

105 Adelaide Street West, Suite 700  
 Toronto, Ontario, M5H 1P9  
 1.855.620.6262 | www.northbridgeinsurance.ca  
 info@nbfc.com

Dear Valued Customer,

Thanks for choosing Northbridge Insurance to help protect you and your business. When you chose us, you chose a partner with specialized expertise you can count on to meet your unique insurance needs. We work closely with your insurance broker to ensure you're protected every step of the way.

As we approach your time for renewal, we want you to know how much we value your past business with us. Because your current policy is expiring soon, we've renewed your coverage based on the following information we have on file for your company:

Description of your operations		Amount
Condominium Corporation - Multiple Occupancy - Mixed-Use Commercial	Square Feet	54,342
Commercial Strata Building Ownership		

- We assumed in providing you Cyber Risk coverage that:**
- You enable vendor updates for all software and operating systems;**
  - You maintain and regularly update virus and malware protection on your computer system; and**
- We encourage you to maintain an established and documented system backup and recovery procedure.**

Now's a great time to think about anything that's happened in the past year that might require changes to your coverage. If your business circumstances have changed, including any changes to the information provided above, contact your insurance broker and we'll work together to find the right protection for your needs.

Beginning on the next page, you'll find the complete renewal package for your insurance policy that outlines your coverage and the corresponding premium. Please be sure to review this package carefully. If you have any questions, or would like to make any changes to your policy, contact your insurance broker.

For additional information about Northbridge Insurance, we invite you to visit our website at [www.northbridgeinsurance.ca](http://www.northbridgeinsurance.ca) [info@nbfc.com](mailto:info@nbfc.com) or follow us on Twitter [@northbridgeins](https://twitter.com/northbridgeins).

Once again, thank you for choosing Northbridge Insurance!

Continued on Page 2

Yours sincerely,



Silvy Wright  
President & CEO  
Northbridge



# Table of Contents

<b>Your Premium</b>	<b>2</b>
<b>Declarations</b>	<b>4</b>
<b>Coverage Schedule</b>	<b>4</b>
Commercial Property - Property, Business Interruption and Equipment Breakdown	4
Crime	5
Commercial General Liability	6
Non-Owned Automobile Liability	6
Professional Liability	6
<b>Coverage Features</b>	<b>8</b>
<b>Named Insured</b>	<b>10</b>
<b>Policy Wordings</b>	<b>11</b>
<b>Legal Assist</b>	<b>169</b>
<b>Cyber Risk</b>	<b>170</b>
<b>Privacy Notice</b>	<b>171</b>

**THIS POLICY CONTAINS CLAUSES THAT  
MAY LIMIT THE AMOUNT PAYABLE**



# Your Renewal Premium

**\$12,462.00**

(plus taxes where applicable)

This document provides details of your renewed insurance policy. Please review it carefully to make sure your business information is still accurate and your coverage still meets the needs of your business.

If you have any questions, please contact your broker.

**Policy Number:** P04146562  
**Policy Effective:** May 28, 2024  
**Policy Expiration:** May 28, 2025, 12:01 am  
**Insurer:** Northbridge General Insurance Corporation  
 www.northbridgeinsurance.ca  
 info@nbfc.com

Policyholder		Brokerage	
<b>Named Insured:</b>	Owners of Strata Plan EPS 2712	<b>Brokerage:</b>	Western Coast Insurance Services
<b>Address:</b>	133B - 8257 92 ST, DELTA, BC V4G 0A4 Canada	<b>Address:</b>	110-29 Helmcken Road, 2nd Floor, Victoria, BC V8Z 5G5
<b>Description of Operations:</b>	Commercial Strata Building Ownership	<b>Telephone:</b>	888.517.7171

## Summary of changes:

### Commercial Property - Property and Business Interruption

- Location address has been amended to 8275 92nd ST, DELTA, BC, V4G 0A4.
- Limit of Building Coverage for 8257 92nd Street, DELTA, BC, V4G 0A4 - Building 1 has been amended to \$4,004,000.
- Limit of Building Coverage for 8275 92nd ST, DELTA, BC, V4G 0A4 - Building 1 has been amended to \$4,009,000.

### General

- Your premium has been amended.

Contact your broker if you have any questions at: **888.517.7171.**



## More than just a policy:



**Flexible Payment Options** let you pay for your policy all at once, monthly, or in an installment plan using a variety of payment methods, including credit card!  
☎ 1.800.797.4281



**24/7 Claims Service** is available for you 24 hours a day, 7 days a week, making your claim settlement easy and stress-free when you need it most.  
☎ 1.855.621.6262



**Trauma Assist<sup>1</sup>** offers confidential 24-hour counseling services to help you and your employees cope with the emotional effects of a loss.



**Risk Management Assist<sup>TM2</sup>** gives you access to our Risk Services specialists, who can answer questions and provide guidance on a variety of property, auto and liability loss prevention topics.  
☎ 1.833.692.4111



**Legal Assist Services<sup>3</sup>** provides you access to legal assistance and practical solutions for matters affecting your business. It includes a telephone legal helpline, document review and simple legal letter drafting services, and access to customizable legal templates.  
Refer to legal assist services page for details on accessing these services.



**Blanket Coverage** offers extra protection for your property and includes a variety of coverages up to a limit of \$500,000. This limit can be used for one or more coverages under the extension.



