

made for all standing and other charges, including depreciation, but before the deduction of any taxation chargeable on profits.

i) "Ordinary payroll" means the entire payroll expense for all employees of the Insured other than salaries and wages to executives, managers, contractual employees and other important permanent employees whose services would not be dispensed with should the business be interfered with or interrupted.

j) "Revenue" means the money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the business at the "premises".

Adjustments shall be made to the elements in paragraphs b), d) and e) as may be necessary to provide for the trend of the business and for variations in or other circumstances affecting the business either before or after the loss or damage or which would have affected the business had the loss or damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the loss or damage would have been obtained during the corresponding "indemnity period".

Various terms of the policy restrict coverage. The Insured is advised by the Insurer to read the entire policy carefully to determine rights, duties and what is and is not covered.

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN CLAUSE 8 OF THIS FORM OR IN THE COMMERCIAL PROPERTY INSURANCE – BROAD FORM OR THE BUILDERS RISK INSURANCE – BROAD FORM OR THE PROPERTY IN COURSE OF INSTALLATION INSURANCE – BROAD FORM OR THE COMMERCIAL PROPERTY INSURANCE – NAMED PERILS FORM TO WHICH THIS INSURANCE IS ATTACHED.

1. INDEMNITY AGREEMENT

Subject to the terms of the Commercial Property Insurance – Broad Form or the Builders Risk Insurance – Broad Form or the Property in Course of Installation Insurance – Broad Form or the Commercial Property Insurance – Named Perils Form and the terms below, the Insurer shall pay the necessary "extra expense" incurred during the "indemnity period" as a result of a direct physical loss or damage from an insured peril.

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

2. PROPERTY DAMAGE PROVISION

It is a condition precedent to any payment under this form that, at the time of the happening of the direct physical loss or damage, there shall be in force insurance covering the interest of the Insured in the property at the "premises" or at the "project site" or at the "installation site" against such direct physical loss or damage and that payment shall have been made or liability admitted therefor under such insurance. However, this clause shall not apply where no payment is made or liability is admitted under such insurance solely owing to the application of a deductible.

3. MEASURE OF RECOVERY

This insurance, subject to the amount of insurance specified on the Declarations Page, is limited to the necessary "extra expense" incurred by the Insured in order to continue as nearly as practicable the "normal" conduct of the Insured's business.

4. OBLIGATION TO MINIMIZE LOSS

In the event of a loss or damage in consequence of which a claim is or may be made under this form, the Insured shall with due diligence do and concur doing and permit to be done all things which may be reasonably practicable to minimize such "extra expense".

5. OTHER EXCLUDED LOSSES

In addition to the exclusions specified in the Commercial Property Insurance – Broad Form or the Builders Risk Insurance – Broad Form or the Property in Course of Installation Insurance – Broad Form or the Commercial Property Insurance – Named Perils Form, this form does not insure:

- a) any increase of loss caused by delays or loss of time due to the presence of strikers or other persons or to labour disturbances on or about the "premises" or the "project site" or the "installation site" interfering with the rebuilding, repairing, or replacing the property damaged or destroyed or the resumption or continuation of operations or free access to or control of the "premises" or the "project site" or the "installation site" or due to the action of sympathetic strikers outside the "premises" or outside the "project site" or outside the "installation site";
- b) loss due to the suspension, lapse or cancellation of any lease or license, contract or order, which may affect the Insured's income after the "indemnity period";
- c) loss due to fines or damages for breach of contract, for late or non-completion of orders, or for any penalties of whatever nature;
- d) reproduction costs of the business documents and records such as books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts, including "electronic media".

6. DATA EXCLUSION

Subject to a), b) and c) below, the Insurer shall not be liable for "extra expense" directly or indirectly caused by a "data problem".

- a) If a "data problem" results in loss of or damage to property at the "premises" or at the "project site" or at the "installation site" caused by:
 - i) fire;
 - ii) explosion;
 - iii) smoke;
 - iv) leakage from "fire protective equipment"; all as described in paragraph 18 m), "named perils", of the Commercial Property Insurance – Broad Form or in paragraph 5, Insured Perils, of the Commercial Property Insurance – Named Perils Form or in exclusion 5.D., Data Exclusion, of the Builders Risk Insurance – Broad Form or in exclusion 5.D., Data Exclusion, of the Property in Course of Installation Insurance – Broad Form, this exclusion shall not apply to resulting "extra expense" suffered through such resulting loss or damage.
- b) If the "data problem" is the direct result of:
 - i) fire;
 - ii) lightning;
 - iii) explosion;
 - iv) impact by aircraft, spacecraft or land vehicle;
 - v) smoke;
 - vi) leakage from "fire protective equipment";
 - vii) windstorm or hail;all as described in paragraph 18 m), "named perils", of the Commercial Property Insurance – Broad Form or in paragraph 5, Insured Perils, of the Commercial Property Insurance – Named Perils Form, at the "premises", this exclusion shall not apply.
- c) If the "data problem" is the direct result of:
 - i) fire;
 - ii) explosion;
 - iii) smoke;
 - iv) leakage from "fire protective equipment"; all as described in exclusion 5.D., Data Exclusion, of the Builders Risk Insurance – Broad Form or in exclusion 5.D., Data Exclusion, of the Property in Course of Installation Insurance – Broad Form, at the "project site" or at the "installation site", this exclusion shall not apply.

7. EXTENSION OF COVERAGE

The following extension of coverage applies only if shown on the Declarations Page and is subject to all the terms of the policy.

Interruption by Civil Authority

Coverage is extended, without increasing the amount of insurance, to "extra expense" incurred by the Insured during the period of time, not exceeding four (4) consecutive weeks, due to an interruption of the Insured's activities while access to the "premises" or the "project site" or the "installation site" is prohibited by order of civil authority, but only when such order is given as a direct result of damage to neighbouring premises by an insured peril.

8. DEFINITIONS

Wherever used in this form:

- a) "Extra expense" means the excess of the cost incurred for the purpose of continuing the Insured's business operations over and above the cost that would have been incurred during the period of time corresponding to the "indemnity period" had no loss or damage occurred, including all necessary emergency expenses such as the expense incurred for using property or facilities owned by third parties and the expenses incurred for temporarily using property necessary for continuing the Insured's business operations. In the latter case, the salvage value of property remaining after resumption of "normal" operations shall be taken into consideration in the

adjustment or any loss hereunder. In no event shall the Insurer be liable for:

- i) loss of income;
 - ii) the cost of repairing or replacing damaged or destroyed property, except the cost in excess of the "normal" cost of such repairs or replacements incurred for the purpose of reducing the amount of expense covered hereunder.
- b) "Indemnity period" means the period beginning with the date of the loss or damage and ending no later than such length of time, not exceeding twelve (12) consecutive months, as would be required with exercise of due diligence and dispatch to rebuild, repair or replace the lost or damaged property. However, if "electronic media" for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including "data" thereon be lost or damaged, then the "indemnity period" in respect thereof shall not extend beyond thirty (30) consecutive days after such loss or damage or the date upon which liability ceases under this form for loss arising from other property lost or damaged by the same occurrence.
- c) "Normal" means the condition which exists or would have existed had no loss or damage occurred.

Various terms of the policy restrict coverage. The Insured is advised by the Insurer to read the entire policy carefully to determine rights, duties and what is and is not covered.

This insurance is excess over the following insurance forms, where applicable, provided they are shown on the Declarations Page. The said forms apply, except when there are differences in conditions:

COMMERCIAL PROPERTY INSURANCE
– BROAD FORM

CONDOMINIUM CORPORATION
INSURANCE – BROAD FORM

COMMERCIAL PROPERTY INSURANCE
– NAMED PERILS FORM

WAREHOUSEMAN'S LEGAL LIABILITY
INSURANCE

BUSINESS INTERRUPTION INSURANCE

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN CLAUSE 10 OF THIS FORM OR IN THE FORMS TO WHICH THIS INSURANCE IS ATTACHED.

1. Indemnity Agreement

This form covers the "breakdown" or "'electronic circuitry' impairment" occurring during the policy period to an "insured equipment" while in use or connected ready for use at the "premises" specified on the Declarations Page. Coverage is limited to:

- damage to the "insured equipment" and to other "insured property" caused directly by the "breakdown" or "'electronic circuitry' impairment";
- the deterioration of "perishable stock", provided coverage is specified on the Declarations Page, which results solely from the "breakdown" or "'electronic circuitry' impairment";
- the business interruption and extra expense, provided coverage is specified on the Declarations Page, which results solely from the "breakdown" or "'electronic circuitry' impairment".

2. Limit of Liability

The Insurer's total liability for all damage arising out of any "one breakdown" or "'electronic circuitry' impairment" under paragraphs a) and b) of Clause 1 shall not exceed the amounts of insurance specified on the Declarations Page for Property Insurance and Warehouseman's Legal Liability Insurance, where applicable.

3. Business Interruption and Extra Expense

Under paragraph c) of Clause 1, Indemnity Agreement, the Insurer covers the business interrup-

tion and extra expense which result solely from a "breakdown" or "'electronic circuitry' impairment" of an "insured equipment", subject to the following additional provisions:

a) Notice of Breakdown or Electronic Circuitry Impairment and Commencement of Liability

The Insured shall immediately give notice of the "breakdown" or "'electronic circuitry' impairment", to the Insurer and that notice must be confirmed in writing.

The commencement of the Insurer's liability shall be the later of:

- the time of the "breakdown" or "'electronic circuitry' impairment", or
- twenty-four (24) hours before the Insurer receives the written notice of the "breakdown" or "'electronic circuitry' impairment".

b) Limit of Liability

The Insurer's total liability for business interruption and extra expense under paragraph c) of Clause 1 is in addition to the applicable amount of insurance provided in paragraphs a) and b) of Clause 1, but in no event shall it exceed the amounts of insurance for business interruption and extra expense specified on the Declarations Page for Business Interruption Insurance.

c) Interruption by Civil Authority

Coverage is extended to the loss of business income and extra expense sustained by the Insured during the period of time, not exceeding four (4) consecutive weeks, while access to the "premises" is prohibited by order of civil authority, but only when such order is given as a result of a "breakdown", but not an "'electronic circuitry' impairment", of an equipment which the Insured does not own or use, provided the equipment is of a type described in the definition of "insured equipment" in paragraph k) of Clause 10 and is on the "premises" or on neighbouring premises.

d) Dependent Business

The Insurer will pay for the loss of business income and extra expense sustained solely as a result of a "breakdown", but not an "'electronic circuitry' impairment", of an equipment of a type described in the definition of "insured equipment" in paragraph k) of Clause 10 and located in a "dependent business" which must have been in operation for at least six (6) months before the "breakdown" or "'electronic circuitry' impairment" and which is within one (1) kilometer of the "premises".

4. Loss Settlement

Under paragraphs a) and b) of Clause 1, Indemnity Agreement, the Insurer will indemnify the In-

sured for loss or damage to "insured equipment" and other "insured property" as follows:

- "electronic media": "replacement cost" of a blank "electronic media";
- exposed film, records, manuscripts and drawings: "replacement cost" of a blank material plus the cost of transcription;
- any heat exchanger that forms part of a forced-air heating equipment that is five (5) years old or more from the date of purchase new: "actual cash value";
- all other "insured property": "replacement cost";
- "perishable stock": "replacement cost" at cost price of said property as of the date of the "breakdown".

However, the Insurer is not liable:

- for the repair cost or the "replacement cost" of the part of the "insured equipment" which is greater than the cost of repairing or replacing the entire piece of equipment;
- for more than the cost to replace the damaged property with other property of like kind, capacity, size, quality and function except as provided for under Environmental and Efficiency Improvements below;
- for more than the cost to replace the damaged property on the same "premises" or on an adjacent site.

If the "insured property" and "perishable stock" are not repaired or replaced within reasonable time after the date of the "breakdown" or "'electronic circuitry' impairment", settlement will be based on the "actual cash value" of the property.

ENVIRONMENTAL AND EFFICIENCY IMPROVEMENTS

Under paragraph a) of Clause 1, Indemnity Agreement, if an "insured equipment" requires replacement due to a "breakdown" or "'electronic circuitry' impairment", the Insurer will pay the additional cost to replace it with an equipment that is better for the environment or more efficient than the equipment being replaced. However, the Insurer will not pay more than one hundred fifty percent (150%) of what the cost would have been to replace with equipment of like kind, capacity, size, quality and function.

This provision does not apply to any property valued or insured on an "actual cash value" basis.

5. Deductible

The Insurer is liable for the amount by which the loss or damage resulting from any "one breakdown" or "'electronic circuitry' impairment" exceeds the amount of the deductible specified on the Declarations Page for each coverage.

Should a "breakdown" or "'electronic circuitry' impairment" give rise to the application of more than one deductible amount, only the highest deductible will be applied.

6. EXCLUSIONS

This form does not insure loss or damage caused by or resulting from:

- a) an insured peril otherwise covered in this policy;
- b) "breakdown" or "'electronic circuitry' impairment" of an equipment specifically excluded in this form;
- c) i) "breakdown" or "'electronic circuitry' impairment" caused directly or indirectly by nuclear reaction, nuclear radiation or radioactive contamination, whether controlled or uncontrolled;
- ii) nuclear reaction, nuclear radiation or radioactive contamination, whether controlled or uncontrolled, caused directly or indirectly by a "breakdown" or "'electronic circuitry' impairment", or contributed to or aggravated by a "breakdown" or "'electronic circuitry' impairment";
- d) any riot, civil commotion or act of sabotage;
- e) pollution, contamination or damage by "hazardous substances", except as provided in paragraph f) of the extension of coverage in Clause 7.A., Hazardous Substances, of this form;
- f) i) earth movement, including but not limited to earthquake, landslide, mud flow, subsidence, volcanic eruption, tidal wave or tsunami;
- ii) wind, including but not limited to cyclone, tornado or hurricane;
- iii) fire, smoke or combustion explosion; or
- iv) water or other means used to extinguish a fire;
- v) fire, smoke or combustion explosion that occurs at the same time as a "breakdown" or "'electronic circuitry' impairment" or that ensues from a "breakdown" or "'electronic circuitry' impairment". However, with respect to any "insured equipment" which is an electrical or electronic machine or apparatus, fire damage within the said machine or apparatus which occurs at the same time as a "breakdown" or "'electronic circuitry' impairment" or that ensues from the "breakdown" or "'electronic circuitry' impairment" is covered;
- vi) flood. However, if a "breakdown" or "'electronic circuitry' impairment" of "insured equipment" results from a flood, damage or expense caused by the "breakdown" or "'electronic circuitry' impairment" is covered;
- vii) water, except as provided in paragraph a) of the extension of coverage in Clause 7.A.,

Water Damage, of this form; escape of water resulting from a "breakdown" or "'electronic circuitry' impairment", unless a) coverage is not otherwise provided in this form and b) water escapes from an equipment that normally contains water or steam;

- g) the partial or total failure, malfunction or loss of use of any "electronic media", electronic equipment, computer system, information repository, microchip, integrated circuit or other similar device due to:
 - i) the erasure, destruction, corruption, misappropriation or misinterpretation of "data";
 - ii) any error in creating, amending, entering, deleting or using "data" during programming;
 - iii) the failure or inability of a software to correctly read, receive, transmit, recognize, save, treat, interpret or use "data"; or
 - iv) the impact of any malware or the functioning or malfunctioning of the Internet, intranet, local area networks, virtual private networks or similar facility, or of any Internet address, website or similar facility;
- h) damage to "data", except as provided in paragraph h) of the extension of coverage in Clause 7.A., Data Restoration, of this form;
 - i) delay or interruption of business; or
 - ii) any other indirect result of a "breakdown" or "'electronic circuitry' impairment";
 except as may be provided in paragraph c) of Clause 1, Indemnity Agreement;
- j) rupture or bursting of any water piping used for heating, cooling or service supply, and its accessory equipment, caused by freezing at a location which, to the knowledge of the Insured, is vacant, unoccupied or shut down for more than thirty (30) consecutive days;
- k) "breakdown" or "'electronic circuitry' impairment" of equipment manufactured, repaired or held for sale by the Insured.

7. Extensions of Coverage

A. The following extensions of coverage provide amounts of insurance that are in addition to the amounts of insurance specified on the Declarations Page. The extensions of coverage apply only if shown on the Declarations Page and are subject to all the terms of the policy.

a) Water Damage

Provided an amount of insurance in any one occurrence is specified on the Declarations Page for this coverage, the Insurer will pay for any water damage to the "insured property", including salvage expense, caused by or resulting solely from a "breakdown" or "'electronic circuitry' impairment", provided:

- i) the said damage, whether payable or not, is not otherwise covered under this policy; and
- ii) the water comes from an "insured equipment" that normally contains water or steam.

b) Off-premises Transportable Insured Equipment

With respect to paragraphs a) and c) of Clause 1, Indemnity Agreement, and provided an amount of insurance in any one occurrence is specified on the Declarations Page for this coverage, the Insurer will pay for the loss or damage caused by a "breakdown" or "'electronic circuitry' impairment" to transportable "insured equipment" which at the time of the "breakdown" or "'electronic circuitry' impairment" are not on the "premises" specified on the Declarations Page, provided that the "insured equipment":

- i) is of a type described in the definition of "insured equipment" in paragraph k) of Clause 10; and
- ii) is located anywhere in Canada or the continental United States of America.

Under this extension of coverage, settlement for loss or damage to any transportable "insured equipment" that is three (3) years old or more from the date of purchase new will be on an "actual cash value" basis.

This extension of coverage does not apply to loss or damage to transportable "insured equipment":

- i) manufactured or distributed for sale by the Insured; or
- ii) resulting from collision, overturn or external impact.

c) Errors and Omissions

With respect to paragraphs a), b) and c) of Clause 1, Indemnity Agreement, and provided an amount of insurance in any one occurrence is specified on the Declarations Page for this coverage, the Insurer will pay for a "breakdown" of "insured equipment" that is not otherwise payable under this form solely because of any unintentional error or omission committed by the Insured:

- i) resulting in the absence of the description or address of the "insured property" under this policy as of the date of its inception; and
- ii) resulting in the deletion of the "premises".

This extension of coverage applies, but only subject to the following conditions:

- a) the Insured shall notify the Insurer upon discovery of such error or omission so that the Insurer may correct it;

- b) the "premises" must be located in Canada; and
- c) the applicable deductible shall be the one for the location with the highest deductible under this policy.

d) Brands and Labels

Provided an amount of insurance in any one occurrence is specified on the Declarations Page for this coverage, if branded or labeled "insured property" such as "stock" is damaged as a result of a "breakdown" or " 'electronic circuitry' impairment", but retains a salvage value, the Insured may:

- a) stamp the word Salvage on such "stock" or its containers if the stamp will not physically damage the "stock"; or
- b) remove the brands and labels, if doing so will not physically damage the "stock". However, the Insured must re-label the "stock" or its containers in compliance with any applicable law.

The Insurer will pay the expenses reasonably and necessarily incurred by the Insured for either of these two options up to the amount recoverable from salvage.

e) Green Property

With respect to paragraph a) of Clause 1, Indemnity Agreement, and provided an amount of insurance in any one occurrence is specified on the Declarations Page for this coverage, if "insured equipment" requires repair or replacement due to "breakdown" or " 'electronic circuitry' impairment", the Insurer will pay the "additional cost":

- i) to repair or replace the damaged "insured property", whichever is the lesser of the cost at time of "breakdown" or " 'electronic circuitry' impairment", using equipment, materials and service companies required or recommended by a "recognized environmental standards program";
- ii) to dispose of the damaged equipment or "insured property", if practicable, through a recycling process; and
- iii) to flush out reconstructed space with up to one hundred percent (100%) outside air using new filtration media.

With respect to any insured "building" which was, at the time of the "breakdown" or " 'electronic circuitry' impairment", certified by a "recognized environmental standards program", the Insurer will pay the "additional cost":

- 1) to prevent the lapse of such certification;
- 2) to reinstate the certification or replace it with an equivalent certification;
- 3) for an engineer authorized by a "recognized environmental standards program"

- to oversee the repair or replacement of the damaged "insured property"; and
- 4) for a professional engineer to commission or recommission the Insured's mechanical, electrical or electronic building systems.

This extension of coverage applies in addition to any coverage that may apply under the Environmental and Efficiency Improvements or any other applicable coverage and only to "insured property" that must be repaired or replaced as a direct result of a "breakdown" or " 'electronic circuitry' impairment".

This provision does not apply to any property valued or insured on an "actual cash value" basis.

f) Hazardous Substances

Provided an amount of insurance in any one occurrence is specified on the Declarations Page for this coverage, if a "hazardous substance" is involved in or released solely by a "breakdown" or " 'electronic circuitry' impairment" of an "insured equipment", the Insurer will pay:

- i) the increase in cost to repair, replace, clean up or dispose of the "insured property" affected by the "hazardous substance"; and
- ii) the increase in loss of business interruption and extra expense because of the presence of a "hazardous substance", provided the business interruption and the extra expense insurance is specified on the Declarations Page.

For the purpose of this extension of coverage, increase in cost or increase in loss means costs and losses which exceed those which would have been covered by the Insurer had such "hazardous substances" not been present.

g) Public Relations

With respect to paragraph c) of Clause 1, Indemnity Agreement, and provided an amount of insurance in any one occurrence is specified on the Declarations Page for this coverage, the Insurer will pay for the reasonable costs for professional public relations services to create and disseminate communications, when the need for such communications arises directly from interruption of the Insured's business. These communications must be directed to one or more of the following:

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

Such costs must be incurred during the period of time that begins at the date of the "breakdown" or " 'electronic circuitry' impairment" and continues until:

- 1) thirty (30) consecutive calendar days after the date the "insured property" is repaired or replaced; or
- 2) the length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such "insured property" lost or damaged by the "breakdown" or " 'electronic circuitry' impairment".

h) Data Restoration

Provided an amount of insurance in any one occurrence is specified on the Declarations Page for this coverage, if, as a result of the "breakdown" or " 'electronic circuitry' impairment" of an "insured equipment", "data" is lost or damaged, the Insurer will pay for:

- i) the cost of gathering or reproducing the "data"; and
- ii) the business interruption and extra expense resulting from the loss of "data", but only if the business interruption and extra expense insurance is specified on the Declarations Page.

The Insurer will not pay under this extension of coverage for "data" which is lost or damaged as a result of programming errors of any kind, including the inability of a software to correctly read, recognize, save, process or interpret any date or time.

B. The following extensions of coverage do not increase the amounts of insurance that apply to this form and are subject to all the terms of the policy set forth herein.

a) Off Premises Services Interruption

In the event of a "breakdown" but not an " 'electronic circuitry' impairment" of an "insured equipment" which the Insured does not own or use, the Insurer will pay for:

- i) the loss of "perishable stock", provided coverage is specified on the Declarations Page; and
- ii) business interruption or extra expense, provided coverage is specified on the Declarations Page;

but only if the equipment:

- 1) is of a type described in the definition of "insured equipment" in paragraph k) of Clause 10;
- 2) is located on the "premises" or within one (1) kilometer of the "premises";
- 3) is the property of the public utility company or of the owner of the building where the "premises" are; and

4) is used to supply steam, gas, air, water, refrigeration, electricity, air conditioning, heating or communication services to the "premises".

b) Cloud Computing Service Interruption

With respect to paragraph c) of Clause 1, Indemnity Agreement, the Insurer will pay for loss or damage from a "breakdown", but not an " 'electronic circuitry' impairment", of an equipment not owned or operated by the Insured, which is used to provide "cloud computing services" to the location specified on the Declarations Page, but only if such an equipment is:

- i) of a type described in the definition of "insured equipment"; and
- ii) located in Canada or the continental United States of America.

c) Expediting Expenses

If there is a "breakdown" or " 'electronic circuitry' impairment" of "insured equipment" or other "insured property", the Insurer will pay the reasonably incurred extra cost to:

- i) make temporary repairs; or
- ii) expedite permanent repairs; or
- iii) expedite permanent replacement.

d) Laws and By-laws

If, at the time of the "breakdown" or " 'electronic circuitry' impairment" of an "insured equipment", there is in force a law, by-law, ordinance, regulation, rule or ruling regulating or restricting repair, alteration, use, operation, construction or installation of "insured property", the Insurer will pay for:

- i) the increase in cost of repair or replacement of both damaged and undamaged property, including any demolition and site clearing costs, which is necessary to meet the minimum requirements of the law, by-law, ordinance, regulation, rule or ruling; and
- ii) the increase in loss of business income and extra expense, as a result of the enforcement of any law, by-law, ordinance, regulation, rule or ruling, provided the business interruption and the extra expense insurance is specified on the Declarations Page.

e) Professional Fees

The Insurer will pay the Insured for the reasonable fees necessarily incurred by the Insured and authorized by the Insurer, payable to auditors, accountants, architects, engineers or other professionals for preparing the proof of loss. However, this extension of coverage does not insure expenses incurred by the Insured for public claims adjusters' or lawyers' fees.

8. Inspection

The Insurer or its duly authorized representative shall have the right, but not the obligation, to inspect any "insured equipment", at any reasonable time, to inform the Insured of the conditions found and to recommend changes. Any inspections, findings and recommendations shall not constitute an undertaking to the Insured or others that an "insured equipment" is safe or not hazardous to health.

9. Suspension

Upon the discovery by the Insurer or its duly authorized representative of any "insured equipment" is exposed to or in a dangerous condition, it may immediately suspend the Equipment Breakdown Insurance (including any insurance applying to the interest of any Mortgagee specified in the policy). Notice of suspension shall be given either at the mailing address specified on the Declarations Page or at the "premises" where the "insured equipment" is located. The Insurer or its duly authorized representative agrees to furnish a copy of the suspension notice to the Mortgagee. Insurance so suspended may be reinstated, but only by an endorsement issued to form part of this policy. The Insured shall be allowed the unearned portion of the premium paid for such suspended insurance, on a pro rata basis for the period of suspension.

10. Definitions

Wherever used in this form:

- a) "Actual cash value" means the "replacement cost" at the time of the "breakdown" or " 'electronic circuitry' impairment" of the damaged property with property of like kind, capacity, size, quality and function, with proper deduction for depreciation. In determining depreciation, consideration shall be given to factors such as the age, condition and normal life expectancy of the property.
- b) "Additional cost" means costs which exceed those which would have been incurred had the extension of coverage 7.A. e), Green Property, not been provided.
- c) "Breakdown" means a sudden and accidental failure of an "insured equipment" with simultaneous physical damage to it or part of it which requires the repair or replacement of the "insured equipment" or part of it. However, "breakdown" does not mean:
 - i) depletion, deterioration, corrosion or erosion of material;
 - ii) wear and tear;
 - iii) the functioning of any safety device or protective device;
 - iv) failure of a structure or foundation supporting the "insured equipment" or any part thereof.

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

- e) "Data" means all facts, concepts and information of a software or an electronically or electromechanically controlled equipment in a form useable for communications, interpretation or processing.
- f) "Dependent business" means any location, operated by third parties, upon which the Insured is dependent to attract customers to the "premises".
- g) "Electronic circuitry" means microelectronic components, including, but not limited to, circuit boards, integrated circuits, computer chips and disk drives.
- h) " 'Electronic circuitry' impairment" means a sudden and accidental failure of the "electronic circuitry" of an "insured equipment" in the care, custody or control of the Insured, that causes the "insured equipment" to suddenly lose its ability to function as it had been functioning immediately before the failure. However, " 'electronic circuitry' impairment" does not mean:
 - i) any condition that can be reasonably remedied by:
 - 1) normal maintenance, including, but not limited to, the replacement of expendable parts, a battery recharging or cleaning;
 - 2) rebooting, reloading or updating a software or firmware; or
 - 3) providing necessary power or supply.
 - ii) any condition caused by or related to:
 - 1) incompatibility of the "insured equipment" with any software or equipment installed, introduced or networked during the first thirty (30) days; or
 - 2) insufficient size, capability or capacity of the "insured equipment".
 - iii) exposure to adverse environmental conditions, including, but not limited to, changes in temperature or humidity, unless such conditions result in a loss of functionality. Loss of warranty shall not be considered a loss of functionality.

- i) "Electronic media" means material on which "data" is electronically recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.
- j) "Hazardous substances" means:
- i) any pollutant, contaminant or other substance declared by any government authority to be hazardous to health or the environment; or
 - ii) any mould, yeast, fungus or mildew, including any spores or toxins created or produced by or emanating from such mould, yeast, fungus or mildew, whether or not allergenic, pathogenic or toxigenic.
- k) "Insured equipment" means any equipment described below, subject to the exclusions specified herein, which is owned or leased by the Insured or which is the property of others in the care, custody and control of the Insured and for which the Insured is legally liable:
- i) any boiler, or any fired or unfired pressure vessel, normally subject to vacuum or internal pressure other than static pressure of contents, and any refrigerating or air conditioning vessel and piping or any piping and its accessory equipment and any heat exchanger that forms part of a forced-air heating equipment, but not including:
 - 1) any boiler setting, any refractory or insulating material;
 - 2) any part of a boiler or fired pressure vessel that does not contain steam or water; nor
 - 3) any hose, any buried piping, any drainage piping, and any sprinkler system piping and its accessory equipment;
 - ii) any mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical energy, but not including:
 - 1) any vehicle, any power shovel, any excavator, any traction cable or any self-propelled mobile equipment;
 - 2) any lifting or safety cable, anchorages, car buffers or counterweight buffers forming part of an elevator system;
 - 3) any motor used to propel contractor's equipment;
 - iii) Any electronic equipment, that is:
 - 1) any equipment used for research, diagnosis, treatment, experimental or medical or scientific purposes;
 - 2) any equipment used to compile or manipulate "data" or texts, duplicating, reading or control of inventories or other office functions;
 - 3) any computer media, any electronic device, any fibre optic cable.
- l) "Insured property" means:
- i) property owned by the Insured; or
 - ii) property of others in the care, custody and control of the Insured and for which the Insured is legally liable.
- m) "One breakdown" means one or a series of "breakdowns" or " 'electronic circuitry' impairments" of an "insured equipment" with simultaneous "breakdown" or " 'electronic circuitry' impairment" of other "insured equipment".
- n) "Perishable stock" means perishable stock kept in a refrigerated or temperature controlled space on the "premises".
- o) "Recognized environmental standards program" means one of the following:
 - i) the ENERGY STAR® Program;
 - ii) the Canadian Green Building Council LEED® program ; or
 - iii) any nationally or internationally recognized environmental standards program designed to achieve energy savings or any type of objective related to the above mentioned programs.
- p) "Replacement cost", means the cost of repairing, constructing or reconstructing with property of like kind, capacity, size, quality and function.

Various terms of the policy restrict coverage. The Insured is advised by the Insurer to read the entire policy carefully to determine rights, duties and what is and is not covered.

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN CLAUSE 20 – DEFINITIONS, OF SECTION III – SPECIAL PROVISIONS.

Subject to all the terms of the policy, the Insurer agrees to provide insurance under the following Insuring Agreements for which a specific amount of insurance is shown on the Declarations Page.

Section I – Insuring Agreements

Insuring Agreement I – Employee Dishonesty

The Insurer will pay for loss of "money", "securities" and other property which the Insured shall sustain directly from any "fraudulent or dishonest act" committed by any of his "employees", acting alone or in collusion with others. The Insurer's liability for any one occurrence will not exceed the amount of insurance shown on the Declarations Page for this Insuring Agreement, and all such acts committed by the same "employees" shall be deemed to arise out of one occurrence.

Insuring Agreement II – Loss Inside the Premises or Within Financial Institution Premises

The Insurer will pay up to the amount of insurance shown on the Declarations Page for this Insuring Agreement for:

- a) loss of "money" and "securities" by the actual destruction, disappearance or wrongful abstraction thereof within the "premises" or within the "financial institution premises" or other similar recognized places of deposit;
- b) loss of:
 - i) other property by "safe burglary" or "robbery" within the "premises" or any attempt thereat;
 - ii) a locked cash drawer, cash box or cash register by forcible entry into such container within the "premises" or attempt thereat or by wrongful abstraction of such container from within the "premises" or attempt thereat;
- c) damage to the "premises" by an offence stated in a) or b) above, or by or following a burglarious entry into the "premises" or attempt thereat, provided, with respect to damage to the "premises", the Insured is the owner thereof or is legally liable for such damage.

Insuring Agreement III – Loss Outside the Premises

The Insurer will pay up to the amount of insurance shown on the Declarations Page for this Insuring Agreement for loss of:

- a) "money" and "securities" by the actual destruction, disappearance or wrongful abstraction thereof outside the "premises" while being conveyed by a "messenger" or any armoured motor vehicle company, or while within the living quarters in the home of any "messenger";
- b) other property by "robbery" (or attempt thereat) outside the "premises" while being conveyed by a "messenger" or any armoured motor vehicle company, or by theft while within the living quarters in the home of any "messenger".

Insuring Agreement IV – Money Orders or Counterfeit Paper Currency

The Insurer will pay up to the amount of insurance shown on the Declarations Page for this Insuring Agreement for:

Loss due to the acceptance in good faith, in exchange for merchandise, "money" or services, of any post office or express money order, issued or purporting to have been issued by any post office or express company, if such money order is not paid upon presentation, or due to the acceptance in good faith in the regular course of business of counterfeit Canadian or American paper currency.

Insuring Agreement V – Depositors Forgery

The Insurer will pay up to the amount of insurance shown on the Declarations Page for this Insuring Agreement for loss which the Insured or any financial institution which is included in the Insured's proof of loss and in which the Insured carries an "account", as their respective interests may appear, shall sustain through forgery or alteration of, on or in any cheque, draft, promissory note, bill of exchange or similar written promise, order or direction to pay a sum certain in money, made or drawn by or drawn upon the Insured, or made or drawn by one acting as agent of the Insured, or purporting to have been made or drawn as hereinbefore set forth, including:

- a) any cheque or draft made or drawn in the name of the Insured, payable to a fictitious payee and endorsed in the name of such fictitious payee;
- b) any cheque or draft procured in a face to face transaction with the Insured, or with one acting as agent of the Insured, by anyone impersonating another and made or drawn payable to the one so impersonated and endorsed by anyone other than the one so impersonated; and
- c) any payroll cheque, payroll draft or payroll order made or drawn by the Insured, payable to bearer as well as to the named payee and endorsed by anyone other than the named payee without authority from such payee;

whether or not any endorsement mentioned in a), b) or c) be a forgery within the law of the place controlling the construction thereof.

Mechanically reproduced facsimile signatures are treated the same as handwritten signatures.

All loss by forgery or alteration committed by a person or in which such person is concerned or implicated, whether such forgery or alteration involves one or more instruments, shall be deemed to arise out of one occurrence.

The Insured shall be entitled to priority of payment over loss sustained by any financial institution aforesaid. Loss under this Insuring Agreement, whether sustained by the Insured or such financial institution, shall be paid directly to the Insured in its own name, except in cases where such financial institution shall have already fully reimbursed the Insured for such loss. The liability of the Insurer to such financial institution for such loss shall be a part of and not in addition to the amount of insurance applicable to the Insured's "premises" to which such loss would have been allocated had such loss been directly sustained by the Insured.

If the Insured or such financial institution shall refuse to pay any of the foregoing instruments made or drawn as hereinbefore set forth, alleging that such instruments are forged or altered, and such refusal shall result in suit being brought against the Insured or such financial institution to enforce such payments and the Insurer shall give its written consent to the defense of such suit, then any reasonable attorneys' fees, court costs, or similar legal expenses incurred and paid by the Insured or such financial institution in such defense shall be construed to be a loss under this Insuring Agreement. The payments made under this paragraph will not reduce the limit of insurance.

Insuring Agreement VI – Computer Fraud and Funds Transfer Fraud

The Insurer will pay up to the amount of insurance shown on the Declarations Page for this Insuring Agreement for loss of "money", "securities" or other property which the Insured shall sustain directly from a "computer fraud" or a "funds transfer fraud".

Section II – General Agreements

1. Merger – Consolidation

If, through consolidation or merger or purchase of assets, any persons shall become "employees" or if the Insured shall thereby acquire the use and control of any additional "premises", the insurance afforded by this form shall also apply with regards to such "employees" and "premises", provided the Insured shall give the Insurer

written notice thereof within thirty (30) days thereafter and shall pay the Insurer an additional premium computed pro rata from the date of such consolidation, merger or purchase to the end of the current premium period.

2. Joint Insured

If more than one Insured is covered under this form, the first Named Insured on the Declarations Page shall act for itself and for every other Insured for all purposes of this form. Knowledge possessed or discovery made by any Insured or by any partner of officer thereof shall, for the purposes of Clauses 6, 7 and 15 below, constitute knowledge possessed or discovery made by every Insured. Termination of the insurance hereunder with regards to any "employee" as provided in Clause 15 below shall apply to every Insured. If, prior to its termination, this form or any Insuring Agreement hereof is terminated as to any Insured, there shall be no liability for any loss sustained by such Insured unless discovered within one year from the date of such termination. Payment by the Insurer to the first Named Insured on the Declarations Page of any loss under this form shall fully release the Insurer on account of such loss. If the first Named Insured ceases for any reason to be covered under this form, then the next Named Insured on the Declarations Page shall thereafter be considered as the first Named Insured for all purposes of this form.