**Cyber Risk Coverage** gives you complimentary access to our CyberScout service, which provides you with proactive measures to protect against cyber risk, and reactive assistance in the event of a privacy breach.  
☎ 1.833.258.4395

<sup>1</sup> Trauma Assist provided by Family Services Employee Assistance Programs.

<sup>2</sup> Services intended to augment your internal safety, compliance and risk management practices.

<sup>3</sup> Legal Assist. Insurance provided by **ARAG Legal Solutions Inc.** and offered through Contact + Insurance Network Ltd.



# Declarations

Overview of your coverages

## Coverage Schedule - Your core coverages in this policy

### Commercial Property - Property, Business Interruption and Equipment Breakdown

.....  
**LOCATION 1 - 8257 92nd Street, DELTA, BC V4G 0A4**  
 .....

**Building 1 - (Building A)**

Form	Coverage	Limit	Deductible
CP0001E05	Building	\$4,004,000	\$1,000
CP0016E02	Equipment Breakdown excluding Production	Included	\$1,000/24 hours
CP0009E02	Machinery Endorsement Business Income	Actual Loss Sustained	24 hours
CP0010E04	Coverage Extensions Endorsement For Business Interruption		

.....  
**Additional Location Level Details:**

Form	Coverage	Limit	Deductible
CP0005E01	Earthquake Shock Endorsement	Included	10%
CP0006E01	Flood Endorsement	Included	\$10,000
CP0002E05	Sewer Back-up	Included	\$2,500
CP0020E01	Limitation - Water Damage Deductible Endorsement	-	\$2,500

.....  
**LOCATION 2 - 8275 92nd ST, DELTA, BC V4G 0A4**  
 .....

**Building 1 - (Building B)**

Form	Coverage	Limit	Deductible
CP0001E05	Building	\$4,009,000	\$1,000
CP0016E02	Equipment Breakdown excluding Production	Included	\$1,000/24 hours
CP0009E02	Machinery Endorsement Business Income	Actual Loss Sustained	24 hours
CP0010E04	Coverage Extensions Endorsement For Business Interruption		

.....  
**Additional Location Level Details:**

Form	Coverage	Limit	Deductible
CP0005E01	Earthquake Shock Endorsement	Included	10%
CP0006E01	Flood Endorsement	Included	\$10,000
CP0016E02	Diagnostic Equipment	\$250,000	See Form



**Commercial Property - Property, Business Interruption and Equipment Breakdown (continued)**

LOCATION 2 (continued)

Additional Location Level Details: (continued)

Form	Coverage	Limit	Deductible
	(Applicable only to locations/buildings where Equipment Breakdown or Equipment Breakdown Including production machinery is selected)		
CP0002E05	Sewer Back-up	Included	\$2,500
CP0020E01	Limitation - Water Damage Deductible Endorsement	-	\$2,500

ADDITIONAL PROPERTY EXTENSIONS AND ENDORSEMENTS

Form	Coverage	Limit	Deductible
CP0002E05	Automatic Blanket Coverage Extension	\$500,000	See Form
CP0002E05	Newly Acquired or Constructed Buildings or Business Property	\$1,500,000	See Form
CP0003E01	Condominium Corporation Endorsement	\$200,000	See Form
CP0011E01	Actual Loss Sustained - 12 month Period of Indemnity	-	-
CP0010E04	Off Premises Heat, Power, Gas, Water or Communication Services	\$25,000	-
CP0010E04	Non Owned Heat, Power, Gas, Water or Communication Services	\$25,000	-

**Crime**

Form	Coverage	Limit	Deductible
CP0012E04	Employee Dishonesty	\$10,000	\$1,000
CP0012E04	Money And Securities	\$10,000	\$1,000
CP0012E04	Forgery Or Alteration	\$10,000	\$1,000
CP0012E04	Money Orders And Counterfeit Currency	\$10,000	\$1,000
CP0012E04	Credit Card Forgery	\$10,000	\$1,000
CP0012E04	Computer Fraud, Funds Transfer Fraud And Telephone Systems Fraud	\$10,000	\$1,000
CP0012E04	Social Engineering Fraud	\$2,500	\$1,000
CP0012E04	False Pretence	\$10,000	\$1,000

EXTENSIONS AND ENDORSEMENTS

Form	Coverage	Limit	Deductible
CP0012E04	Third Party Employee Dishonesty Extension	\$5,000	See Form



**Commercial General Liability**

Form	Coverage	Limit	Deductible
CL0001E01	Commercial General Liability (Occurrence Basis)		
CL0001E01	Each occurrence limit	\$5,000,000	
	- Property Damage Deductible		\$1,000
CL0001E01	Personal and Advertising Injury	\$5,000,000	-
CL0001E01	Products - Completed Operations Aggregate	\$5,000,000	-
CL0001E01	General Aggregate	\$5,000,000	-
CL0001E01	Employee Benefits Liability	\$1,000,000	\$1,000
		per occurrence/ \$1,000,000 aggregate	

**EXTENSIONS AND ENDORSEMENTS**

Form	Coverage	Limit	Deductible
CL0400E01	Extension - Employers' Bodily Injury Liability Coverage	Included	See Form
CL0403E01	Endorsement Extension - Voluntary Compensation Benefits	-	-
	Endorsement		

**RATING BASIS**

Description of Operations	Exposure Base	Exposure
Condominium Corporation - Multiple Occupancy - Mixed-Use Commercial	Square Feet	54,342
Commercial Strata Building Ownership		

**Non-Owned Automobile Liability**

Form	Coverage	Limit	Deductible
CL0003E01	Non-Owned Automobile Liability (SPF #6)	\$5,000,000	-

**EXTENSIONS AND ENDORSEMENTS**

Form	Coverage	Limit	Deductible
CL0003E01	Legal Liability for Damage to Hired Automobiles	\$75,000	\$1,000
	Endorsements (SEF #94)		

**Professional Liability**



.....  
**CYBER RISK**  
 .....

Form	Coverage	Retroactive Date	Limit	Deductible
CL2003E04	Cyber Risk Policy Aggregate		\$50,000	-
	<b>First Party Insuring Agreements</b>			
CL2003E04	Incident Response Expenses		\$50,000	\$1,000
CL2003E04	Data Recovery Expenses and Bricking		\$50,000	\$1,000
CL2003E04	Extortion Expenses		\$50,000	20% co-payment
CL2003E04	Business Interruption Loss and Reputational Harm 120 days		\$50,000	24 hours
	<b>Third Party Insuring Agreements</b>			
CL2003E04	Cyber and Privacy Liability	May 28, 2023	\$50,000	-
CL2003E04	Media Liability	May 28, 2023	\$50,000	-
CL2003E04	Regulatory Proceeding Expense	May 28, 2023	\$50,000	-
CL2003E04	PCI Assessments	May 28, 2023	\$50,000	-



Coverage Features - Your additional coverage benefits in this policy

**Policy Level**

30 Day Cancellation Clause	Included
One deductible	

**Property**

Co-insurance:	
- Buildings	No co-insurance

**Coverage Extensions**

Automatic Blanket Coverage Extension	\$500,000
<ul style="list-style-type: none"> <li>- Accounts Receivable</li> <li>- Valuable Papers</li> <li>- Limited Electronic Data Restoration</li> <li>- EDP Equipment, Data and Media Breakdown</li> <li>- Personal Effects (including Volunteers); maximum \$2,500 per person / per occurrence</li> <li>- Fine Arts</li> <li>- Consequential Loss OnSite Equipment</li> <li>- Consequential Loss OffSite Interruption</li> <li>- Condominium Unit Coverage Loss Assessment</li> <li>- Condominium Unit Coverage Contingent</li> <li>- Peak Season</li> <li>- Brands and Labels</li> <li>- Building Damage by Theft</li> <li>- Fire Department Service Charges</li> <li>- Automatic Fire Suppression System Recharge Expenses</li> <li>- Extra Expense / Expediting Expense</li> <li>- Professional Fees</li> <li>- Roadways, Walkways, Parking Lots</li> <li>- Outdoor Property</li> <li>- Growing Plants, Lawns, Trees, Shrubs or Flowers in the Open</li> <li>- Debris Removal</li> <li>- Removal of Windstorm Debris</li> <li>- Terminated Lease</li> <li>- Tenant's Leasehold Interest - Rents</li> <li>- Master Key Coverage</li> <li>- Environmental Upgrade</li> </ul>	
Newly Acquired or Constructed Buildings or Business Property	\$1,500,000 Max. 90 days
Property Off Premises including Property on Exhibition	\$25,000
Property in Transit	\$25,000Canada & USA; Debris Removal = 25% of Transit Limit; Worldwide = \$10,000; Pollutant Removal = 10% of Transit Limit;
Installation Floater	\$25,000
Identity Theft Expense	\$50,000
Building By-Laws	Included

**Property (continued)**

Automatic Inflation Adjustment	Included
Stock Subject to Public Health Declaration	Included
Pollutant Cleanup and Removal	\$50,000
Property of Tenants or Registered Guests of a Hotel or Apartment or Members, Guests of Business and Residents of Health Care facilities	\$1,000 per occurrence/\$5,000 aggregate
Furs, Fur Garments, Jewels and Jewellery	\$5,000
Deferred Payment Plan (Stock)	\$50,000
Product Recall Expense	\$25,000
Rewards	\$10,000
Recovery Expense	\$50,000
Protection of Property	up to 30 days
Permissions for Repairs	\$50,000
Enhanced Pairs, Sets and Parts	Included
Errors and Unintentional Omissions in Description	\$1,500,000
Confiscation or Seizure of Business Personal Property	\$50,000
Extortion Payments	\$10,000
Hook Liability	\$50,000
Voluntary Parting	\$10,000

**Equipment Breakdown**

(Applicable only to locations/buildings where Equipment Breakdown or Equipment Breakdown Including production machinery is selected)

Diagnostic Equipment	Included
- with a replacement cost value up to \$250,000	
Ammonia Contamination	\$250,000
Water Damage	\$250,000
Hazardous Substance	\$250,000
Fungi and Spores	\$250,000

**Business Interruption**

12 -month period of indemnity

**Coverage Extensions**

Business Income, Property in transit	\$5,000
Loss of Business Income at Newly Acquired Locations	\$250,000
Contingent Business Income Coverage Including Royalties	\$50,000Canada & Continental USA,\$25,000 worldwide



**Business Interruption (continued)**

Coverage Extensions	
Accountants Fees	\$25,000
Off Premises Heat, Power, Gas, Water or Communication Services	\$25,000
Non Owned Heat, Power, Gas, Water or Communication Services	\$25,000
Down Zoning Loss of Income	Included
Fines, Damages or Penalties for Breach of Contract	\$25,000
Enhanced Ingress, Egress and Civil Authority	Max. 30 days
Emergency Vacating Expense	\$10,000
Negative Publicity	\$10,000
Retailers Product Impairment	\$10,000
Mortgage Rate Guarantee	\$25,000
Tenant Lease Cancellation Expense	\$10,000
Errors and Unintentional Omissions in Description	\$500,000