3. Loss Under Prior Bond or Policy

Subject to Clause 1 of Section III – Special Provisions of this form and except for Insuring Agreement V, the Insurer agrees to cover loss sustained by the Insured or any predecessor in interest of the Insured and which, although covered by the prior insurer's insurance, is no longer recoverable under it due to its substitution with this form and due to the expiry of the period of discovery of loss thereunder, provided:

- a) the insurance shall have replaced the prior insurance and become effective at the time of cancellation or termination of the prior insurance;
- b) this insurance shall be part of and not in addition to the amount of insurance afforded by the applicable Insuring Agreement of this form;
- c) there shall be no other coverage under this form than the one provided by the said prior insurance at the time of its substitution with this form;
- d) recovery under this General Agreement 3 on account of such loss shall in no event exceed the amount which would have been recoverable under such Insuring Agreement in the amount for which it is written as of the time of such substitution, had such Insuring Agree-

ment been in force when such acts or event were committed or occurred, or the amount which would have been recoverable under such prior insurance continued in force until the discovery of such loss, if the latter amount be smaller.

Insuring Agreement V shall also cover loss sustained by the Insured at any time before the termination or cancellation of Insuring Agreement V, which would have been recoverable under the coverage of some similar form of forgery insurance (exclusive of fidelity insurance) carried by the Insured or any predecessor in interest of the Insured, had such prior forgery insurance given all the coverage afforded under Insuring Agreement V; provided, with respect to loss covered by this paragraph:

- i) the coverage of Insuring Agreement V is substituted on or after the date hereof for such prior forgery coverage and the Insured or such predecessor, as the case may be, carried such prior forgery coverage on the "premises" at which such loss was sustained continuously from the time such loss was sustained to the date the coverage of Insurance Agreement V was substituted therefor;
- ii) the loss should not have been known to the Insured before the period for discovery of loss under all such prior forgery insurance has expired;
- iii) if the amount of insurance carried under Insuring Agreement V applicable to the "premises" at which such loss is sustained is larger than the amount applicable to such "premises" under such prior forgery insurance, and in force at the time such loss is sustained, then liability hereunder for such loss shall not exceed the smaller amount.

THE FOREGOING INSURING AGREEMENTS AND GENERAL AGREEMENTS ARE SUBJECT TO THE FOLLOWING SPECIAL PROVISIONS.

Section III – Special Provisions

1. Policy Period, Territory and Discovery

Loss is covered under this form only if discovered no later than one year from the end of the policy period.

Subject to General Agreement 3:

- a) this form, except under Insuring Agreements I and V, applies only to losses which occur during the policy period within Canada and the United States of America;
- b) Insuring Agreement I applies only to loss sustained by the Insured through "fraudulent or dishonest acts" committed during the policy period by any of the "employees" engaged in the regular service of the Insured within the

territory designated above or while such "employees" are elsewhere for a limited period;

- c) Insuring Agreement V applies only to loss sustained during the policy period.

2. Exclusions

This form does not apply:

- a) to loss due to any "fraudulent or dishonest act" by any Insured or a partner therein, whether acting alone or in collusion with others;
- b) under Insuring Agreement I, to loss, or to that part of any loss, as the case may be, the proof of which, either as to its factual existence or as to its amount, is dependent upon an inventory computation or a profit and loss computation;
- c) under Insuring Agreements II and III, to loss due to any "fraudulent or dishonest act" or criminal act by an "employee", director, trustee or authorized representative of any Insured, while working or otherwise and whether acting alone or in collusion with others, provided this exclusion does not apply to "safe burglary" or "robbery" or attempt thereat;
- d) under Insuring Agreements II and III, to loss due, directly or indirectly, in whole or in part, to 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;
- e) under Insuring Agreements II, III and VI:
 - i) to loss due to the giving or surrendering of "money" or "securities" in any exchange or purchase;
 - ii) to loss due to accounting or arithmetical errors or omissions;
 - iii) to loss or destruction of manuscripts, books of account or records, except for blank value;
- f) under Insuring Agreement II, to loss of "money" contained in coin operated amusement devices or vending machines, unless the amount of "money" deposited within the device or machine is recorded by a continuous recording instrument therein;
- g) under Insuring Agreement III, to loss of "money", "securities" or other property while in the custody of any armoured motor vehicle company, unless such loss is in excess of the amount recovered or received by the Insured under:
 - i) the Insured's contract with the said armoured motor vehicle company;
 - ii) the insurance carried by the said armoured motor vehicle company for the benefit of users of its service; and

- iii) all other insurance and indemnity in force in whatsoever form carried by or for the benefit of users of the said armoured motor vehicle company's service;
and then this form shall cover only such excess;
- h) under Insuring Agreements II and III, to loss by any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any amending law), nuclear explosion or contamination by radioactive material;
- i) under Insuring Agreement II, to loss, other than to "money", "securities", a safe or vault, by fire, whether or not such fire is caused by, contributed to by or arises out of the occurrence of a risk insured against;
- j) to loss due to the surrender of "money", "securities" or other property away from the "premises" as a result of a threat to do:
 - i) bodily harm to any person; or
 - ii) damage to the "premises" or property owned by the Insured or held by the Insured in any capacity;
provided, however, these exclusions do not apply:
 - 1) to Insuring Agreement I, if coverage is afforded thereunder; or
 - 2) under Insuring Agreement III, if coverage is afforded thereunder, to loss of "money", "securities" or other property while being conveyed by a "messenger" when there was no knowledge by the Insured of any such threat at the time the conveyance was initiated;
- k) to the defense of any legal proceeding brought against the Insured, or to fees, costs or expenses incurred or paid by the Insured in prosecuting or defending any legal proceeding whether or not such proceeding results or would result in a loss to the Insured covered by this form, except as may be specifically stated to the contrary in this form;
- l) to potential income, including, but not limited to, interest and dividends, not realized by the Insured because of a loss covered under this form;
- m) to all damage of any type for which the Insured is legally liable, except direct compensatory damages arising from a loss covered under this form;
- n) to all costs, fees and other expenses incurred by the Insured in establishing the existence of, or amount of, loss covered under this form;
- o) under Insuring Agreement II, to loss of "money", "securities" and other property which has been transferred by any computer to a person or a place outside the "premises" on the basis

of unauthorized electronic instructions. However, this exclusion does not apply to Insuring Agreement VI of this form;

- p) under Insuring Agreements I to V:
 - i) to "data";
 - ii) to loss or damage caused directly or indirectly by a "data problem";
- q) to 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;
- r) under Insuring Agreement VI, to loss of "money", "securities" or other property due to transfer to a person or a place away from the "premises" or "financial institution premises" as a result of a threat to cause:
 - i) bodily harm to any person; or
 - ii) damage to property.

3. Loss Caused by Unidentifiable Employees

If a loss is alleged to have been caused by the "fraudulent or dishonest act" of any one or more of the "employees" and the Insured shall be unable to designate the specific "employee" or "employees" causing such loss, the Insured shall nevertheless have the benefit of Insuring Agreement I, subject to the provisions of Clause 2. b) of Section III – Special Provisions, of this form, provided that the evidence submitted reasonably proves that the loss was in fact due to the said "employees", and provided further, that the aggregate liability of the Insurer for any such loss shall not exceed the amount of insurance applicable to Insuring Agreement I.

4. Ownership of Property – Interests Covered

The insured property may be owned by the Insured, or held by the Insured in any capacity whether or not the Insured is liable for the loss thereof, or may be property with regards to which the Insured is legally liable; provided Insuring Agreements II, III and IV apply only to the interest of the Insured in such property, including the Insured's liability to others, and do not apply to the interest of any other person or organization in any of the said property, unless the Insured has provided his written consent to it in his proof of loss, in which event the third paragraph of Clause 7 below is applicable to them.

5. Books and Records

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

6. Automatic Exclusion

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

If, prior to the issuance of this form, any fidelity insurance in favor of the Insured or any predecessor in interest of the Insured and covering one or more of the Insured's "employees" shall have been terminated as to any of such "employees" by reason of the giving of written notice of termination by the Insurer issuing such fidelity insurance, whether the Insurer or not, and if such "employees" shall not have been reinstated under the coverage of said fidelity insurance or superseding fidelity insurance, the Insurer shall not be liable on account of such "employees" unless the Insurer shall agree in writing to include such "employees" within the coverage of Insuring Agreement I.

7. Loss – Notice – Proof – Action against the Insurer

Upon knowledge or discovery of loss or of an occurrence which may give rise to a claim for loss, the Insured shall give notice thereof as soon as practicable to the Insurer or any of its authorized agents and, except under Insuring Agreements I and V, also to the police if the loss is due to a violation of law; he shall also provide a detailed proof of loss, duly sworn to, to the Insurer within four (4) months after the discovery of loss.

Proof of loss under Insuring Agreement V shall include the instrument which is the basis of claim for such loss, or if it shall be impossible to file such instrument, the affidavit of the Insured or the Insured's financial institution setting forth the amount and cause of loss shall be accepted in lieu thereof.

Upon the Insurer's request, the Insured shall submit to examination by the Insurer, subscribe the same, under oath if required, and produce for the Insurer's examination all pertinent records, all at such reasonable times and places as the Insurer shall designate, and shall cooperate with the Insurer in all matters pertaining to loss or claims with respect thereto.

No action shall lie against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this form, nor until ninety (90) days after the required proofs of loss have been filed with the Insurer, nor at all unless commenced within two (2) years from the date when the Insured discovered the loss of "money", of "securities" or of other property insured under this form. If any limitation of time for notice of loss or any legal proceeding herein contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this form, the shortest permissible statutory limitation of time shall govern and shall supersede the time limitation herein stated.

8. Valuation – Payment – Replacement

In no event shall the Insurer be liable with regards to "securities" for more than the actual cash value thereof at the close of business on the business day next preceding the day on which the loss was discovered nor, with regards to other property, for more than the actual cash value thereof at the time of loss; provided, however, the actual cash value of such other property – other than "securities" – held by the Insured as a pledge, or as collateral for an advance or a loan, shall be deemed not to exceed the value of the property as determined and recorded by the Insured when making the advance or loan, nor, in the absence of such record, the unpaid portion of the advance or loan plus accrued interest thereon at legal rates.

The Insurer may, with the consent of the Insured, settle any claim for loss of property with the owner thereof. Any property for which the Insurer has made indemnification shall become the property of the Insurer.

In case of damage to the "premises" or loss of property other than "securities", the Insurer shall not be liable for more than the actual cash value of such property, or for more than the actual cost of repairing such "premises" or property or of replacing same with property or materials of like kind and quality. The Insurer may, at its election, pay such actual cash value, or make such repairs or replacements. If the Insurer and the Insured cannot agree upon such cash value or such cost of repairs or replacements, such cash value or such cost shall be determined by arbitration.

9. Recoveries

Except for recoveries from insurance for the benefit of the Insurer, if the Insured shall sustain any loss covered by this form which exceeds the applicable amount of insurance hereunder, the Insured shall be entitled to all recoveries by whomsoever made, on account of such loss under this form until fully reimbursed, less the

actual cost of effecting the same; and any remainder shall be applied to the reimbursement of the Insurer.

10. Limits of Liability

Payment of loss under Insuring Agreement I to VI shall not reduce the Insurer's liability for other losses under the applicable Insuring Agreement whenever sustained. The liability of the Insurer for loss sustained by any or all of the Insureds shall not exceed the amount for which the Insurer would be liable had all such loss been sustained by any one of the Insureds.

Except under Insuring Agreements I and V, the applicable amount of insurance stated on the Declarations Page is the total limit of the Insurer's liability with respect to all loss of property of one or more persons or organizations arising out of any one occurrence. All loss incidental to an actual or attempted "fraudulent or dishonest act" or series of related acts at the "premises", whether committed by one or more persons, shall be deemed to arise out of one occurrence.

Regardless of the number of years this policy shall continue in force and the number of premiums which shall be payable or paid, the limit of the Insurer's liability as specified on the Declarations Page shall not be cumulative from year to year or period to period. The amounts of insurance as expressed in the policy are in Canadian currency.

11. Deductible

For any one occurrence under Insuring Agreements I to VI, the Insurer is liable for the amount by which the loss exceeds the amount of the deductible specified on the Declarations Page.

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.

12. Prior Insurance

This Clause shall apply only to Insuring Agreements I, V and VI.

With respect to a loss which occurs partly during the policy period of this form and partly during the period of another form issued by the Insurer for the Insured and in which the period for discovery has not expired at the time any such loss thereunder is discovered, the total liability of the Insurer under those forms shall not exceed the largest amount of insurance available and recoverable by the Insured.

13. Other Insurance

If there is available to the Insured any other insurance or indemnity insuring any loss covered by Insuring Agreement I or V, the Insurer shall be liable hereunder:

- i) except in the province of Quebec, only for that part of such loss which is in excess of the

amount recoverable or recovered from such other insurance or indemnity, except that if such other insurance or indemnity is a bond or policy of fidelity insurance, any loss covered under both such fidelity insurance and Insuring Agreement V shall first be paid under Insurance Agreement V. Any loss covered under both Insuring Agreement I and V shall first be paid under Insuring Agreement V and the excess, if any, shall be paid under Insuring Agreement I.

- ii) in the province of Quebec, each of the insurers under its respective contract is liable to the Insured for its rateable proportion of the loss.

The Insurer waives any right of contribution which it may have against any forgery insurance carried by any financial institution which is indemnified under Insuring Agreement V.

Under any Insuring Agreement other than I and V, if there is any other valid and collectible insurance which would apply in the absence of such Insuring Agreement, the insurance under this form shall apply only as excess insurance over such other insurance – except in the province of Quebec, where each of the Insurers under its respective contract is liable to the Insured for its rateable proportion of the loss –, provided the insurance shall not apply to property which is separately described and enumerated and specifically insured in whole or in part by any other insurance or to property otherwise insured unless such property is owned by the Insured.

14. Subrogation

In the event of any payment under this form, the Insurer shall be subrogated to all the Insured's rights of recovery therefor against any person or organization and the Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing after loss to prejudice such rights.

15. Termination As to Any Employee

Insuring Agreement I shall be deemed terminated as to any "employee":

- a) immediately upon discovery by the Insured, or by any partner or officer thereof, not in collusion with such "employee" of any "fraudulent or dishonest act" on the part of such "employee"; or
- b) except in the province of Quebec, at 12:01 a.m., standard time, (as aforesaid) upon the effective date specified in a notice mailed to the Insured. Such date shall be not less than fifteen (15) days after the date of mailing. The mailing by the Insurer of notice as aforesaid to the Insured at the address shown in this policy shall be sufficient proof of notice. Delivery of such written notice by the Insurer shall

be equivalent to mailing. In the province of Quebec, termination shall be made by endorsement only.

16. Termination

- a) The first Named Insured shown on the Declarations Page may terminate this policy by mailing or delivering to the Insurer advance written notice of termination.
- b) The Insurer may terminate this policy by mailing or delivering to the first Named Insured written notice of termination at least:
 - 1) five (5) days before the effective date of termination if personally delivered;
 - 2) fifteen (15) days before the effective date of termination if we terminate for non-payment of premium; or
 - 3) thirty (30) days before the effective date of termination if we terminate for any other reason.

Except in Quebec, if notice is mailed, termination takes effect fifteen (15) or thirty (30) days after receipt of the letter by the post office to which it is addressed, depending upon the reason for termination. Proof of mailing will be sufficient proof of notice.

In Quebec, paragraph 1) of this condition does not apply and termination takes effect either fifteen (15) or thirty (30) days after receipt of the notice at the last known address of the first Named Insured, depending upon the reason for termination.

- c) The Insurer will mail or deliver its notice to the first Named Insured's last mailing address known to it.
- d) The policy period will end on the date termination takes effect.
- e) If this policy is terminated, the Insurer will send the first Named Insured any premium refund due. If the Insurer terminates, the refund will be pro rata. If the first Named Insured terminates, the refund may be less than pro rata. The termination will be effective even if the Insurer has not made or offered a refund.

17. Assignment

Assignment of interest under this form shall not bind the Insurer until its consent is endorsed hereon; if, however, the Insured shall die or, in the province of Quebec, be declared bankrupt, this form shall cover the Insured's legal representative, or, in the province of Quebec, the trustee in bankruptcy, as Insured; provided that notice of termination addressed to the Insured named on the Declarations Page and mailed to the address shown in this policy shall be sufficient notice to effect termination of this form.

18. Changes

This policy contains all the agreements between the Named Insured and the Insurer concerning

the insurance afforded. This form's terms can only be changed by:

- a) the first Named Insured shown on the Declarations Page with the Insurer's consent; or
- b) the Insurer by endorsement in accordance with all Canadian federal, provincial or territorial laws.

19. No Benefit to Bailee

This Clause shall apply only to Insuring Agreements II and III. The insurance afforded by this form shall not inure directly or indirectly to the benefit of any carrier or other bailee for hire.

20. Definitions

Wherever used in this form:

- a) "Account" means an account held by the Insured at a financial institution and used by the Insured and its authorized agents for deposits and withdrawals of "money" and "securities".
- b) "Computer fraud" means the loss of or damage to "money", "securities" or other property resulting from the use of any computer to make a fraudulent transfer thereof from inside the "premises" or "financial institution premises" to a person outside the "premises" or "financial institution premises".
- c) "Custodian" means the Insured, a partner of the Insured or any "employee" who is duly authorized by the Insured to have the care and custody of the insured property within the "premises", excluding any person while acting as a watchman, porter or janitor.
- d) "Data" means representations of information or concepts, in any form.
- e) "Data problem" means:
 - i) erasure, destruction, corruption, misappropriation or misinterpretation of "data";
 - ii) error in creating, amending, entering, deleting or using "data"; or
 - iii) inability to receive, transmit or use "data".
- f) "Employee" means any individual (except, if the Insured is a corporation, a director or trustee of the Insured, who is not also an officer or employee thereof in some other capacity) while in the regular service of the Insured in the ordinary course of the Insured's business, including persons hired through an intervening employment agency or employer, during the policy period and whom the Insured compensates directly or indirectly by salary, wages or commissions and has the right to govern and direct in the performance of such service, but does not mean any broker, factor, commission merchant, consignee, contractor or other agent of representative of the same general character. As applied to loss under Insuring Agreement I, the above words "while in the regular service of the Insured" shall include the first thirty (30) days thereafter,

subject however, to Clauses 15 and 16. If the Insured is a condominium corporation, then "Employee" also includes board members and managers of the Insured condominium corporation.