**Crime**

Coverage Extensions	
Professional Fees	\$10,000
Third Party Employee Dishonesty Extension	\$5,000

**Commercial General Liability**

Tenants' Legal Liability	\$500,000
Medical Payments	\$25,000
Employee Benefits Liability	\$1,000,000 per occurrence/ \$1,000,000 aggregate
Fungi and Spores Liability	\$250,000
Contingent Employers Liability	
Contractual Liability	
Incidental Medical Malpractice	
Automatic Coverage for Newly Acquired Subsidiaries (90 Day Reporting)	
Separation of Insureds, Cross Liability	
Broad Form Property Damage	

**Commercial General Liability (continued)**

Employees and "Volunteer Workers" and Unit Owners of Condominiums as Additional Insureds	
Blanket Additional Insureds (as Required by Contract)	

**Non-Owned Automobile Liability**

Non-Owned Automobile Liability (SPF #6)	
Legal Liability for Damage to Hired Automobiles Endorsements (SEF #94)	\$75,000
Contractual Liability Endorsements (SEF #96)	
Excluding Long Term Leased Vehicle Endorsement (SEF #99)	
Reduction of Coverage for Lessees or Drivers of Leased Vehicles Endorsement (OE 98B)	

**Cyber Risk**

Crisis Management and Public Relations	
Forensics	
Notification costs	
Breach Coaching	
Upgraded Data Assets	Lesser of \$50,000/5% of Cyber Risk policy aggregate
Voluntary Shutdown	
Business Interruption Accountant Fees	Lesser of \$50,000/10% of total amount payable for business interruption loss



## Named Insured

**Legal Name**

Owners of Strata Plan EPS 2712

**Operating Name**



# Policy Wordings

## Details of your policy

CC0024	Code Of Consumer Rights And Responsibilities	12
CC0011	Policyholder notification, Statutory Conditions, General Conditions and General Coverage Extensions	13
CP0001	Commercial Property Form	31
CP0002	Coverage Extensions Endorsement For Commercial Property	51
CP0005	Earthquake Shock Endorsement	76
CP0006	Flood Endorsement	78
CP0020	Limitation - Water Damage Deductible Endorsement	80
CP0003	Condominium Corporation Endorsement	81
CP0016	Equipment Breakdown Excluding Production Machinery Endorsement	83
CP0009	Business Interruption Form	88
CP0010	Coverage Extensions Endorsement For Business Interruption	94
CP0011	Business Interruption - Actual Loss Sustained Endorsement	102
CP0012	Crime Form	103
CL0001	Commercial General Liability Form	119
CL0400	Extension - Employers' Bodily Injury Liability Coverage Endorsement	139
CL0403	Extension - Voluntary Compensation Benefits Endorsement	140
CL0003	Non-owned Automobile Liability Form	143
CL2003	Cyber Risk Form	148



## Code of Consumer Rights and Responsibilities

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

### **Right to Be Informed**

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

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

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

### **Responsibility to Ask Questions and Share Information**

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

### **Right to Complaint Resolution**

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

### **Responsibility to Resolve Disputes**

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

### **Right to Professional Service**

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

### **Right to Privacy**

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



## POLICYHOLDER NOTIFICATION

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

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

If you have any questions, please contact your broker or agent.

### **THIS POLICY CONTAINS CLAUSES THAT MAY LIMIT THE AMOUNT PAYABLE**

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

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

Silvy Wright  
President & CEO  
Northbridge



The Statutory Conditions and General Policy Conditions apply to all of the perils insured by this Policy (including fire). In respect of the Commercial General Liability and Umbrella Liability, if part of this Policy, only Conditions 2., 3., 4., 5. and 15 apply.

## STATUTORY CONDITIONS and GENERAL POLICY CONDITIONS

(Applicable to the Province of Ontario)

### MISREPRESENTATION

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

### PROPERTY OF OTHERS

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

### CHANGE OF INTEREST

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

### MATERIAL CHANGE

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

### TERMINATION

5. (1) This contract may be terminated,
  - (a) by the insurer giving to the insured fifteen days notice of termination by registered mail or five days written notice of termination personally delivered or delivered by prepaid courier if there is a record by the person who delivered it that the notice has been sent;
  - (b) by the insured at any time on request.
- (2) Where 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, but, in no event, shall the proportionate premium for the expired time be deemed to be less than 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) Where this contract is terminated by the insured, the insurer shall refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
- (4) The refund may be made by money, postal or express company money order or cheque payable at par.
- (5) The fifteen days mentioned in clause (1)(a) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed. The five days mentioned in clause (1)(a) of this condition commences to run on the day following the day there is a record by the person who delivered it that the notice has been sent.

### REQUIREMENTS AFTER LOSS

6. (1) Upon the occurrence of any loss of or damage to the insured property, the insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11,
  - (a) forthwith give notice thereof 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 destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed,
    - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
    - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
    - (iv) showing the amount of other insurances and the names of other insurers,
    - (v) showing the interest of the insured and of all others in the property with particulars of all 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 property insured was at the time of loss;
  - (c) if required, give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value;
  - (d) if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.
- (2) The evidence furnished under clauses (1)(c) and (d) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

## FRAUD

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

## WHO MAY GIVE NOTICE AND PROOF

8. Notice of loss may be given and proof of loss may be made by the agent of the insured named in the contract in case of absence or inability of the insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or if the insured refuses to do so, by a person to whom any part of the insurance money is payable.

## SALVAGE

9. (1) The insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.
- (2) The insurer shall contribute proportionately towards any reasonable and proper expenses in connection with steps taken by the insured and required under subcondition (1) of this condition according to the respective interests of the parties.

## ENTRY, CONTROL, ABANDONMENT

10. After loss or damage to insured property, the insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and, after the insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage, but the insurer is not entitled to the control or possession of the insured property, and without the consent of the insurer there can be no abandonment to it of insured property.

## APPRAISAL

11. In the event of disagreement as to the value of the property insured, 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 therefor is made in writing and until after proof of loss has been delivered.

## WHEN LOSS PAYABLE

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

## REPLACEMENT

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

## ACTION

14. Every action or proceeding against the insurer for the recovery of a claim under or by virtue of this contract is absolutely barred unless commenced within one year next after the loss or damage occurs.

## NOTICE

15. (1) Written notice may be given to the insurer in the following ways:
1. It may be personally delivered at the chief agency or head office of the insurer in the Province.
  2. It may be sent by registered mail to the chief agency or head office of the insurer in the Province.
  3. It may be delivered by electronic means.
- (2) Written notice may be given to the insured named in the contract in the following ways:
1. It may be personally delivered.
  2. It may be delivered by prepaid courier to the latest address of the insured on the records of the insurer if there is a record by the person who has delivered it that the notice has been sent.
  3. It may be sent by registered mail to the latest address of the insured on the records of the insurer.
  4. It may be delivered by electronic means, if the insured consents to delivery by electronic means.
- (3) In this condition, the expression "registered" means registered in or outside Canada.



The Statutory Conditions apply to all of the perils insured by this Policy (including fire). In respect of the Commercial General Liability and Umbrella Liability, if part of this Policy, only Conditions 2., 3., 4., 5. and 14 apply.

## STATUTORY CONDITIONS

(Applicable to the Provinces of British Columbia, Alberta, Saskatchewan and Manitoba)

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

### MISREPRESENTATION

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

### PROPERTY OF OTHERS

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

### CHANGE OF INTEREST

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

### MATERIAL CHANGE IN RISK

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

### TERMINATION OF INSURANCE

5. (1) The contract may be terminated:
  - (a) by the insurer giving to the insured 15 days' notice of termination by registered mail\* or 5 days' written notice of termination personally delivered, or
  - (b) by the insured at any time on request.

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

\* recorded mail in Alberta.

\*\* the day following the day on which the registered letter or notification of it is delivered to the insured's postal address in Saskatchewan.

### REQUIREMENTS AFTER LOSS

6. (1) On the happening of any loss or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,
  - (a) immediately give notice in writing to the insurer,
  - (b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration,
    - (i) giving a complete inventory of that property and showing in detail quantities and costs of that property and particulars of the amount of loss claimed,
    - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
    - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
    - (iv) stating the amount of other insurances and the names of other insurers,



- (v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
- (vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
- (vii) stating the place where the insured property was at the time of loss,
- (c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
- (d) if required by the insurer and if practicable,
  - (i) produce books of account and inventory lists,
  - (ii) furnish invoices and other vouchers verified by statutory declaration, and
  - (iii) furnish a copy of the written portion of any other relevant contract.
- (2) The evidence given, produced or furnished under subparagraph (1)(c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

## FRAUD

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

## WHO MAY GIVE NOTICE AND PROOF

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

## SALVAGE

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

## ENTRY, CONTROL, ABANDONMENT

10. After loss or damage to insured property, the insurer has:

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

## IN CASE OF DISAGREEMENT

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

## WHEN LOSS PAYABLE

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

## REPAIR OR REPLACEMENT

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

## NOTICE

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

\* recorded mail in Alberta



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

## GENERAL CONDITIONS

(Applicable to the Province of Quebec)

Reference to Civil Code articles in some instances is for easier reading only and should not be construed as exact quotations. For all coverages except where inapplicable.

### 1. STATEMENTS

#### 1.1 Representation of risk (Article 2408)

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

The client means the person submitting an insurance application.

#### 1.2 Material change in risk (Articles 2466 and 2467)

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

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

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

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

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

#### 1.4 Warranties (Article 2412)

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

### 2. GENERAL PROVISIONS

#### 2.1 Insurable interest (Articles 2481 and 2484)

(Applicable only to property insurance)

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

#### 2.2 Changes (Article 2405)

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

#### 2.3 Assignment (Articles 2475 and 2476)

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

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

#### 2.4 Books and records

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

#### 2.5 Inspection

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

#### 2.6 Currency

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



### 3. LOSSES

#### 3.1 Notice of loss (Article 2470)

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

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

#### 3.2 Information to be provided (Article 2471)

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

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

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

#### 3.3 False representation (Article 2472)

Any deceitful representation entails the loss of the right of the person making it to any indemnity in respect of the risk to which the representation relates. However, if the occurrence of the event insured against entails the loss of both movable and immovable property or of both property for occupational use and personal property, forfeiture is incurred only with respect to the class of property to which the representation relates.

#### 3.4 Intentional Fault (Article 2464)

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

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

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

#### 3.5 Notice to police

*(applicable to property insurance only)*

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

#### 3.6 Safeguarding and examination of property (Article 2495)

*(applicable to property insurance only)*

At the expense of the Insurer, the Insured must take all reasonable steps to prevent further loss or damage

to the insured property and any further loss or damage resulting directly or indirectly from the Insured's failure to take such action shall not be recoverable.