- g) "Financial institution premises" means the interior of that portion of any building which is occupied by a financial institution for the conduct of its business.
- h) "Fraudulent or dishonest act" means only fraudulent or dishonest acts committed by an "employee" with the manifest intent:
 - i) to cause the Insured to sustain a loss; and
 - ii) to obtain financial benefit for the "employee", or for any other person or organization intended by the "employee" to receive such benefit, other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment.This definition of "fraudulent or dishonest act" does not apply to Clauses 6 and 15 of Chapter III, Special Provisions, of this form.
- i) "Funds transfer fraud" means fraudulent instructions electronically or telegraphically transmitted by cable, teletype, telefacsimile or telephone or other sent fraudulent written instructions directing a financial institution to transfer, pay or deliver "money" or "securities" from an "account" to a third party, without the Insured's knowledge or consent.
- j) "Messenger" means the Insured, a partner of the Insured or any "employee" who is duly authorized by the Insured to have the care and custody of the insured property outside the "premises".
- k) "Money" means currency, coins, bank notes, bullion, platinum and other precious metals and alloys, travelers cheques, registered cheques and money orders held for sale to the public.
- l) "Premises" means the interior of that portion of any building which is occupied by the Insured for the conduct of its business. With regards to "robbery" only, the premises shall also include the space immediately surrounding the building.
- m) "Robbery" means the taking of insured property:
 - i) by violence inflicted upon a "messenger" or a "custodian";
 - ii) by putting him in fear of violence;
 - iii) by any other overt wrongful act committed in his presence and of which he was actually cognizant, provided such other act is not committed by a partner or "employee" of the Insured;

- iv) from the person or direct care and custody of a "messenger" or "custodian" who has been killed or rendered unconscious; or
- v) under Insuring Agreement II:
 - a) from within the "premises" by means of compelling a "messenger" or "custodian" by violence or threat of violence while outside the "premises" to admit a person into the "premises" or to furnish him with means of ingress into the "premises"; or
 - b) from a showcase or show window within the "premises" while regularly open for business, by a person who has broken the glass thereof from outside the "premises".
- n) "Safe burglary" means:
 - i) the wrongful abstraction of insured property from within a vault or safe, the door of which is equipped with a combination lock, located within the "premises" by a person making felonious entry into such vault or such safe and any vault containing the safe, when all doors thereof are duly closed and locked by all combination locks thereon, provided such entry shall be made by actual force and violence, of which force and violence there are visible marks upon the exterior of all of said doors of such vault or such safe and any vault containing the safe, if entry is made through such doors, or the top, bottom or walls of such vault or such safe and any vault containing the safe through which entry is made, if not made through such doors; or
 - ii) the wrongful abstraction of such safe from within the "premises".
- o) "Securities" means all negotiable and non-negotiable instruments or contracts, which include revenue and other stamps in current use, tickets and tokens, but does not include "money".
- p) "Terrorism" means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

Throughout this form, the word **Insured** refers to the person or organization qualifying as an **Insured under Section II – Who is an Insured**. The word **Insurer** refers to the insurance company having issued this policy.

The words **Named Insured** refer to the **Named Insured shown on the Declarations Page, and any other person or organization qualifying as a Named Insured under paragraph 3. of Section II – Who is an Insured**.

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

VARIOUS TERMS OF THE POLICY RESTRICT COVERAGE. THE INSURED IS ADVISED BY THE INSURER TO READ THE ENTIRE POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES AND WHAT IS AND IS NOT COVERED.

Section I – Coverages

Coverage A. Bodily Injury and Property Damage Liability

1. Insuring Agreement

a) The Insurer will pay those sums that the Insured becomes legally obligated to pay as "compensatory damages" because of "bodily injury" or "property damage" to which this insurance applies. The Insurer will have the right and duty to defend the Insured against any "action" seeking those "compensatory damages". However, the Insurer will have no duty to defend the Insured against any "action" seeking "compensatory damages" for "bodily injury" or "property damage" to which this insurance does not apply. The Insurer may, at its discretion, investigate any "occurrence" and settle any claim or "action" that may result. But:

- 1) the amount the Insurer will pay for "compensatory damages" is limited as described in **Section III – Limits of Insurance**; and
- 2) the Insurer's right and duty to defend ends when it has used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical expenses under Coverage C.

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

b) This insurance applies to "bodily injury" and "property damage" only if:

- 1) the "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
- 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 the **Named Insured** 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, any change or any 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 the **Named Insured** to give or receive notice of an "occurrence" or claim, includes any continuation, any change or any 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 the **Named Insured** to give or receive notice of an "occurrence" or claim:

- 1) reports all, or any part, of the "bodily injury" or "property damage" to the Insurer or any other insurer;
- 2) receives a written or verbal demand or claim for "compensatory damages" because of the "bodily injury" or "property damage"; or
- 3) becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

e) "Compensatory damages" because of "bodily injury" include "compensatory damages" claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a) Expected or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the Insured. This exclusion does not apply when it results from the use of reasonable force to protect persons or property.

b) Contractual Liability

"Bodily injury" or "property damage" for which the Insured is obligated to pay "compensatory damages" by reason of the assumption of

liability in a contract or agreement. This exclusion does not apply to liability for "compensatory damages":

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

c) Workers' Compensation and Similar Laws

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

d) Employer's Liability

"Bodily injury" to:

- 1) an "employee" of the Insured arising out of and in the course of:
 - a) employment by the Insured; or
 - b) performing duties related to the conduct of the Insured's business; or
- 2) the spouse, child, parent, brother or sister of that "employee" as a consequence of paragraph 2. d) 1).

This exclusion applies:

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

This exclusion does not apply to:

- a) liability assumed by the Insured under an "insured contract"; 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 the **Named Insured** 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) Aircraft or Airport

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others by or on behalf of any Insured of:

- 1) any aircraft or air cushion vehicle that is owned or operated by, or rented or loaned to any Insured; or
- 2) any premises for the purpose of an airport or aircraft landing area and all operations necessary or incidental thereto. "Bodily injury" or "property damage" is also excluded when arising out of any construction, installation, repair or maintenance work performed on such premises by or on behalf of the Named 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 air cushion vehicle that is owned or operated by, or rented or loaned to any Insured.

f) Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others by or on behalf of any Insured of any watercraft or air cushion vehicle 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 watercraft or air cushion vehicle 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 the Insured owns or rents;
- 2) a watercraft that is less than eight (8) metres long and not being used:
 - a) to carry persons or property for a charge;
 - b) in any speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity;
- 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 a watercraft.

g) Automobile

"Bodily injury" or "property damage" arising directly or indirectly, in whole or in part, out of the ownership, use or entrustment to others of any "automobile" that is owned, operated by or on behalf of, rented or loaned to any Insured. Use includes operation and "loading or unloading".

This exclusion also applies to any motorized snow vehicle or its trailers and 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 also applies even if the claims against any Insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that Insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, use or entrustment to others of any "automobile" that is owned, operated by or on behalf of, rented or loaned to any Insured.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury" or "property damage".

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 thirty (30) days or more, provided the lessee is obligated under contract to ensure that the "automobile" is insured;
- 3) "bodily injury" or "property damage" arising out of 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. This exception however does not apply when such equipment is mounted on or attached to any "automobile" and such equipment is used for the purpose of "loading or unloading";
- 4) "bodily injury" or "property damage" arising out of "loading or unloading" if such operations are precluded from coverage under the motor vehicle section of any provincial or territorial act or regulation.

h) Damage to Property

"Property damage" to:

- 1) property which is or was at any time owned, rented or occupied by the Named Insured, including any costs or expenses incurred by the Named Insured, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- 2) premises which the Named Insured sells, gives away or abandons, if the "property damage" arises out of any part of those premises;
- 3) property loaned to the Named Insured;
- 4) personal property in the care, custody or control of the Named Insured;
- 5) that particular part of real property on which the Named Insured or any contractors or subcontractors working directly or indirectly on his 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 the "Named Insured's work" was incorrectly performed on it.

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

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

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

i) Damage to the Named Insured's Product

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

This exclusion is replaced by the following exclusion, but only in respect with the Named Insured's operations related to the business of selling, repairing or servicing automobile.

"Property damage" to the "Named Insured's product" arising out of it or any part of it if caused by a defect existing at the time it was sold or transferred to another party.

j) Damage to the Named Insured's Work

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

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

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 the "Named Insured's product" or in the "Named Insured's work"; or
- 2) a delay or failure by the Named Insured or anyone acting on his behalf to perform a contract or agreement in accordance with its terms.

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

l) Recall of Products, Work or Impaired Property

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

- 1) the "Named Insured's product";
- 2) the "Named Insured's work"; or
- 3) "impaired property";

if such product, work, or property must be corrected or repaired 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) Use of Explosives, Pile Driving, Caisson Work, or Removal or Weakening of Support, Whether Natural or Otherwise

"Property damage" arising out of:

- 1) the use of explosives for blasting;
- 2) vibration from pile driving or caisson work; or
- 3) the removal or weakening of support, whether such support be natural or otherwise, of any property, building, land or other property.

This exclusion does not apply to:

- a) "property damage" arising out of work performed on behalf of the Named Insured by any contractor or subcontractor; or
- b) "property damage" included in the "products-completed operations hazard".

n) Specific Insurance

"Compensatory damages" arising out of any work where the liability of the Insured for the said damages is covered under a "wrap-up insurance" or any other specific insurance that has been purchased to cover the interests of a group of persons or organizations, whether the Insured is named in such insurance or not.

This exclusion does not apply to damages arising out of the "products-completed operations hazard" after the expiry of the extended

coverage period of the said specific insurance or "wrap-up insurance" for such "products-completed operations hazard".

o) Electronic Data and Access or Disclosure of Confidential or Personal Information

"Compensatory damages" arising out of:

- 1) the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data"; or
- 2) any access to or disclosure of any person's or organization's confidential or personal information, including, but not limited to patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information.

p) Personal and Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

q) Professional Services

"Bodily injury" (other than "incidental medical malpractice injury") or "property damage" due to the rendering or failure to render "professional services" for others by or on behalf of the Insured, or any error or omission, malpractice or mistake in providing those services.

r) Abuse

- 1) Claims or "actions" arising directly or indirectly from "abuse" committed or alleged to have been committed by an Insured, including the transmission of disease arising out of any act of "abuse".
- 2) Claims or "actions" based on the Insured's practices of "employee" hiring, acceptance of "volunteer workers" or supervision or retention of any person alleged to have committed "abuse".
- 3) Claims or "actions" alleging knowledge by an Insured of, or failure to report, the alleged "abuse" to the appropriate authorities.

s) Asbestos – see Common Exclusions.

t) Fungi or spores– see Common Exclusions.

u) Nuclear Energy Liability – see Common Exclusions.

v) Pollution – see Common Exclusions.

w) Terrorism – see Common Exclusions.

x) War Risks – see Common Exclusions.

y) Reactive Aggregates, Including Those Containing Pyrite or Pyrrhotite – see Common Exclusions.

Coverage B. Personal and Advertising Injury Liability**1. Insuring Agreement**

- a) The Insurer will pay those sums that the Insured becomes legally obligated to pay as "compensatory damages" because of "personal

and advertising injury" to which this insurance applies. The Insurer will have the right and duty to defend the Insured against any "action" seeking those "compensatory damages". However, the Insurer will have no duty to defend the Insured against any "action" seeking "compensatory damages" for "personal and advertising injury" to which this insurance does not apply. The Insurer may, at its discretion, investigate any offense and settle any claim or "action" that may result. But:

- 1) the amount the Insurer will pay for "compensatory damages" is limited as described in Section III – Limits of Insurance; and
- 2) the Insurer's right and duty to defend ends when it has used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical expenses under Coverage C.

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

- b) This insurance applies to "personal and advertising injury" caused by an offense arising out of the business of the Named Insured but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a) Knowing Violation of Rights of Another

"Personal and advertising injury" caused by or at the direction of the Insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b) Material Published With Knowledge of Falsity

"Personal and advertising injury" arising out of oral or written publication 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 "compensatory damages" that the Insured would have in the absence of the contract or agreement.

f) Breach of Contract

"Personal and advertising injury" arising out of a breach of contract, except if an implied authorization has been given to use another's advertising idea in the "advertisement" of the Named Insured.

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 the "advertisement" of the Named Insured.

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 the "advertisement" of the Named Insured.

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 the "advertisement" of the Named Insured, 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 paragraphs 25. 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 the Named Insured or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k) Interactive Websites, Electronic Chatrooms, Interactive Forums 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 the Named Insured's e-mail address,

domain name or metatag, or any other similar tactics to mislead another's potential customers.

m) Data-Related Liability and Access or Disclosure of Confidential or Personal Information

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including, but not limited to patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information.

n) Asbestos – see Common Exclusions.

o) Fungi or Spores– see Common Exclusions.

p) Nuclear Energy Liability – see Common Exclusions.

q) Pollution – see Common Exclusions.

r) Terrorism – see Common Exclusions.

s) War Risks – see Common Exclusions.

t) Reactive Aggregates, Including Those Containing Pyrite or Pyrrhotite – see Common Exclusions.

Coverage C. Medical Payments**1. Insuring Agreement**

a) The Insurer will pay medical expenses as described below for "bodily injury" caused by an accident:

- 1) on premises the Named Insured owns or rents;
- 2) on ways next to premises the Named Insured owns or rents; or
- 3) because of the Named Insured's 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 the Insurer within one year of the date of the accident; and
- iii) the injured person submits to examination, at the expense of the Insurer, by physicians of the Insurer's choice as often as the Insurer reasonably requires.

b) The Insurer 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. The Insurer 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

The Insurer will not pay medical 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 the Named Insured owns or rents 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.

h) Private or Public Insurance

Covered under a private or public medical, dental or disability insurance plan.

Coverage D. Tenants' Legal Liability**1. Insuring Agreement**

a) The Insurer will pay those sums that the Insured becomes legally obligated to pay as "compensatory damages" because of "property damage" to which this insurance applies. This insurance applies only to "property damage" to premises of others rented to or occupied by the Named Insured. The Insurer will have the right and duty to defend the Insured against any "action" seeking those "compensatory damages". However, the Insurer will have no duty to defend the Insured against any "action" seeking "compensatory damages" for "property damage" to which this insurance does not apply. The Insurer may, at its discretion, investigate any "occurrence" and settle any claim or "action" that may result. But:

- 1) the amount the Insurer will pay for "compensatory damages" is limited as described in Section III – Limits of Insurance; and
- 2) the Insurer's right and duty to defend ends when it has used up the applicable limit of insurance in the payment of judgments or

settlements under Coverages A, B or D or medical expenses under Coverage C.

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

- b) This insurance applies to "property damage" only if:
- 1) the "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
 - 2) the "property damage" occurs during the policy period; and
 - 3) prior to the policy period, no Insured listed under paragraph 1. of Section II – Who Is an Insured and no "employee" authorized by the Named Insured to give or receive notice of an "occurrence" or claim, knew that the "property damage" had occurred, in whole or in part. If such a listed Insured or authorized "employee" knew, prior to the policy period, that the "property damage" occurred, then any continuation, change or resumption of such "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- 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 the Named Insured to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "property damage" after the end of the policy period.
- 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 the Named Insured to give or receive notice of an "occurrence" or claim:
- 1) reports all, or any part, of the "property damage" to the Insurer or any other insurer;
 - 2) receives a written or verbal demand or claim for "compensatory damages" because of the "property damage"; or
 - 3) becomes aware by any other means that "property damage" has occurred or has begun to occur.

2.Exclusions

This insurance does not apply to:

a) Expected or Intended Injury

"Property damage" expected or intended from the standpoint of the Insured.

b) Contractual Liability

"Property damage" for which the Insured is obligated to pay "compensatory damages" by

reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for "compensatory damages" 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 Energy Liability** – see Common Exclusions.

f) **Pollution**– see Common Exclusions.

g) **Terrorism** – see Common Exclusions.

h) **War Risks** – see Common Exclusions.

i) **Reactive Aggregates, Including Those Containing Pyrite or Pyrrhotite** – see Common Exclusions.

Common Exclusions Applicable to Coverages A, B, C, and D

This insurance does not apply to:

1.Asbestos

"Bodily injury", "property damage" or "personal and advertising injury" related to or arising from any actual or alleged liability for any legal remedy of any kind whatsoever (including but not limited to damages, interest, mandatory or other injunctive relief, statutory orders or penalties, 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".

For the purpose of the following exception:

i) "property damage" means physical injury to animals.

ii) "products-completed operations hazard" means all "bodily injury" and "property damage" that arises out of the "Named Insured's product" provided the "bodily injury" or "property damage" occurs after the Named Insured has relinquished physical possession of the "Named Insured's 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 the "Named Insured's product", and the Named Insured intends the "Named Insured's product" to be:

- 1) applied topically to; or
- 2) ingested by; humans or animals.

This exclusion does not apply to other "bodily injury" or "property damage" included in the "products-completed operations hazard" not otherwise excluded in this form, up to an Aggregate limit of \$250,000.

This Aggregate limit is included in, and not in addition to, the "products-completed operations hazard" Aggregate limit provided for in paragraph 2. of Section III – Limits of Insurance.

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 form is also insured under a contract of nuclear energy liability insurance (whether the Insured is unnamed in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability;

c) "Bodily injury", "property damage" or "personal and advertising injury" resulting directly or indirectly from the "nuclear energy hazard" arising from:

- 1) the ownership, maintenance, operation or use of a "nuclear facility" by or on behalf of an Insured;

- 2) the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility";
- 3) the possession, consumption, use, handling, disposal or transportation of "fissionable substances", or of other "radioactive material" (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be useable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an Insured.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

4. Pollution

- a) "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":
 - 1) 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 the Named Insured may be held liable, if the Named Insured is a contractor and the owner or lessee of such premises, site or location has been added to the Named Insured's policy as an Additional Insured with respect to the ongoing operations of the Named Insured performed for that Additional Insured at these premises, site or location and such premises, site or location are not and never were 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";
 - 2) 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;

- 3) which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - i) any Insured; or
 - ii) any person or organization for whom the Named Insured may be legally responsible; or
 - 4) 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 or on behalf of the Named Insured by a contractor or subcontractor; or
 - iii) "bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
 - 5) 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".
- b) Any loss, cost or expense arising out of any:
 - 1) 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

- 2) claim or "action" by or on behalf of a governmental authority for "compensatory damages" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph b) does not apply to liability for "compensatory 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".

7. Reactive Aggregates, Including Those Containing Pyrite or Pyrrhotite

"Bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly, in whole or in part, out of any aggregate, material or soil of a reactive nature, including those containing pyrite or pyrrhotite, or both at the same time, 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".

Supplementary Payments – Coverages A, B And D

1. The Insurer will pay, with respect to any claim it investigates or settles, or any "action" against an Insured the Insurer defends:

- a) all expenses the Insurer incurs.
- b) the cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. The Insurer does not have to furnish these bonds.
- c) all reasonable expenses the Named Insured incurs at the Insurer's request to assist the Insurer in the investigation or defense of the claim or "action", including actual loss of earnings up to two hundred and fifty dollars (\$250) a day because of time off from work.
- d) all costs assessed or awarded against the Named Insured 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 the Insurer has 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 the Insurer defends an Insured against an "action" and an indemnitee of the Insured is also named as a party to the "action", the Insurer will defend that indemnitee if all of the following conditions are met:
 - a) The "action" against the indemnitee seeks "compensatory 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 defense of, that indemnitee, has also been assumed by the Insured in the same "insured contract";
 - d) The allegations in the "action" and the information the Insurer knows 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 Insured and the indemnitee ask the Insurer to conduct and control the defense of that indemnitee against such "action" and agree that the Insurer can assign the same counsel to defend the Insured and the indemnitee; and
 - f) The indemnitee:
 - 1) agrees in writing to:
 - a) cooperate with the Insurer in the investigation, settlement or defense of the "action";
 - b) immediately send to the Insurer 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 the Insurer with respect to coordinating other applicable insurance available to the indemnitee; and

- c) notify any other insurer whose coverage is available to the indemnitee; and
 - d) cooperate with the Insurer with respect to coordinating other applicable insurance available to the indemnitee; and
- 2) provides the Insurer with written authorization to:
 - a) obtain records and other information related to the "action"; and
 - b) conduct and control the defense of the indemnitee in such "action".

So long as the above conditions are met, legal fees incurred by the Insurer in the defense of that indemnitee, necessary litigation expenses incurred by the Insurer and necessary litigation expenses incurred by the indemnitee at the Insurer's request will be paid as Supplementary Payments. Notwithstanding the provisions of paragraph 2. b) 2) of Section I – Coverage A – Bodily Injury and Property Damage Liability, such payments will not be deemed to be "compensatory damages" for "bodily injury" and "property damage" and will not reduce the limits of insurance.

The Insurer's obligation to defend an Insured's indemnitee and to pay for legal fees and necessary litigation expenses as Supplementary Payments ends when:

- a) the Insurer has 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 the Named Insured is designated on the Declarations Page as:
 - a) an individual, he or she and his spouse are Insureds, but only with respect to the conduct of a business of which the Named Insured is the sole owner.
 - b) a partnership, limited liability partnership or joint venture, it is an Insured. Its members, its partners, and their spouses are also Insureds, but only with respect to the conduct of the Named Insured's business.
 - c) a limited liability company, it is an Insured. Its members are also Insureds, but only with respect to the conduct of the Named Insured's business. Its managers are insureds, but only with respect to their duties as the Named Insured's managers.
 - d) an organization other than a partnership, limited liability partnership, joint venture or limited liability company, it is an Insured. Its "executive officers" and directors are also

Insureds, but only with respect to their duties as the Named Insured's officers or directors. Its shareholders are also Insureds, but only with respect to their liability as shareholders.

- e) a trust, it is an Insured. Its trustees are also Insureds, but only with respect to their duties as trustees.

2. Each of the following is also an Insured:

- a) The "volunteer workers" of the Named Insured, but only while performing duties related to the conduct of the Named Insured's business, or the "employees" of the Named Insured, other than either the "executive officers" of the Named Insured (if the Named Insured is an organization other than a partnership, limited liability partnership, joint venture or limited liability company) or the managers of the Named Insured (if the Named Insured is a limited liability company), but only for acts within the scope of their employment by the Named Insured or while performing duties related to the conduct of the Named Insured's business. However, none of these "employees" or "volunteer workers" are Insureds for:
 - 1) "bodily injury" or "personal and advertising injury":
 - a) to the Named Insured, its partners or members (if the Named Insured is a partnership, limited liability partnership or joint venture), to its members (if the Named Insured is a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of the Named Insured's business, or to other "volunteer workers" of the Named Insured while performing duties related to the conduct of the Named Insured's business;
 - b) to the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of paragraph 1) a) above;
 - c) for which there is any obligation to share "compensatory damages" with or repay someone else who must pay "compensatory damages" because of the injury described in 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 the Named Insured;

b) rented to, in the care, custody or control of the Named Insured, or over which physical control is being exercised for any purpose by the Named Insured.

The words Named Insured, as used in paragraphs 2) a) and b) above, mean the Named Insured, any of its "employees", "volunteer workers", any partner or member (if the Named Insured is a partnership, limited liability partnership or joint venture), or any member (if the Named Insured is a limited liability company).

- b) any person (other than the Named Insured's "employee" or "volunteer worker"), or any organization while acting as the Named Insured's real estate manager.
- c) any person or organization having proper temporary custody of the property of the Named Insured if he or she dies, but only:
- 1) with respect to liability arising out of the maintenance or use of that property; and
 - 2) until the Named Insured's legal representative has been appointed.
- d) the legal representative of the Named Insured if he or she dies, but only with respect to duties as such. That representative will have all the Named Insured's rights and duties under this policy.
- e) the Named Insured's unit or strata lot owners and any tenants, but only with respect to the conduct of the "Condominium Corporation" for liability arising out of the common property, excluding liability arising out of the owner's or tenant's possession, occupation or use of property designated for exclusive use.
3. Any organization that the Named Insured newly acquires or forms, other than a partnership, limited liability partnership or joint venture or limited liability company, and over which the Named Insured maintains 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 ninetieth (90th) day after the Named Insured acquires or forms the organization or the end of the policy period, whichever is earlier;
 - b) Coverage A and D do not apply to "bodily injury" or "property damage" that occurred before the Named Insured acquired or formed the organization; and
 - c) Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before the Named Insured acquired or formed the organization.

No person or organization is an Insured with respect to the conduct of any current or past

partnership, limited liability partnership, joint venture or limited liability company that is not shown as a Named Insured on the Declarations Page.

Section III – Limits of Insurance

1. The Limits of Insurance shown on the Declarations Page and the rules below determine the most the Insurer 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 Products-Completed Operations Aggregate Limit is the most the Insurer will pay under Coverage A for "compensatory damages" because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
3. Subject to 2. above, the Each Occurrence Limit is the most the Insurer will pay for the sum of:
 - a) "compensatory 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".
4. The Personal and Advertising Injury Limit is the most the Insurer will pay under Coverage B for the sum of all "compensatory damages" because of all "personal and advertising injury" sustained by any one person or organization.
5. The Tenants' Legal Liability Limit is the most the Insurer will pay under Coverage D for "compensatory damages" because of "property damage" to any one premises.
6. Subject to 3. above, the Medical Expense Limit is the most the Insurer 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 twelve (12) months, starting with the beginning of the policy period shown on the Declarations Page, unless the policy period is extended after issuance for an additional period of less than twelve (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.

7. Deductible

The deductible amount applies only to the coverages for which it is shown on the Declarations Page.

In Quebec, no deductible applies to bodily injury, unless otherwise stated by endorsement.

- a) The Insurer's obligation under Coverage A and under Coverage D, to pay "compensatory damages" on behalf of the Named Insured applies only to the amount of "compensatory damages" in excess of any deductible amounts shown on the Declarations Page as applicable to such coverages. The Each Occurrence Limit and, under Coverage D, the Limit for any one premises will be reduced by the amount of such deductible.
- b) The deductible amount applies as follows:
 - 1) Under Coverage A: To all "compensatory damages" as the result of any one "occurrence", regardless of the number of persons or organizations who sustain "compensatory damages" because of that "occurrence".
 - 2) Under Coverage D : To all "compensatory damages" as the result of any one "occurrence", regardless of the number of persons or organizations who sustain "compensatory damages" because of that "occurrence".
- c) The terms of this insurance, including those in respect to:
 - 1) the right and duty of the Insurer to defend any "action" seeking those "compensatory damages"; and
 - 2) the duties of the Named Insured in the event of an "occurrence", claim or "action";
 apply irrespective of the application of the deductible amount.
- d) The Insurer may pay any part or all of the deductible amount to effect settlement of any claim or "action" and, upon notification of the action taken, the Named Insured shall promptly reimburse the Insurer for such part of the deductible amount as has been paid by the Insurer.

Section IV – Conditions

If any portion of these conditions are found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect.

1. Bankruptcy

Bankruptcy or insolvency of the Insured or of the Insured's estate will not relieve the Insurer of its obligations under this form.

2. Currency

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

3. Changes

This policy contains all the agreements between the Named Insured and the Insurer concerning the insurance afforded. This policy's terms can only be changed by:

- a) the first Named Insured shown on the Declarations Page with the Insurer's consent; and
- b) the Insurer by endorsement in accordance with all Canadian federal, provincial or territorial laws.

4. Duties of the Insured in the Event of Occurrence, Offense, Claim or Action

- a) The Named Insured must see to it that the Insurer is notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - 1) how, when and where the "occurrence" or offense took place;
 - 2) the names and addresses of any injured persons and witnesses; and
 - 3) the nature and location of any injury or damage arising out of the "occurrence" or offense.
- b) If a claim is made or "action" is brought against any Insured, the Named Insured must:
 - 1) immediately record the specifics of the claim or "action" and the date received; and
 - 2) notify the Insurer as soon as practicable.

The Named Insured must see to it that the Insurer receives written notice of the claim or "action" as soon as practicable.

- c) The Named Insured and any other involved Insured must:
 - 1) immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with the claim or "action";
 - 2) authorize the Insurer to obtain records and other information;
 - 3) cooperate with the Insurer in the investigation or settlement of the claim or defense against the "action"; and
 - 4) assist the Insurer, upon its 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 the Insurer's consent.

5. Examination of Books and Records

The Insurer may examine and audit the Named Insured's books and records as they relate to this policy at any time during the policy period and up to three (3) years afterward.

6. Inspections and Surveys

- a) The Insurer has the right to:
 - i) make inspections and surveys at any time;
 - ii) give reports to the Named Insured on the conditions it finds; and
 - iii) recommend changes.

- b) The Insurer is not obligated to make any inspections, surveys, reports or recommendations and any such actions the Insurer does undertake relate only to insurability and the premiums to be charged. The Insurer does not make safety inspections. The Insurer does not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And the Insurer does not warrant that conditions:
 - i) are safe or healthful; or
 - ii) comply with laws, regulations, codes or standards.
- c) Paragraphs a) and b) of this condition apply not only to the Insurer, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
- d) Paragraph b) of this condition does not apply to any inspections, surveys, reports or recommendations the Insurer may make relative to certification, under provincial or municipal statutes, ordinances, bylaws or regulations, of boilers, pressure vessels or elevators.

7. Legal Action Against the Insurer

No person or organization has a right under this policy:

- a) to join the Insurer as a party or otherwise bring the Insurer into an "action" asking for "compensatory damages" from an Insured; or
- b) to sue the Insurer on this policy unless all of its terms have been fully complied with.

A person or organization may sue the Insurer to recover on an agreed settlement or on a final judgment against an Insured; but the Insurer will not be liable for "compensatory damages" that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by the Insurer, the Insured and the claimant or the claimant's legal representative.

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

8. Other Insurance

If other valid and collectible insurance is available to the Insured for a loss covered under Coverages A, B or D of this policy, the Insurer's obligations are limited as follows:

a) Primary Insurance

- Subject to exclusion 2. n) of Section I – Coverage A, this insurance is primary except when b) below applies. If this insurance is primary, the Insurer's obligations are not affected unless any of the other insurance is also primary.

Then, the Insurer will share with all such 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 the "Named Insured's work";
 - b) that is Fire insurance for premises rented to the Named Insured or temporarily occupied by the Named Insured 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 f) or g) of Section I – Coverage A – Bodily Injury and Property Damage Liability.
- 2) any other primary insurance available to the Named Insured covering liability for "compensatory damages" arising out of the premises or operations or products-completed operations for which the Named Insured has been added as an Additional Insured by endorsement.

When this insurance is excess, the Insurer 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, this Insurer will undertake to do so, but it will be entitled to the Insured's rights against all those other insurers.

When this insurance is excess over other insurance, the Insurer will pay only its 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.

The Insurer 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 on the Declarations Page of this policy.

c) Method of Sharing

If all of the other insurance permits contribution by equal shares, the Insurer 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, the Insurer will contribute by limits. Under this method, each insurer's share is based on the ratio of its

applicable limit of insurance to the total applicable limits of insurance of all insurers.

9. Premium Audit

- a) The Insurer will compute all premiums for this policy in accordance with its rules and rates.
- b) Premium shown on the Declarations Page as advance premium is a deposit premium only. At the close of each audit period, the Insurer 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, the Insurer will return the excess to the first Named Insured subject to the retention of the minimum retained premium shown on the Declarations Page.
- c) The first Named Insured must keep records of the information the Insurer needs for premium computation, and send the Insurer copies at such times as it may request.

10. Premiums

The first Named Insured shown on the Declarations Page:

- a) is responsible for the payment of all premiums; and
- b) will be the payee for any return premiums the Insurer pays.

11. Declarations

By accepting this policy, the Named Insured agrees:

- a) the statements on the Declarations Page are accurate and complete;
- b) those statements are based upon representations the Named Insured made to the Insurer; and
- c) the Insurer has issued this policy in reliance upon the Named Insured's representations.

12. Separation of Insureds – Cross Liability

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

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

13. Termination

- a) The first Named Insured shown on the Declarations Page may terminate this policy by mailing or delivering to the Insurer advance written notice of termination.
- b) The Insurer may terminate this policy by mailing or delivering to the first Named Insured written notice of termination at least:

- 1) five (5) days before the effective date of termination if personally delivered;

- 2) fifteen (15) days before the effective date of termination if the Insurer terminates for non-payment of premium; or

- 3) thirty (30) days before the effective date of termination if the Insurer terminates for any other reason.

Except in Quebec, if notice is mailed, termination takes effect fifteen (15) or thirty (30) days after receipt of the letter by the post office to which it is addressed, depending upon the reason for termination. Proof of mailing will be sufficient proof of notice.

In Quebec, paragraph 1) of this condition does not apply and termination takes effect either fifteen (15) or thirty (30) days after receipt of the notice at the last known address of the first Named Insured, depending upon the reason for termination.

- c) The Insurer will mail or deliver its notice to the first Named Insured's last mailing address known to it.
- d) The policy period will end on the date termination takes effect.
- e) If this policy is terminated, the Insurer will send the first Named Insured any premium refund due. If the Insurer terminates, the refund will be pro rata. If the first Named Insured terminates, the refund may be less than pro rata. The termination will be effective even if the Insurer has not made or offered a refund.

14. Transfer of Rights of Recovery Against Others to the Insurer

If the Insured has rights to recover all or part of any payment the Insurer has made under this policy, those rights are transferred to the Insurer. The Insured must do nothing after loss to impair them. At the Insurer's request, the Insured will bring "action" or transfer those rights to the Insurer and help the Insurer enforce them.

15. Transfer of the Named Insured's Rights and Duties Under This Policy

The Named Insured's rights and duties under this policy may not be transferred without the Insurer's written consent, except in the case of death of a Named Insured who is an individual.

If the Named Insured dies, his or her rights and duties will be transferred to his or her legal representative, but only while acting within the scope of duties as his or her legal representative. Until the Named Insured's legal representative is appointed, anyone having proper temporary custody of his or her property will have his or her rights and duties, but only with respect to that property.

Section V – Definitions

Wherever used in this form:

- 1) "Abuse" includes, but is not limited to, any act or threat involving molestation, assault, violence,

mistreatment, harassment, corporal punishment or any other form of physical, sexual, mental, psychological or emotional abuse.

- 2) "Action" means a civil proceeding in which "compensatory damages" because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Action" includes:

- a) an arbitration proceeding in which such "compensatory damages" are claimed and to which the Insured must submit or does submit with the Insurer's consent; or
- b) any other alternative dispute resolution proceeding in which such "compensatory damages" are claimed and to which the Insured submits with the Insurer's consent.

- 3) "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about the Named Insured's 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 the Named Insured's goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

- 4) "Automobile" means a land motor vehicle, trailer or 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.

- 5) "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

- 6) "Compensatory damages" means damages due or awarded in payment for injury or damage. "Compensatory damages" does not include punitive or exemplary damages or the multiple portion of any multiplied damage award.

- 7) "Condominium Corporation" means a corporation constituted under provincial or territorial legislation relating to condominiums or co-ownership by declaration. It refers to a strata corporation in British Columbia and to a syndicate in Quebec.