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

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

#### 3.7 Admission of liability and cooperation

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

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

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

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

#### 3.8 Right of action (Article 2502)

*(applicable to liability insurance only)*

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

### 4. COMPENSATION AND SETTLEMENT

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

*(applicable to property insurance only)*

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

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

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

#### 4.2 Pair and set

*(applicable to property insurance only)*

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

#### 4.3 Parts

*(applicable to property insurance only)*

In the case of loss of or damage to any part of the insured property, whether scheduled or unscheduled,



consisting, when complete for use, of several parts, the Insurer is not liable for more than the insured value of the part lost or damaged, including the cost of installation.

**4.4 Fire insurance (Articles 2485 and 2486)**  
(applicable to property insurance only)

In fire insurance, the insurer is bound to repair any damage which is an immediate consequence of fire or combustion, whatever the cause, including damage to the property during removal or that caused by the means employed to extinguish the fire, subject to the exceptions specified in the policy. The insurer is also liable for the disappearance of insured things during the fire, unless he proves that the disappearance is due to theft which is not covered.

The insurer is not liable for damage caused solely by excessive heat from a heating apparatus or by any process involving the applications of heat where there is no fire or commencement of fire but, event where there is no fire, the insurer is liable for damage caused by lightning or the explosion of fuel.

An insurer who insures a property against fire is not liable for damage due to fires or explosions caused by foreign or civil war, riot or civil disturbance, nuclear explosion, volcanic eruption, earthquake or other cataclysm.

**4.5 Replacement (Article 2494)**  
(applicable to property insurance only)

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

**4.6 Time of payment (Articles 1591, 2469 and 2473)**

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

Any outstanding premium may be deducted from the indemnity payable.

**4.7 Property of others**  
(applicable to property insurance only)

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

**4.8 Waiver**

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

**4.9 Limitation of actions (Article 2925)**

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

**4.10 Subrogation (Article 2474)**

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

rights of the Insured against persons responsible for the loss except when they are members of the Insured's household. The Insurer may be fully or partly released from his obligation towards the Insured where, owing to any act of the Insured, he cannot be so subrogated.

**5. OTHER INSURANCE**

**5.1 Property insurance (Article 2496)**

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

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

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

**5.2 Liability insurance**

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

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



## 6. CANCELLATION (*Articles 2477 and 2479*)

This policy may be cancelled at any time:

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

Where one or more of the Names Insureds have been mandated to receive or send the notices provided for under paragraph a) or b) above, notices sent or received

by them shall be deemed to have been sent or received by all Named Insureds.

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

## 7. NOTICE

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

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



The Statutory Conditions and General Policy Conditions apply to all of the perils insured by this Policy (including fire). In respect of the Commercial General Liability and Umbrella Liability, if part of this Policy, only Conditions 2., 3., 4., 5. and 15 apply.

## STATUTORY CONDITIONS and GENERAL POLICY CONDITIONS

(Applicable to the Provinces of New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland and Labrador and the Territories of Yukon, Northwest and Nunavut)

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

### MISREPRESENTATION

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

### PROPERTY OF OTHERS

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

### CHANGE OF INTEREST

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

### MATERIAL CHANGE

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

### TERMINATION OF INSURANCE

5. (1) This contract may be terminated:
  - (a) by the insurer giving to the insured fifteen days' notice of termination by registered mail, or five days' written notice of termination personally delivered; or
  - (b) by the insured at any time on request.
- (2) Where this contract is terminated by the insurer:
  - (a) the insurer shall refund the excess of premium actually paid by the insured over the *pro rata* premium for the expired time, but in no event shall the *pro rata* premium for the expired time be deemed to be less than 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) Where this contract is terminated by the insured, the insurer shall refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.

- (4) The refund may be made by money, postal or express company money order or by cheque payable at par\*.

- (5) The fifteen days mentioned in clause (a) of subcondition (1) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

\* or electronic funds transfer in Northwest Territories.

### REQUIREMENTS AFTER LOSS

6. (1) Upon the occurrence of any loss of or damage to the insured property, the insured shall, if such loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10, and 11:
  - (a) forthwith give notice thereof 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 destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed,
    - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
    - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
    - (iv) showing the amount of other insurances and the names of other insurers,
    - (v) showing the interest of the insured and of all others in the property with particulars of all 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 property insured was at the time of loss;
  - (c) if required give a complete inventory of undamaged property and showing in detail quantities, cost, actual cost value;



(d) if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.

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

**FRAUD**

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

**WHO MAY GIVE NOTICE AND PROOF**

8. Notice of loss may be given, and proof of loss may be made, by the agent of the insured named in the contract in case of absence or inability of the insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or if the insured refuses to do so, by a person to whom any part of the insurance money is payable.

**SALVAGE**

9. (1) The insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to any such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.

(2) The insurers shall contribute *pro rata* towards any reasonable and proper expense in connection with steps taken by the insured and required under subparagraph (1) of this condition according to the respective interests of the parties.

**ENTRY, CONTROL, ABANDONMENT**

10. After any loss or damage to insured property, the insurer shall have 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, and, after the insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage, but the insurer shall not be entitled to the control or possession of the insured property, and without the consent of the insurer there can be no abandonment to it of insured property.

**APPRAISAL**

11. In the event of disagreement as to the value of the property insured, 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 therefor is made in writing and until after proof of loss has been delivered.