- 8) "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 the Named Insured 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 the Named Insured's business; or
- 3) "personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;
- provided the Insured's responsibility to pay "compensatory damages" is determined in an "action" on the merits, in the territory described in a) above or in a settlement the Insurer agrees to.
- 9) "Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including, but not limited to, systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
- 10) "Employee" includes a "leased worker" and a "temporary worker".
- 11) "Executive officer" means a person holding any of the officer positions created by the charter, constitution, by-laws or any other similar governing document of the Named Insured.
- 12) "Fissionable substance" means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
- 13) "Fungi" includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "fungi" or "spores" or resultant mycotoxins, allergens or pathogens.
- 14) "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
- 15) "Impaired property" means tangible property, other than the "Named Insured's product" or the "Named Insured's work", that cannot be used or is less useful because:
- a) it incorporates the "Named Insured's product" or the "Named Insured's work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- b) the Named Insured has failed to fulfill the terms of a contract or agreement;
- if such property can be restored to use by:
- a) the repair, replacement, adjustment or removal of the "Named Insured's product" or the "Named Insured's work"; or
- b) the fulfilling the terms of the contract or agreement by the Named Insured.
- 16) "Incidental medical malpractice injury" means "bodily injury" arising out of the rendering of or failure to render, during the policy period, the following services:
- a) medical, surgical, dental, x-ray or nursing services or treatment or the furnishing of food or beverages in connection therewith; or
- b) 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 a) and b) above.
- 17) "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 the Named Insured or temporarily occupied by the Named Insured 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 the Named Insured's business (including an indemnification of a municipality in connection with work performed for a municipality) under which the Named Insured assumes the tort liability of another party to pay for "compensatory damages" because of "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by the Named Insured or by those acting on behalf of the Named Insured. 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.
- 18) "Leased worker" means a person leased to the Named Insured by a labour leasing firm under an agreement between the Named Insured and the labour leasing firm, to perform duties related to the conduct of the business of the Named Insured. "Leased worker" does not include a "temporary worker".
- 19) "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".
- 20) "Named Insured's product":
- a) means:
- 1) any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
- a) the Named Insured;
- b) others trading under the Named Insured's name; or
- c) a person or organization whose business or assets the Named Insured has 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 the "Named Insured's 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.
- 21) "Named Insured's work":
- a) means:
 - 1) work or operations performed by or on behalf of the Named Insured; 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 the "Named Insured's work"; and
 - 2) the providing of or failure to provide warnings or instructions.
- 22) "Nuclear energy hazard" means the radioactive, toxic, explosive, or other hazardous properties of radioactive material.
- 23) "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 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.
- 24) "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- 25) "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
- a) false arrest, detention or imprisonment;
 - b) 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 the Named Insured's "advertisement"; or
 - g) infringing upon another's copyright, trade dress or slogan in the Named Insured's "advertisement".
- 26) "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.
- 27) "Products-completed operations hazard":
- a) includes all "bodily injury" and "property damage" occurring away from premises the Named Insured owns or rents and arising out of the "Named Insured's product" or the "Named Insured's work" except:
 - 1) products that are still in the physical possession of the Named Insured; or
 - 2) work that has not yet been completed or abandoned. However, the "Named Insured's work" will be deemed completed at the earliest of the following times:
 - a) when all of the work called for in the Named Insured's contract has been completed;
 - b) when all of the work to be done at the job site has been completed if the Named Insured's contract calls for work at more than one job site;
 - c) when that part of the work 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 the Named Insured, 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.
- 28) "Professional services" includes, but is not limited to:
- a) medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection therewith;
 - b) any professional service or treatment conducive to health;
 - c) professional services of a pharmacist;
 - d) the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
 - e) the handling or treatment of deceased human bodies including autopsies, organ donations or other procedures;
 - f) any cosmetic, body piercing, tonsorial, massage, physiotherapy, chiropody, hearing aid, optical or optometrical services or treatments;
 - g) the preparation or approval of maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications;
 - h) supervisory, inspection, architectural, design or engineering services;
 - i) accountant's, advertiser's, notary's (Quebec), public notary's, paralegal's, lawyer's, real estate broker's or agent's, insurance broker's or agent's, travel agent's, financial institution's, or consultant's professional advices or activities;
 - j) any computer programming or re-programming, consulting, advisory or related services; or
 - k) claim, investigation, adjustment, appraisal, survey or audit services.
- 29) "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.
- 30) "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.

- 31)"Spores" includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".
- 32)"Temporary worker" means a person who is furnished to the Named Insured to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- 33)"Terrorism" means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.
- 34)"Volunteer worker" means a person who is not an "employee" of the Named Insured, and who donates his or her work and acts at the direction of and within the scope of duties determined by the Named Insured, and is not paid a fee, salary or other compensation by the Named Insured or anyone else for their work performed for the Named Insured.
- 35)"Wrap-up insurance" means any specific liability insurance purchased by or on behalf of the project owner, to cover all stakeholders, including the project owner, the Named Insured and the majority of contractors and subcontractors engaged in a specific construction project.

This insurance provides claims-made and reported coverage.

Subject to the provisions herein, this insurance covers "claims" first made against the Insured and first reported to the Insurer during the policy period.

Throughout this form, the word Insured refers to the person or organization qualifying as an Insured under Section II – Who is an Insured. The word Insurer refers to the insurance company having issued this policy.

The words Named Insured refer to the Named Insured shown on the Declarations Page, and any other person or organization qualifying as a Named Insured under paragraph 3. of Section II – Who is an Insured.

Words and phrases that appear in quotation marks have special meaning. Refer to Section VII – Definitions.

VARIOUS TERMS OF THE POLICY RESTRICT COVERAGE. THE INSURED IS ADVISED BY THE INSURER TO READ THE ENTIRE POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES AND WHAT IS AND IS NOT COVERED.

Section I – Coverage

1. Insuring Agreement

a) The Insurer will pay any "loss" that the Insured becomes legally obligated to pay because of a "wrongful act", to which this insurance applies, committed in the "administration" of "employee benefits programs" by an Insured while acting within the scope of his or her duties for the Named Insured. The Insurer will have the right and duty to defend the Insured against any "action" seeking compensation for a covered "loss". However, the Insurer will have no duty to defend the Insured against any "action" seeking compensation for a "loss" to which this insurance does not apply. The Insurer may, at its discretion, investigate and settle any "claim". But:

- 1) the amount the Insurer will pay for any "loss" is limited as described in Section IV – Limits of Insurance; and
- 2) the Insurer's right and duty to defend the Insured ends when it has used up the applicable limit of insurance in the payment of judgments or settlements under this coverage.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Section III – Supplementary Payments.

This insurance applies only if:

- 1) the "wrongful act" takes place in Canada or its territories;

- 2) the Insured's responsibility to pay a "loss" is determined in an "action" in Canada or its territories; and
- 3) the "claim" is made by an "employee" who, at the time of the "wrongful act", works and resides in Canada or its territories or who must within the scope of his or her duties work outside of Canada or its territories for a short period of time not exceeding two (2) weeks; and
- 4) the "claim" is first made against the Insured during the policy period or during the extended period provided for in Section V – Extended Claims Made and Reporting Period and reported to the Insurer during the same period in accordance with paragraph 4., Duties of the Insured in the Event of Loss, Claim or Action, of Section VI – Conditions, subject to the provisions of paragraph c) below.

b) A "claim" will be deemed to have been first made at the earliest of the following times:

- 1) when the Insured first receives written notice of such "claim" during the policy period or during the extended period provided for in Section V – Extended Claims Made and Reporting Period; or
- 2) when a "claim" against the Insured is reported in writing to the Insurer during the policy period or during the extended period provided for in Section V – Extended Claims Made and Reporting Period.

c) All "claims" arising out of:

- 1) the same "wrongful act" will be considered as one "claim"; and
- 2) the same "wrongful act" will be deemed to have been first made at the time the first one of those "claims" was made.

2. Exclusions

This insurance does not apply to:

a) Bodily Injury or Mental Injury

Any "loss" on account of any "claim" for bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time, or for psychological damage or injury, including fear, mental distress or suffering.

b) Property Damage

Any "loss" on account of any "claim" for property damage, including:

- 1) physical injury to tangible property, including all resulting loss of use of that property; or
- 2) loss of use of tangible property that is not physically injured.

c) Personal Injury or Infringement of Intellectual Property Rights

Any "loss" on account of any "claim" for injury arising out of one or more of the following offenses:

- 1) false arrest, detention or imprisonment;
- 2) malicious prosecution;
- 3) 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 the Insured;
- 4) 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;
- 5) oral or written publication, in any manner, of material that violates a person's right of privacy;
- 6) infringement of intellectual property rights.

d) Abuse

- 1) "Claims" arising directly or indirectly from "abuse" committed or alleged to have been committed by an Insured, including the transmission of disease arising out of any act of "abuse".
- 2) "Claims" based on the Insured's practices of "employee" hiring, acceptance of "volunteer workers" or supervision or retention of any person alleged to have committed "abuse".
- 3) "Claims" alleging knowledge by an Insured of, or failure to report, the alleged "abuse" to the appropriate authorities.

e) Prior Wrongful Acts

Any "claim" arising out of a "wrongful act" which was known or should have been reasonably known to any Insured prior to the inception date of the policy or, should this policy form part of a continuous series of renewals issued by the Insurer, prior to the inception date of the initial policy issued by the Insurer.

f) Dishonest, Fraudulent or Criminal Acts

Liability arising out of or the consequence of any dishonest, fraudulent or criminal act committed by the Insured, acting alone or in collusion with others, or at the direction of the Insured or any person for whom the Insured is legally responsible.

g) Employment-related Practices

"Claims" based on employment-related practices, including, but not limited to, demotion, termination, performance evaluation, reassignment, sanctions, defamation, harassment or discrimination directed at a staff member, whether he or she is remunerated or not, whether he or she is or was in the employment of the Insured, on long-term leave, on disability, on retirement or a candidate for a position with the Insured. This exclusion applies whether the Insured may be held liable as an employer or in any other capacity.

h) Insufficient Funds

Any "claim" arising out of an insufficiency of funds to meet obligations under the "employee benefits programs".

i) Electronic Data and Access or Disclosure of Confidential or Personal Information

"Claims" arising out of:

- 1) the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data"; or
- 2) any access to or disclosure of any person's or organization's confidential or personal information, including, but not limited to patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information.

j) Contractual Obligations

Any "claim" based on failure of performance of contract under "employee benefits programs" by any insurer.

k) Investment Plans

Any "claim" based on:

- 1) advice given by an Insured to an "employee" to participate or not to participate in investment plans.
- 2) the differences in performance of an investment plan between what an Insured suggested or claimed and the actual performance of the said plan.

l) Laws and By-laws

Any "claim" based on the failure:

- 1) by the Insured to comply with any workers' compensation, occupational disease, employment insurance, social security or disability benefits law or regulation or any similar law.
- 2) to comply with any law or regulation pertaining to the duties, obligations and responsibilities of fiduciaries in connection with "employee benefits programs".
- 3) by the Insured to comply with any law or regulation pertaining to civil rights, including any form of discrimination as defined in any federal or provincial law.

m) Nuclear Energy Liability

Liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the loss.

n) Pollution

Liability arising directly or indirectly, in whole or in part, at any time, out of the actual, alleged or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

Any "loss" arising out of any:

- 1) 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
- 2) "claim" 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".

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the loss.

o) War Risks

"Claims" 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 loss.

p) Terrorism

"Claims" 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 loss.

q) Asbestos

"Claims" 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 loss.

r) Fungi or Spores

- 1) "Claims", including those related to 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";

- 2) "Claims" arising directly or indirectly out of any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with 1) above; or
- 3) "Claims" arising directly or indirectly out of 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 1) or 2) above.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the loss.

s) Reactive Aggregates, Including Those Containing Pyrite or Pyrrhotite

"Claims" arising directly or indirectly, in whole or in part, out of any aggregate, material or soil of a reactive nature, including those containing pyrite or pyrrhotite, or both at the same time, 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 loss.

Section II – Who is an Insured

1. Solely with respect to the "administration" of "employee benefits programs", if the Named Insured is designated on the Declarations Page as:

- a) an individual, he or she and his spouse are Insureds, but only with respect to the conduct of a business of which the Named Insured is the sole owner.
- b) a partnership, limited liability partnership or joint venture, it is an Insured. Its members, its partners, and their spouses are also Insureds, but only with respect to the conduct of the Named Insured's business.
- c) a limited liability company, it is an Insured. Its members are also Insureds, but only with respect to the conduct of the Named Insured's business. Its managers are insureds, but only with respect to their duties as the Named Insured's managers.
- d) an organization other than a partnership, limited liability partnership, joint venture or limited liability company, it is an Insured. Its "executive officers" and directors are also Insureds, but only with respect to their duties as the Named Insured's officers or directors. Its shareholders are also Insureds, but only with respect to their liability as shareholders.

- e) a trust, it is an Insured. Its trustees are also Insureds, but only with respect to their duties as trustees.
2. Solely with respect to the "administration" of "employee benefits programs", each of the following is also an Insured:
- any "employee" of the Named Insured who is assigned to the "administration" of "employee benefits programs";
 - the legal representative of the Insured if he or she dies, but only with respect to duties as such. That representative will have all the Named Insured's rights and duties under this form.
3. Solely with respect to the "administration" of "employee benefits programs", any organization that the Named Insured newly acquires or forms, other than a partnership, limited liability partnership or joint venture or limited liability company, and over which the Named Insured maintains ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- coverage under this provision is afforded only until the ninetieth (90th) day after the Named Insured acquires or forms the organization or the end of the policy period, whichever is earlier;
 - the coverage does not apply to injury that occurred before the organization is acquired or formed.
- 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 on the Declarations Page.

Section III – Supplementary Payments

The Insurer will pay, with respect to any "claim" it investigates or settles:

- all expenses the Insurer incurs;
- the cost of bonds to release attachments but only for bond amounts within the applicable limit of insurance, but the Insurer does not have to furnish these bonds;
- all reasonable expenses the Insured incurs at the Insurer's request to assist the Insurer in the investigation or defense of the "claim", including actual loss of earnings up to two hundred and fifty dollars (\$250) a day because of time off from work;
- any interest accruing after entry of judgment upon that part of the judgment which is within the applicable limit of insurance and before the Insurer has paid, offered to pay, or

deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

Section IV – Limits of Insurance

- The Limits of Insurance shown on the Declarations Page and the rules below determine the most the Insurer will pay regardless of the number of:
 - Insureds;
 - "claims" made; or
 - persons or organizations making "claims" or bringing "actions".
- The Aggregate Limit shown on the Declarations Page is the most the Insurer will pay for all "losses" resulting from all "claims" made in any one policy period.
- Subject to 2. above, the Each Claim Limit shown on the Declarations Page is the most the Insurer will pay for all "losses" resulting from any one "claim" arising out of any one "wrongful act" covered hereunder.

The Limits of Insurance of this policy apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the policy period shown on the Declarations Page, unless the policy period is extended after issuance for an additional period of less than twelve (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.

4. Deductible

- The Insurer's obligation applies only to the amount of "loss" in excess of any deductible amount shown on the Declarations Page as applicable.
- The deductible amount applies to each "wrongful act", regardless of the number of "claims" arising out of it.
- The terms of this insurance, including those in respect to:
 - the right and duty of the Insurer to defend; and
 - the duties of the Insured in the event of "wrongful act" or "claim";
 apply irrespective of the application of the deductible amount.
- The Insurer may pay any part or all of the deductible amount to effect settlement of any "claim" and, upon notification of the action taken, the Named Insured shall promptly reimburse the Insurer for such part of the deductible amount as has been paid by the Insurer.

Section V – Extended Claims Made and Reporting Period

If the Insurer cancels or refuses to renew this policy for reasons other than non-payment of premium, a "claim" first made against the Insured and first reported to the Insurer during the twelve (12) months following the date of cancellation or, as the case may be, the date of expiry shown on the Declarations Page will be deemed to have been made and reported during this policy period, provided the "claim" is with respect to a "wrongful act" committed before such date of cancellation or expiry.

The extended "claims" made and reporting period as afforded by this Section will be deemed to be part of the last policy period for the application of the Limits of Insurance shown on the Declarations Page and will not reinstate or increase the Limits of Insurance or extend the policy period.

Section VI – Conditions

If any portion of these conditions are found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect.

1. Bankruptcy

Bankruptcy or insolvency of the Insured or of the Insured's estate will not relieve the Insurer of its obligations under this form.

2. Currency

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

3. Changes

This policy contains all the agreements between the Named Insured and the Insurer concerning the insurance afforded. This policy's terms can only be changed by:

- the first Named Insured shown on the Declarations Page with the Insurer's consent; and
- the Insurer by endorsement in accordance with all Canadian federal, provincial or territorial laws.

4. Duties of the Insured in the Event of Loss, Claim or Action

For a "claim" to be considered first reported to the Insurer:

- The Named Insured must see to it that the Insurer is notified of any "claim" with due diligence but no later than thirty (30) days after the end of the policy period or during the extended period provided for in Section V – Extended Claims Made and Reporting Period. To the extent possible, notice should include:
 - a description of the "claim" and how, when and where the loss took place;
 - the nature of all alleged "wrongful acts" and financial loss; and

- 3) the names of the actual and potential claimants and how the "claim" or the circumstances of the loss first became known to the Insured.
- b) If an "action" is brought against any Insureds, the Named Insured must immediately record the specifics of the "action" and the date received, and notify the Insurer immediately.
- c) The Named Insured and any other involved Insured must:
- 1) immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with the "claim";
 - 2) authorize the Insurer to obtain records and other information;
 - 3) cooperate with the Insurer in the investigation or settlement of the claim or defense against the "action"; and
 - 4) assist the Insurer, upon its request, in the enforcement of any right against any person or organization which may be liable to the Insured.
- d) No Insured will, except at that Insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without the Insurer's consent.

5. Examination of Books and Records

The Insurer may examine and audit the Named Insured's books and records as they relate to this policy at any time during the policy period and up to three (3) years afterward.

6. Legal Action Against the Insurer

No person or organization has a right under this policy:

- a) to join the Insurer as a party or otherwise bring the Insurer into an "action" to determine the Insured's liability; or
- b) to sue the Insurer on this policy unless all of its terms have been fully complied with.

A person or organization may sue the Insurer to recover on an agreed settlement or on a final judgment against an Insured; but the Insurer will not be liable for "losses" 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 the Insurer, the Insured and the claimant or the claimant's legal representative.

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

7. Other Insurance

If other valid and collectible insurance is available to the Insured for a "loss" to which this

insurance applies, the Insurer's obligations are limited as follows:

a) Method of Sharing

Except for "claims" subject to Section V – Extended Claims Made and Reporting Period, the Insurer 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.

b) Excess Insurance

Solely for the purpose of "claims" subject to Section V – Extended Claims Made and Reporting Period, this insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis.

When this insurance is excess, the Insurer will have no duty 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, this Insurer will undertake to do so, but it will be entitled to the Insured's rights against all those other insurers.

When this insurance is excess over other insurance, the Insurer will pay only its share of the amount of the "claim", if any, that exceeds the sum of:

- 1) the total amount that all such other insurance would pay for the "claim" in the absence of this insurance; and
- 2) the total of all deductible and self-insured amounts under all that other insurance.

The Insurer will share the remaining settlement amount of the "claim", 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 on the Declarations Page of this policy.

8. Premiums

The first Named Insured shown on the Declarations Page:

- a) is responsible for the payment of all premiums; and
- b) will be the payee for any return premiums the Insurer pays.

9. Declarations

By accepting this policy, the Named Insured agrees:

- a) the statements on the Declarations Page are accurate and complete;
- b) those statements are based upon representations the Named Insured made to the Insurer; and
- c) the Insurer has issued this policy in reliance upon the Named Insured's representations.

10. Separation of Insureds

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.

11. Termination

- a) The first Named Insured shown on the Declarations Page may terminate this policy by mailing or delivering to the Insurer advance written notice of termination.
- b) The Insurer may terminate this policy by mailing or delivering to the first Named Insured written notice of termination at least:
 - 1) five (5) days before the effective date of termination if personally delivered;
 - 2) fifteen (15) days before the effective date of termination if the Insurer terminates for non-payment of premium; or
 - 3) thirty (30) days before the effective date of termination if the Insurer terminates for any other reason.

Except in Quebec, if notice is mailed, termination takes effect fifteen (15) or thirty (30) days after receipt of the letter by the post office to which it is addressed, depending upon the reason for termination. Proof of mailing will be sufficient proof of notice.

In Quebec, paragraph 1) of this condition does not apply and termination takes effect either fifteen (15) or thirty (30) days after receipt of the notice at the last known address of the first Named Insured, depending upon the reason for termination.

- c) The Insurer will mail or deliver its notice to the first Named Insured's last mailing address known to it.
- d) The policy period will end on the date termination takes effect.
- e) If this policy is terminated, the Insurer will send the first Named Insured any premium refund due. If the Insurer terminates, the refund will be pro rata. If the first Named Insured terminates, the refund may be less than pro rata. The termination will be effective even if the Insurer has not made or offered a refund.

12. Transfer of Rights of Recovery Against Others to the Insurer

If the Insured has rights to recover all or part of any payment from the person responsible for the "wrongful act" the Insurer has made under this policy, those rights are transferred to the Insurer. The Insured must do nothing after the "wrongful act" to impair them. At the Insurer's request, the Insured will bring "action" or transfer those rights to the Insurer and help the Insurer enforce them.

13. Transfer of the Named Insured's Rights and Duties

The Named Insured's rights and duties under this policy may not be transferred without the Insurer's written consent, except in the case of death of a Named Insured who is an individual.

If the Named Insured dies, his or her rights and duties will be transferred to his or her legal representative, but only while acting within the scope of duties as his or her legal representative. Until the Named Insured's legal representative is appointed, anyone having proper temporary custody of his or her property will have his or her rights and duties, but only with respect to that property.

Section VII – Definitions

Wherever used in this form:

- 1) "Abuse" includes, but is not limited to, any act or threat involving molestation, assault, violence, mistreatment, harassment, corporal punishment or any other form of physical, sexual, mental, psychological or emotional abuse.
- 2) "Action" means a civil proceeding alleging "losses" because of a "wrongful act" to which this insurance applies. "Action" includes:
 - a) an arbitration proceeding in which such "losses" are claimed and to which the Insured must submit or does submit with the Insurer's consent; or
 - b) any other alternative dispute resolution proceeding in which such "losses" are claimed and to which the Insured submits with the Insurer's consent.
- 3) "Administration" means:
 - a) providing information and counsel to "employees" or beneficiaries with respect to the "employee benefits programs";
 - b) interpreting the "employee benefits programs";
 - c) handling "employee" records in connection with such programs; or
 - d) registering, admitting or continuing, suspending, terminating or cancelling any "employee's" participation in such programs;

provided such acts are authorized by the Named Insured.
- 4) "Claim" means:
 - a) a verbal or written demand for "losses" arising out of a "wrongful act" to which this insurance applies or the receipt of such demand by the Insured; or
 - b) an "action".
- 5) "Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including, but not limited to, systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
- 6) "Employee" includes a "leased worker", a person actively employed, formerly employed, on long-term leave of absence, disabled or retired.
- 7) "Employee benefits programs" means:
 - a) group life, medical, accident, salary or health insurance;
 - b) pension plans;
 - c) investment plans;
 - d) voluntary workers' compensation plan;
 - e) employment, disability or wage loss insurance;
 - f) social security;
 - g) any other plans, programs, combinations, policies or usage, whether written or verbal, formal, capitalized or not, maintained for the benefit of the "employees".
- 8) "Executive officer" means a person holding any of the officer positions created by the charter, constitution, by-laws or any other similar governing document of the Named Insured.
- 9) "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.
- 10) "Leased worker" means a person leased to the Named Insured by a labour leasing firm under an agreement between the Named Insured and the labour leasing firm, to perform duties related to the activities of the Named Insured.
- 11) "Loss" means any sum that the Insured becomes legally obligated to pay following any judgment, arbitration award or any alternative dispute resolution proceeding the Insurer agrees to, but does not include punitive or exemplary damages or the multiple portion of any multiplied damage award, nor fines and penalties.
- 12) "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, odour, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 13) "Spores" includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".
- 14) "Terrorism" means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.
- 15) "Volunteer worker" means a person who is not an "employee" of the Named Insured and who donates his or her work and acts at the direction of the Named Insured and within the scope of duties determined by the Named Insured, and is not paid a fee, salary or other compensation by the Named Insured or anyone else for their work performed for the Named Insured.
- 16) "Wrongful act" means any error, omission, negligent act, misrepresentation, misleading statement, or any breach of obligation, actually or allegedly committed by an Insured in the "administration" of "employee benefits programs". A "wrongful act" does not include any error or omission voluntarily or intentionally committed by an Insured.

All interrelated "wrongful acts", including "wrongful acts" which are related to the same fact, event, transaction or cause or to the same series of facts, events, causes or transactions shall be considered a single "wrongful act".

Insuring Agreement

Now, therefore, in consideration of the payment of the premium specified and of the statements contained in the Declarations Page and subject to the limits, terms, conditions, provisions, definitions and exclusions herein stated

Section A – Third Party Liability

The Insurer agrees to indemnify the Insured against the liability imposed by law upon the Insured for loss or damage arising from the use or operation of any automobile not owned in whole or in part by or licensed in the name of the Insured, and resulting from

Bodily injury to or the death of any person or damage to property of others not in the care, custody or control of the Insured:

Provided always the Insurer shall not be liable under this policy:

a) for any liability which arises from the use or operation of any automobile while personally driven by the Insured if the Insured is an individual; or

*b) for any liability imposed upon any person insured by this policy:

- 1) by any workmens' compensation law; or
- 2) by any law for bodily injury to or the death of the Insured or any partner, officer or employee of the Insured while engaged in the business of the Insured; or

* Not applicable in the Province of Ontario

c) for any liability assumed by any person insured by this policy voluntarily under any contract or agreement; or

d) for loss or damage to property carried in or upon an automobile personally driven by any person insured by this policy or to any property owned or rented by, or in the care, custody or control of any such person; or

e) for any amount in excess of the limit stated in the Declarations Page, and expenditures provided for in the Additional Agreements of this policy; subject always to the provisions of the section of the Insurance Act (Automobile Insurance Part) relating to the nuclear energy hazard.

Additional Agreements of Insurer

Where indemnity is provided by this policy, the Insurer further agrees:

1) upon receipt of notice of loss or damage caused to persons or property to serve any person insured by this policy by such investigation thereof, or by such negotiations with the claimant, or by such settlement or any re-

sulting claims, as may be deemed expedient by the Insurer; and

2) to defend in the name and on behalf of any person insured by this policy and at the cost of the Insurer any civil action which may at any time be brought against such person on account of such loss or damage to persons or property; and

3) to pay all costs taxed against any person insured by this policy in any civil action defended by the Insurer and any interest accruing after entry of judgment upon that part of the judgment which is within the limits of the Insurer's liability; and

4) in case the injury be to a person, reimburse any person insured by this policy for outlay for such medical aid as may be immediately necessary at the time of such injury; and

5) be liable up to the minimum limit(s) prescribed for that province or territory of Canada in which the accident occurred, if that limit(s) is higher than the limit stated in the Declarations Page; and

6) not set up any defense to a claim that might not be set up if the policy were a motor vehicle liability policy issued in the province or territory of Canada in which the accident occurred.

Agreements of Insured

Where indemnity is provided by this section, every person insured by this policy

a) by the acceptance of this policy, constitutes and appoints the Insurer his irrevocable attorney to appear and defend in any province or territory of Canada in which action is brought against the Insured arising out of the use or operation of an automobile with respect to which insurance is provided hereunder;

b) shall reimburse the Insurer, upon demand, in the amount which the Insurer has paid by reason of the provisions of any statute relating to automobile insurance and which the Insurer would not otherwise be liable to pay under this policy.

General Provisions and Definitions

1. Additional Insureds

The Insurer agrees to indemnify in the same manner and to the same extent as if named herein as the Insured, every partner, officer or employee of the Insured who, with the consent of the owner thereof, personally drives a) in the business of the Insured stated in the Declarations Page, any automobile not owned in whole or in part by or licensed in the name of i) the Insured, or ii) such

additional insured person, or iii) any person or persons residing in the same dwelling premises as the Insured or such additional insured person, or b) any automobile hired or leased in the name of the Insured except an automobile owned in whole or in part or licensed in the name of such additional insured person.

2. Territory

This policy applies only to the use or operation of automobiles within Canada or the United States of America or upon a vessel plying between ports of those countries.

3. Hired Automobiles Defined

The term "Hired Automobiles" as used in this policy means automobiles hired or leased from others with or without drivers, used under the control of the Insured in the business stated in the Declarations Page but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

4. Automobiles Operated Under Contract Defined

The term "Automobiles Operated under Contract" as used in this policy shall mean automobiles operated in the business of the Insured stated in the Declarations Page where the complete supervision, direction and control of such automobiles remain with the owner thereof, but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

5. Two or More Automobiles

When two or more automobiles are insured hereunder the terms of this policy shall apply separately to each, but a motor vehicle and a trailer or trailers attached thereto shall be held to be one automobile as respects to limits of liability under Section A.

6. Premium Adjustment

The Advance Premium stated in the Declarations Page is computed on the estimated total "cost of hire" for the Policy Period. The words "cost of hire" as used herein mean the entire amount incurred for "Hired Automobiles" and drivers when such automobiles are hired with drivers or the amount incurred for hired automobiles and the wages paid to drivers when such drivers are employees of the Insured.

The Advance Premium stated in the Declarations Page is computed on the estimated total "contract cost" for the Policy Period. The words "contract cost" as used herein mean the entire

amount paid by the Insured for "Automobiles Operated under Contract" to the owners thereof.

The Advance Premiums are subject to adjustment at the end of the Policy Period when the Insured shall deliver to the Insurer a written statement of the total amounts expended for cost of hire during the Policy Period. If such amounts exceed the estimates stated in the Declarations Page, the Insured shall immediately pay additional premium at the rates stated therein; if less, the Insurer shall return to the Insured the unearned premium when determined but the Insurer shall, in any event, receive or retain not less than the Minimum Retained Premium stated therein.

The Insurer shall have the right and opportunity, whenever the Insurer so desires, to examine the books and records of the Insured to the extent they relate to the premium bases or the subject matter of this policy.

Statutory Conditions

The insurance provided under this coverage is subject to the "Automobile Statutory Conditions" approved by the Superintendent of Insurance for the Province in which this policy is issued and upon request the Company will make available a complete copy of same.

This endorsement applies only if it is shown on the Declarations Page.

This endorsement modifies the policy to which it is attached.

Except as otherwise provided under this endorsement, all other terms of the policy remain unchanged. It is important to read it carefully.

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED BELOW OR IN THE APPLICABLE WORDINGS.

This Cyber Risk and Data Exclusion contained in this endorsement applies to and modifies any coverage otherwise provided by the policy or any forms or endorsements that are attached to the policy. Where any conflict exists between this exclusion and any other aspect of the policy or any forms or endorsements attached to the policy, this exclusion applies to preclude coverage. If there is overlap between this exclusion and another exclusion, both exclusions apply to exclude recovery.

However, this Cyber Risk and Data Exclusion does not apply to Data Protection coverages listed on the Declarations Page.

Applicable to Property, Building and Business Contents, Business Interruption, Crime and Equipment Breakdown Coverages listed on the Declarations Page

Where present, the Data Exclusion contained in the policy or in any forms or endorsements attached to the policy is deleted.

Where present, the "data" and "data problem" definitions contained in the policy or in any forms or endorsements attached to the policy are deleted.

Exclusion (p), under Section III – Special Provisions, 2. Exclusions, contained in the Dishonesty, Disappearance and Destruction Insurance, Form 923301, is deleted.

The following exclusion is added to the policy:

Cyber Risk and Data Exclusion

1. Subject to paragraphs a) and b) below, the policy does not insure any loss, damage, claim, cost, expense, or "extra expense", or any loss of "business income", "rental income" or "condominium fees" of any nature whatsoever, directly or indirectly, whether in whole or in part, caused by a "cyber risk incident".

a) This exclusion does not apply to loss or damage to property at the "premises",

"project site" or "installation site", caused directly by resultant fire, explosion or leakage from "fire protective equipment", as described under "Named Perils" or Insured Perils, or to "extra expense", loss of "business income", "rental income" or "condominium fees", resulting from such loss or damage.

b) This exclusion does not apply to:

i) direct physical loss or damage to insured property at the "premises", "project site" or "installation site"; or

ii) "extra expense" or loss of "business income", "rental income" or "condominium fees";

that is the direct result of:

a) fire;

b) lightning;

c) explosion;

d) falling objects;

e) impact by aircraft, spacecraft or land vehicle;

f) leakage from "fire protective equipment";

g) windstorm or hail;

h) freezing;

i) weight of snow;

j) direct physical theft or direct physical vandalism of property, by unlawful or unauthorized physical entry or access to the "premises" of the Insured;

k) earthquake or flood;

but only if coverage for the said peril is provided by the policy.

2. The policy does not insure any loss, damage, claim, cost, expense, or "extra expense", or any loss of "business income", "rental income" or "condominium fees", of any nature whatsoever, directly or indirectly, whether in whole or in part, caused by any:

a) loss of or damage to "data";

b) loss of, or restraint in, use of "data";

c) reduction in functionality or availability of "data";

d) replacement, restoration, reproduction, erasure, destruction, corruption, misappropriation, misuse, misinterpretation or usurpation of "data";

e) error in creating, modifying, amending, entering, deleting or using "data";

f) inability to access, receive, transmit or process "data";

including any amount pertaining to the value of such "data".

With respect to paragraph 2, 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.

However, the exclusion in paragraph 2 does not apply to loss or damage to insured property, caused directly by fire, explosion, or leakage from "fire protective equipment", resulting from loss or damage to "data".

Applicable to Liability, Umbrella, Errors & Omissions, and Directors & Officers Coverages listed on the Declarations Page

Where present, the "electronic data" definition is deleted.

Wherever "electronic data" is found in the policy, or in any forms or endorsements attached to the policy, it is deleted and replaced with "data".

Paragraph 1 of the exclusion Electronic Data and Access or Disclosure of Confidential or Personal Information is deleted.

The following exclusion is added to the policy:

Cyber Risk and Data Exclusion

This insurance does not apply to:

1. Any liability, claim, "action", suit, demand, "loss", "bodily injury", "property damage", "compensatory damages" or "personal and advertising injury", which is or is alleged to be, at any time, directly or indirectly, in whole or in part, caused by, arising out of, contributed to by, resulting from, or in connection with, a "cyber risk incident";

2. Any liability, claim, "action", suit, demand, "loss", "bodily injury", "property damage", "compensatory damages" or "personal and advertising injury", which is or is alleged to be, at any time, directly or indirectly, in whole or in part, caused by, arising out of, contributed to by, resulting from, or in connection with:

a) loss of or damage to "data";

b) loss of, or restraint in, use of "data";

c) reduction in functionality or availability of "data";

d) replacement, restoration, reproduction, erasure, destruction, corruption, misappropriation, misuse, misinterpretation or usurpation of "data";

- e) error in creating, modifying, amending, entering, deleting or using "data";
- f) inability to access, receive, transmit, or process "data";
- g) distribution or display of "data" via, amongst others, a website, the Internet, a social network, an intranet or extranet, or any similar device or system designed, intended or used for electronic communication of "data".

This exclusion in paragraphs 1 and 2 applies regardless of any other contributing or aggravating cause or event (whether covered or not) that contributes concurrently or in any sequence to the "loss", "bodily injury", "property damage", "compensatory damages" or "personal and advertising injury".

Definitions:

The following definitions are added to the policy and any forms or endorsements that are attached to the policy:

1. "Data" means any representation of information, facts, concepts or code, in any form, and includes virtual or digital property, such as, but not limited to, cryptocurrency, virtual or digital currency, and non fungible tokens.
2. "Computer system" means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), microcontroller, microprocessor, server or cloud, or any similar system or any configuration of the aforementioned, and any associated input, output, data storage device, networking equipment or back-up facility.
3. "Cyber risk incident" means:
 - a) Any unauthorized access to, or use of, a "computer system";
 - b) Any introduction of a malicious code, virus, ransomware, or any harmful code, into a "computer system"; or
 - c) Any act, error or omission that results, whether in whole or in part, in any:
 - i. damage to, or alteration or destruction of, a "computer system";
 - ii. reduction in functionality, availability or operation, of a "computer system";
 - iii. inability or failure to access, use or operate, a "computer system"; or
 - iv. disruption in, prevention of, or restriction in, use of a "computer system".

This endorsement applies only if it is shown on the Declarations Page.

This endorsement modifies the policy to which it is attached.

The exclusion contained in this endorsement applies to and modifies any coverage otherwise provided by this policy or any forms or endorsements that are attached to this policy. Where any conflict exists between this exclusion and any other aspect of this policy or any forms or endorsements attached, this exclusion applies to preclude coverage. If there is overlap between this exclusion and another exclusion, both exclusions apply to exclude recovery.

Except as otherwise provided under this endorsement, all other terms of the policy remain unchanged. It is important to read it carefully.

This endorsement applies separately to each location for which it is specified on the Declarations Page.

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED BELOW:

The following exclusion is added to the policy:

Notwithstanding any provision to the contrary within this policy or any forms or endorsements attached to it, this policy excludes any loss, damage, claim, cost, expense, or extra expense of any nature whatsoever, which is or is alleged to be directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with, a "communicable disease" or the fear or threat (whether actual or perceived) of a "communicable disease", including a "communicable disease order". This exclusion applies whether or not there is another cause or occurrence (whether covered or not) that contributes in any sequence to the loss, damage, claim, cost, expense, or extra expense.

The following definitions are added to the policy:

1. "Communicable disease" means any sickness or disease which can be transmitted by any method or means, directly or indirectly, from any organism (which includes a human being), to another organism, including where:
 - the cause of the sickness or disease includes, but is not limited to, a virus, bacterium,

parasite or other organism or any variation thereof, whether deemed living or not; or

- the method or means of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface, object, solid, liquid or gas, or between organisms.
2. "Communicable disease order" means any communication, without limitation, by a government or civil authority, or agency of a government or civil authority, in respect of any "communicable disease", that recommends, requires or prohibits, access to, or use of, any property or premises, or requires or recommends that a business or premises close or operate at a reduced capacity, or recommends or requires social distancing, self isolation, travel restrictions or limitations on social interaction.

Extension of Coverage – Earthquake

913 315 (2019-12)

This endorsement applies only if it is shown on the Declarations Page.