**WHEN LOSS PAYABLE**

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

**REPLACEMENT**

13. (1) The insurer, instead of making payment, may repair, rebuild, or replace the property damaged or lost, giving written notice of its intention to do within thirty days after receipt of the proofs of loss.

(2) In that event the insurer shall commence to so repair, rebuild, or replace the property within forty-five days after receipt of the proofs of loss, and shall thereafter proceed with all due diligence to the completion thereof.

**ACTION**

14. Every action or proceeding against the insurer for the recovery of any claim under or by virtue of this contract shall be absolutely barred unless commenced within one year\* next after the loss or damage occurs.

\*two years in the Territories of Yukon, Northwest and Nunavut.

**NOTICE**

15. Any written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the Province or Territory. Written notice may be given to the insured named in this contract by letter personally delivered to him or by registered mail addressed to him at his latest post office address as notified to the insurer. In this condition, the expression "registered" means registered in or outside Canada.



**SHORT RATE CANCELLATION TABLE**

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

Days Policy in Force	% of Premium Retained	Days Policy in Force	% of Premium Retained	Days Policy in Force	% of Premium Retained	Days Policy in Force	% of Premium Retained
1-3	8	93 -96	32	185-188	56	277-280	80
4-7	9	97 - 99	33	189-192	57	281-284	81
8-11	10	100 - 103	34	193-195	58	285-288	82
12-15	11	104 - 107	35	196-199	59	289-292	83
16-19	12	108 - 111	36	200-203	60	293-296	84
20-23	13	112 - 115	37	204-207	61	297-299	85
24-26	14	116 - 119	38	208-211	62	300-303	86
27-30	15	120 -122	39	212-215	63	304-307	87
31-34	16	123 -126	40	216-219	64	308-311	88
35-38	17	127 -130	41	220-222	65	312-315	89
39-42	18	131 -134	42	223-226	66	316-318	90
43-46	19	135 -138	43	227-230	67	319-322	91
47-49	20	139 -142	44	231-234	68	323-326	92
50-53	21	143 -146	45	235-238	69	327-330	93
54-57	22	147 -149	46	239-242	70	331-334	94
58-61	23	150 -153	47	243-245	71	335-338	95
62-65	24	154 -157	48	246-249	72	339-341	96
66-69	25	158 -161	49	250-253	73	342-345	97
70-73	26	162 -165	50	254-257	74	346-349	98
74-76	27	166 -169	51	258-261	75	350-353	99
77-80	28	170 -172	52	262-265	76	354-365	100
81-84	29	173 -176	53	266-268	77		
85-88	30	177 -180	54	269-272	78		
89-92	31	181 -184	55	273-276	79		



## GENERAL PROVISIONS and CONDITIONS FORM

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

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

Other words and phrases that appear in quotation marks have special meanings. Refer to the definitions within each Form or Automobile Policy Form.

### GENERAL PROVISIONS and CONDITIONS

#### APPLICABLE TO ALL FORMS, AUTOMOBILE POLICIES AND ENDORSEMENTS

##### 1. ASSIGNMENT

Assignment of this Policy will not be valid except with our written consent. However, in the event of your death, the insurance afforded by this Policy will apply to:

- (a) your legal representative but only while acting within the scope of his or her duties as such; or
- (b) the person having temporary custody of the subject of this insurance but only until the appointment and qualification of the legal representative.

##### 2. CONFORMITY WITH STATUTE

Where the terms of this Policy and forms attached hereto are in conflict with the statutes of the:

- (a) province, territory or state shown on the Declarations and the country of such province, territory or state; or
- (b) province, territory or state of Canada or the United States of America and its possessions in which the insured property is situated, but only with respect to such insured property;

such terms are amended to conform to such statutes.

##### 3. EXAMINATION OF YOUR BOOKS AND RECORDS

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

##### 4. INSPECTIONS AND SURVEYS

(a) We have the right to:

- (i) make inspections and surveys at any time;
- (ii) give you reports on the conditions we find; and
- (iii) recommend changes.

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

- (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 us, 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 we may make relative to certification, under provincial or municipal statutes, ordinances, bylaws or regulations, of boilers, pressure vessels or elevators.

##### 5. LIBERALIZATION

If, during the policy period, we adopt a coverage change to any Form, Automobile Policy or Endorsement currently forming part of your Policy and for which we have assigned a standard form number, or rules or regulations affecting the Policy are revised by statute or otherwise, so as to broaden the insurance coverage without an additional premium charge, such extended or broadened insurance will become a term of this Policy and will be used to your benefit.

##### 6. NOTICE

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

Notice from the first Insured named on the Declarations will constitute notice from all Insureds.



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

In this condition, the expression “registered” will mean registered in or outside Canada.

Notice to the first Insured named on the Declarations will constitute notice to all Insureds.

**7.A. TERMINATION OF INSURANCE**

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

- (a) We agree that where notice of termination is for any reason other than non-payment of premium, we will not terminate this Policy without first giving each Named Insured 30 days’, or as otherwise specified on the Coverage Features Page of the Declarations, written notice of termination by registered mail or 5 days’ notice if personally delivered.

Except in the Province of Quebec, the 30 days, or as otherwise specified on the Coverage Features Page of the Declarations, mentioned in sub condition (a) of this provision commences to run on the day following receipt of the registered letter at the post office to which it is addressed.