This endorsement modifies the policy and is subject to the terms under the following forms, where applicable:

COMMERCIAL PROPERTY INSURANCE

– BROAD FORM

CONDOMINIUM CORPORATION INSURANCE

– BROAD FORM

WAREHOUSEMAN'S LEGAL LIABILITY INSURANCE

BUILDERS RISK INSURANCE – BROAD FORM

INSTALLATION INSURANCE – BROAD FORM

Except as otherwise provided under this endorsement, all other terms of the policy remain unchanged. It is important to read it carefully.

This endorsement applies separately to each location for which Earthquake is specified on the Declarations Page.

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED BELOW OR IN THE FORM TO WHICH THIS ENDORSEMENT IS ATTACHED.

1. Indemnity Agreement

Coverage is extended to direct physical loss or damage caused by "earthquake" to an amount not exceeding the limit shown for each item specified on the Declarations Page.

2. Deductible

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

If a percentage deductible is specified, the amount of the deductible shall be that percentage of the amount of insurance for each item separately as specified on the Declarations Page.

If both an amount and a percentage are specified, only the highest deductible will be applied.

This deductible clause supersedes the provisions of any other deductible clause stated elsewhere in the policy and applies separately to each "premises" to which this endorsement applies.

3. Exclusions

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

- a) fire, explosion or smoke;
- b) leakage from "fire protective equipment";
- c) theft, vandalism or malicious acts;
- d) flood, including "surface water", waves, tides, tidal waves, tsunamis, or the breaking out or overflow of any natural or artificial body water, waterborne objects or ice.

4. Extension of Coverage

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

5. Definitions

Whenever used in this endorsement:

- a) "Earthquake" includes snowslide, landslide or other earth movements occurring concurrently with and directly resulting from an earthquake.
- b) "Occurrence" means all earthquake shocks which occur within any one hundred and sixty-eight (168) consecutive hours commencing during the policy period on or after the effective date of this endorsement. The expiration of this policy will not reduce the one hundred and sixty-eight (168) hour period.

Extension of Coverage – Flood

913 123 (2022-03)

This endorsement applies only if it is shown on the Declarations Page.

This endorsement modifies the policy and is subject to the terms under the following forms, where applicable:

COMMERCIAL PROPERTY INSURANCE
– BROAD FORM

CONDOMINIUM CORPORATION INSURANCE
– BROAD FORM

WAREHOUSEMAN'S LEGAL LIABILITY
INSURANCE

BUILDERS RISK INSURANCE – BROAD FORM
INSTALLATION INSURANCE – BROAD FORM

Except as otherwise provided under this endorsement, all other terms of the policy remain unchanged. It is important to read it carefully.

This endorsement applies separately to each location for which Flood is specified on the Declarations Page.

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED BELOW OR IN THE FORM TO WHICH THIS ENDORSEMENT IS ATTACHED.

1. Indemnity Agreement

Coverage is extended, up to the amounts of insurance for each item specified on the Declarations Page, to direct physical loss or damage caused by "flood".

2. Limit of Liability

If an amount of insurance is specified for this endorsement on the Declarations Page, the liability of the Insurer shall be limited to such amount.

3. Deductible

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

If a percentage deductible is specified, the amount of the deductible shall be that percentage of the amount of insurance for each item separately as specified on the Declarations Page.

If both an amount and a percentage are specified, only the highest deductible will be applied.

This deductible clause supersedes the provisions of any other deductible clause stated elsewhere in the policy and applies separately to each "premises" to which this endorsement applies.

4. Exclusions

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

- a) the backing up or overflow, within the area bounded by the bearing walls and foundations of the "building" described on the Declarations Page, of water from within sewers, sumps, septic tanks or drains;

- b) water below the surface of the ground including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows or other openings in such sidewalks, driveways, foundations, walls or floors;
- c) i) fire, explosion, smoke, leakage from "fire protective equipment", theft, riot, vandalism or malicious acts;
ii) leakage from a watermain.

5. Extension of Coverage

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

6. Definitions

Whenever used in this endorsement:

- a) "Flood" means the breaking out or overflow of any natural or artificial body of water and includes "surface water", waves, tides, tidal waves and tsunamis.
- b) "Occurrence" means all flooding which occurs within any one hundred and sixty-eight (168) consecutive hours commencing during the policy period on or after the effective date of this endorsement. The expiration of this policy will not reduce the one hundred and sixty-eight (168) hour period.
- c) "Surface water" means water or natural precipitation temporarily diffused over the surface of the ground.

Extension of Coverage – Sewer Back Up

913 319 (2022-03)

This endorsement applies only if it is shown on the Declarations Page.

This endorsement modifies the policy and is subject to the terms under the following forms, where applicable:

COMMERCIAL PROPERTY INSURANCE
– BROAD FORM

CONDOMINIUM CORPORATION INSURANCE
– BROAD FORM

WAREHOUSEMAN'S LEGAL LIABILITY
INSURANCE

Except as otherwise provided under this endorsement, all other terms of the policy remain unchanged. It is important to read it carefully.

This endorsement applies separately to each location for which Sewer back up is specified on the Declarations Page.

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED BELOW OR IN THE FORM TO WHICH THIS ENDORSEMENT IS ATTACHED.

1. Indemnity Agreement

Coverage is extended, up to the amounts of insurance for each item specified on the Declarations Page, to direct physical loss or damage caused by "sewer back up".

2. Limit of Liability

If an amount of insurance is specified for this endorsement on the Declarations Page, the liability of the Insurer shall be limited to such amount.

3. Deductible

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

This clause applies separately to each "premises" to which this endorsement applies.

4. Definitions

Whenever used in this endorsement:

"Sewer back up" means the backing up or overflow, within the area bounded by the bearing walls and foundations of the building described on the Declarations page, of water from within sewers, sumps, septic tanks or drains other than 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.

Extension of Coverage – Roof Water

915 117 (2022-03)

This endorsement applies only if it is shown on the Declarations Page.

This endorsement modifies the policy and is subject to the terms under the following forms, where applicable:

COMMERCIAL PROPERTY INSURANCE
– BROAD FORM

CONDOMINIUM CORPORATION INSURANCE
– BROAD FORM

WAREHOUSEMAN'S LEGAL LIABILITY
INSURANCE

Except as otherwise provided under this endorsement, all other terms of the policy remain unchanged. It is important to read it carefully.

This endorsement applies separately to each location for which it is specified on the Declarations Page.

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED HERE-AFTER.

1. Indemnity Agreement

Coverage is extended, up to the amounts of insurance for each item specified on the Declarations Page, to direct physical loss or damage caused by "roof water".

2. Limit of Liability

If an amount of insurance is specified for this endorsement on the Declarations Page, the

liability of the Insurer shall be limited to such amount.

3. Deductible

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

4. Definitions

Whenever used in this endorsement, "roof water" means the entrance of water or natural precipitation temporarily diffused over the surface of the roof.

This endorsement applies only if it is shown on the Declarations Page.

This endorsement modifies the policy and is subject to the terms under the following forms, where applicable:

COMMERCIAL PROPERTY INSURANCE

– BROAD FORM

CONDOMINIUM CORPORATION INSURANCE

– BROAD FORM

Except as otherwise provided under this endorsement, all other terms of the policy remain unchanged. It is important to read it carefully.

This endorsement applies separately to each location for which it is specified on the Declarations Page.

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN THE FORM TO WHICH THIS ENDORSEMENT IS ATTACHED.

1. Indemnity Agreement

Coverage is extended, provided an amount of insurance in any one occurrence is specified on the Declarations Page, and only while they are inside any "building" at the "premises", the Insurer will, subject to all the terms of the policy, indemnify the Insured against the direct physical loss or damage caused to the Insured's records of accounts receivable, during the policy period, but only for:

- a) all sums due to the Insured from customers because he is unable to effect collection thereof as a direct result of the loss of or damage to records of accounts receivable;
- b) interest charges on any loan to offset temporarily impaired collections pending repayment of such sums made uncollectible by such loss or damage;
- c) collection expenses in excess of normal collection costs and made necessary because of such loss or damage;
- d) other expenses, when reasonably incurred by the Insured in re-establishing records of accounts receivable following such loss or damage.

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

2. Deductible

The Insurer is liable for the amount by which the loss or damage caused by an insured peril exceeds the amount of the deductible specified on the Declarations Page 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.

3. Insured Perils

This form, except as otherwise provided, insures against all risks of direct physical loss of or damage to records of accounts receivable.

4. Other Excluded Losses

In addition to the exclusions provided in the Property Insurance form to which this endorsement is attached, this endorsement does not insure against loss or damage:

- a) due to bookkeeping, accounting or billing errors or omissions;
- b) the proof of which, as to factual existence, is dependent upon accounting procedures, including inventory computation; but the Insured may use such means in support of a claim for loss which he can prove, through evidence wholly apart therefrom, is due solely to a risk of loss to records of accounts receivable not otherwise excluded hereunder;
- c) due to alteration, manipulation, falsification, concealment, disposal or destruction of records of accounts receivable committed to conceal the wrongful abstraction of money, securities or other property.

5. Special Provision

It is warranted by the Insured that he will protect and secure his records of accounts receivable and keep appropriate copies thereof at a place of safety, except while in actual use.

6. Extensions of Coverage

The following extensions of coverage provide amounts of insurance that are in addition to the amount of insurance specified on the Declarations Page for accounts receivable. The extensions of coverage apply only if shown on the Declarations Page and are subject to all the terms of the policy.

a) Records of accounts receivable at a temporary location

Coverage is extended, provided an amount of insurance in any one occurrence is specified on the Declarations Page, to records of accounts receivable other than at the specified location, except while in transit or outside of Canada. There shall be no liability under this extension of coverage for records of accounts receivable at any location owned, rented or controlled in whole or in part by the Insured.

b) Records of accounts receivable in transit

Coverage is extended, provided an amount of insurance in any one occurrence is specified on the Declarations Page, to records of accounts receivable in course of transit within Canada or the continental United States of America, except for storage purposes or while temporarily outside the "premises".

7. Loss Settlement

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

- a) 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;
- b) calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve (12) months immediately preceding the month in which the loss occurs, or such part thereof for which the Insured has furnished monthly statements to the Insurer, as compared with such average for the same months of the preceding year;
- c) the amount determined under a) above, increased or decreased by the percentage calculated under b) above shall be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss or damage occurs;
- d) the amount determined under c) above shall be increased or decreased to reflect 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;
- e) there shall be deducted from the total amount of accounts receivable:
 - i) the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by the Insured;
 - ii) an amount to allow for probable bad debts which would normally have been uncollectible;
- f) with respect to accounts receivable with deferred payments, all unearned interest and service charges shall be deducted.

This endorsement applies only if it is shown on the Declarations Page.

This endorsement modifies the policy and is subject to the terms under the following forms, where applicable:

COMMERCIAL PROPERTY INSURANCE
– BROAD FORM

CONDOMINIUM CORPORATION INSURANCE
– BROAD FORM

Except as otherwise provided under this endorsement, all other terms of the policy remain unchanged. It is important to read it carefully.

This endorsement applies separately to each location for which it is specified on the Declarations Page.

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED BELOW OR IN THE FORM TO WHICH THIS ENDORSEMENT IS ATTACHED.

1. Indemnity Agreement

Coverage is extended, provided an amount of insurance in any one occurrence is specified on the Declarations Page, to direct physical loss or damage caused to any of the insured property during the policy period by an insured peril, subject to all the terms of the policy.

The Insurer shall not be liable for more than the interest of the Insured in the property nor for more than the value of the lost or damaged property as determined in clause 8.

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

2. Insured Property

This form covers direct physical loss or damage to "valuable papers" and "electronic media" owned by the Insured and to property of others for which the Insured may be held liable and only while they are inside any "building" at the "premises".

3. Deductible

The Insurer is liable for the amount by which the loss or damage caused by an insured peril exceeds the amount of the deductible specified on the Declarations Page 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.

4. Insured Perils

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

5. Other Excluded Losses

In addition to the exclusions provided in the Property Insurance form to which this endorsement is attached, this endorsement does not insure against loss or damage directly or indirectly:

- a) caused to property not specifically described on the Declarations Page, if such property cannot be replaced with other of like kind and quality;
- b) resulting from loss of use of the insured property or loss of sums due to the Insured which the Insured is unable to collect because of loss of or destruction or damage to the insured property;
- c) resulting from errors or omissions in transcribing or re-establishing the insured property.

6. Special Provision

It is warranted by the Insured that he will protect and secure the "valuable papers" and "electronic media" and keep appropriate copies thereof at a place of safety, except while in actual use.

7. Extensions of Coverage

The following extensions of coverage provide amounts of insurance that are in addition to the amount of insurance specified on the Declarations Page for "valuable papers". The extensions of coverage apply only if shown on the Declarations Page and are subject to all the terms of the policy.

a) Property at a temporary location

Coverage is extended, provided an amount of insurance in any one occurrence is specified on the Declarations Page, to "valuable papers" other than at the specified location, except while in transit or outside of Canada. There shall be no liability under this extension of coverage for property at any location owned, rented or controlled in whole or in part by the Insured.

b) Property in transit

Coverage is extended, provided an amount of insurance in any one occurrence is specified on the Declarations Page, to "valuable papers" in course of transit within Canada or the continental United States of America, except for storage purposes or while temporarily outside the "premises".

8. Loss Settlement

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

- a) for "valuable papers" other than as described in b) below, the liability of the Insurer shall not exceed the cost of blank materials for reproducing the records and the cost of labour to transcribe or copy the records when there is a duplicate;
- b) for "electronic media", even if "data" are not insured, the liability of the Insurer shall not exceed the cost of labour to reproduce such media from duplicates or from originals of the previous generation of the media.

9. Definitions

Wherever used in this form:

- a) "Money" means currency, coins, bank notes, bullion, platinum and other precious metals and alloys, travelers cheques, registered cheques and money orders held for sale to the public.
- b) "Valuable papers" means written, printed or otherwise inscribed documents and records, including "electronic media", books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts, but does not mean "money" and "securities".
- c) "Securities" means all negotiable and non-negotiable instruments or contracts, which include revenue and other stamps in current use, tickets and tokens, but does not include "money".

Extension of Coverage – Tenants Move Back Expenses

915 211 (2017-09)

This endorsement applies only if it is shown on the Declarations Page.

This endorsement modifies the policy and is subject to the terms under the following forms, where applicable:

EXTENDED RENTAL INCOME INSURANCE
– BROAD FORM

CONDOMINIUM CORPORATION'S
EXTENDED RENTAL INCOME INSURANCE
– BROAD FORM

RENTAL INCOME INSURANCE

EXTENDED BUSINESS AND RENTAL
INCOME INSURANCE – ACTUAL LOSS
SUSTAINED – BROAD FORM

Except as otherwise provided under this endorsement, all other terms of the policy remain unchanged. It is important to read it carefully.

This endorsement applies separately to each location for which it is specified on the Declarations Page.

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED BELOW OR IN THE FORM TO WHICH THIS ENDORSEMENT IS ATTACHED.

1. Indemnity Agreement

Coverage is extended, provided an amount of insurance in any one occurrence is specified on the Declarations Page, to expenses incurred by the Insured during the "indemnity period" to move back the "tenants" to the "premises" because

they had to temporarily vacate the "building" due to untenability as a result of an insured peril.

Coverage is limited to the following expenses:

- a) packing, transporting and unpacking of "tenants' property"; and
- b) the net cost for "tenants" to re-establish their utility and telecommunication services, after any refunds due to the "tenants" for the disconnection of such services.

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

2. Deductible

The Insurer is liable for the amount by which the loss or damage caused by an insured peril exceeds the amount of the deductible specified on the Declarations Page for this endorsement in any one occurrence.

Should an occurrence give rise to the application of more than one deductible amount for any one "premises", only the highest deductible will be applied.

3. Special Provisions

This extension of coverage is applicable only if the following conditions are satisfied:

- a) Moving expenses apply only to "tenants" who intend to reoccupy a unit or apartment on the "premises"; and
- b) The Insurer will indemnify the Insured only when the "tenants" have reoccupied such units or apartments.

4. Definitions

Wherever used in this endorsement:

- a) "Indemnity period" means the period not exceeding sixty (60) consecutive days after the completion date of the repair or "replacement" of the "building".
- b) "Tenants" means anyone who is lawfully and permanently residing in a unit or apartment on the "premises" under a lease or other agreement.
- c) "Tenants' property" means the personal and commercial property belonging to the "tenants".

Extension of Coverage – Credit Card Forgery or Alteration

915 219 (2017-09)

This endorsement applies only if it is shown on the Declarations Page.

This endorsement modifies the policy and is subject to the terms of the Dishonesty, Disappearance and Destruction Insurance Form.

Except as otherwise provided under this endorsement, all other terms of the policy remain unchanged. It is important to read it carefully.

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED BELOW OR IN THE FORM TO WHICH THIS ENDORSEMENT IS ATTACHED.

1. Insuring Agreement

The Insurer will pay up to the amount of insurance shown on the Declarations Page for this Insuring form for loss sustained by the Insured directly through forgery or alteration of a "credit card" issued in the name of the Insured or, at his request, of any "employee", and used exclusively for the Insured's business purposes, provided the person or entity to which the "credit card" had been issued have fully complied with all the provisions, conditions and other terms under which the "credit card" was issued.

2. Deductible

For any one occurrence under this endorsement, the Insurer is liable for the amount by which the loss exceeds the amount of the deductible specified on the Declarations Page.

Should any occurrence give rise to the application of more than one deductible amount, only the highest will be applied.

3. Limits of Liability

Payment of loss hereunder shall not reduce the Insurer's liability for other losses sustained under this endorsement.

The applicable amount of insurance stated on the Declarations Page is the total limit of the Insurer's liability with respect to all loss of property by forgery or alteration arising out of any one occurrence, regardless of the number of victims. All loss incidental to an actual or attempted forgery or alteration act or series of related acts, whether committed by one or more persons, shall be deemed to arise out of one occurrence.

Regardless of the number of years this endorsement shall continue in force and the number of premiums which shall be payable or paid, the limit of the Insurer's liability as specified on the

Declarations Page shall not be cumulative from year to year or period to period. The amount of insurance is in Canadian currency.

4. Special Provision

If the Insured shall refuse to pay any of the "credit cards" alleging its forgery or alteration and such refusal shall result in suit being brought against the Insured to enforce such payment for any "credit card" forgery or alteration covered by this endorsement and the Insurer shall give its written consent to the defense of such suit, then any reasonable attorneys' fees, court costs, or similar legal expenses incurred and paid by the Insured in such defense shall be construed to be a loss under this endorsement. The payments made under this special provision will not reduce the limit of insurance.

5. Definition

Whenever used in this endorsement:

"Credit card" means a credit, debit or prepaid card issued by a financial institution or a service company.