In the Province of Quebec, the 30 days, or as otherwise specified on the Coverage Features Page of the Declarations, mentioned in sub condition (a) of this provision commences to run from the date of receipt of the notice of termination at your latest known address.

- (b) We agree that where notice of termination is due to non-payment of premium, we will not terminate this Policy without first giving each Named Insured 15 days’ written notice of termination by registered mail.

Except in the Province of Quebec, the 15 days mentioned in sub condition (b) of this provision commences to run on the day following receipt of the registered letter at the post office to which it is addressed.

In the Province of Quebec, the 15 days mentioned in sub condition (b) of this provision commences to run from the date of receipt of the notice of termination at your latest known address.

**7.B. SPECIAL PROVISIONS AND EXCLUSIONS RELATING TO AUTOMOBILE**

- (a) YUKON, PRINCE EDWARD ISLAND, NOVA SCOTIA, NEWFOUNDLAND, NEW BRUNSWICK

This coverage may be terminated:

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

- (b) NORTHWEST TERRITORIES

This coverage may be terminated:

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

- (c) QUEBEC

- (i) This Policy may be cancelled at any time at your request and we will, upon surrender of the Policy, refund the excess of paid premium above the premium earned for the time the Policy has been in force on the basis of the Cancellation Table appearing in Q.P.F. No. 1, except that we will, in no event, retain less than the minimum retained premium specified on the Declarations.

- (ii) We may cancel this Policy within 60 days after its effective date by sending a written notice to each of the Named Insureds or their representative. Cancellation takes effect 15 days after such notice is received by each of the Named Insureds or their representative, at their last known address.

- (iii) We may cancel this Policy after 60 days after its effective date only if:

- 1) there has been an aggravation of risk which is likely to substantially influence a reasonable Insurer in the decision to maintain the Policy; or
- 2) the premium has not been paid.

We will send a written notice to each of the Named Insureds or their representative. Cancellation takes effect:

- a) 30 days after receipt of such notice by each of the Named Insureds or by their representative, at their last known address; or



- b) 15 days after receipt of such notice by each of the Named Insureds or by their representative, at their last known address if the described vehicle is a vehicle under Title VIII.1, of the *Highway Safety Code*, and is not a school bus.
- (d) ONTARIO  
This contract may be terminated
  - (i) by the Insurer:
    - 1) if the termination is for a reason other than non-payment, this contract may be terminated by the Insurer giving to the Insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered;
    - 2) if the termination is for the reason of non-payment, this contract may be terminated by the Insurer giving to the Insured 30 days' notice of termination by registered mail or 10 days' written notice of termination personally delivered;
    - 3) if, on two previous occasions in respect of the contract, the Insurer has given a notice of termination for non-payment, on the third notice, the Insurer may give notice of cancellation giving to the Insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered;
    - 4) for the purpose of this clause, the day on which the insurer gives the notice by registered mail shall be deemed to be the day of mailing.
  - (ii) by the Insured at any time upon request.

## 8. WAIVER OF TERM OR CONDITION

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

## 9. CHANGES

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

## 10. CANADIAN CURRENCY CLAUSE

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

## 11. PREMIUMS

The first Named Insured shown on the Declarations:

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

## 12. REPRESENTATIONS

By accepting this Policy, you agree:

- (a) the statements in the Declarations are accurate and complete;
- (b) those statements are based upon representations you made to us;
- (c) we have issued this Policy in reliance upon your representations; and
- (d) to the terms and conditions of the Policy we have issued.

## 13. TIME OF INCEPTION

To the extent that coverage in this Policy replaces coverage in other policies terminating 12:01 a.m. Standard Time at the Insured's mailing address on the inception date of this Policy, coverage under this Policy shall not become effective until such other coverage has terminated.

Notwithstanding the foregoing, it is agreed that the actual effective time of this insurance will be the same time on the specified date as the actual effective time of cancellation or expiration of the policy(ies) replaced or renewed by this Policy.

## 14. TITLES OF PARAGRAPHS

The several titles of the various paragraphs of this Policy (and of forms or endorsements if any, now or hereafter attached to this Policy) are inserted solely for convenience of reference and shall not be deemed in any way to limit or affect the provisions to which they relate.



**15. COOPERATION**

You must cooperate with us in the investigation and settlement of all claims presented under this Policy.

**16. SINGLE AMOUNT OF INSURANCE**

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

**17. LANGUAGE**

The parties hereto have requested that the present agreement be drafted in the English language. Les parties aux présentes ont requis que la présente convention soit rédigée dans la langue anglaise.

**GENERAL COVERAGE EXTENSIONS**

**APPLICABLE TO ALL FORMS, AUTOMOBILE POLICIES AND ENDORSEMENTS**

**(1) One Deductible**

Only the highest deductible will be applied to, or retention will be incurred by you for, any settlement that affects coverages in one or more Forms or risk locations of this Policy, per “occurrence”.

If such loss includes coverage under any Automobile Policy or its Endorsement(s), then this One Deductible Coverage Extension does not apply to such Automobile Policy(ies) or its Endorsement(s) unless this Policy has been endorsed with the One Deductible Endorsement or any similar such endorsement.

This One Deductible Coverage Extension does not apply to:

- (i) the Commercial General Liability Form which has been endorsed with any Deductible Per Claimant Basis Endorsement or similar endorsement;
- (ii) the Commercial Property Form which has been endorsed with any:
  - (a) Earthquake Shock Endorsement or similar endorsement;
  - (b) Flood Endorsement or similar endorsement;
  - (c) Limitation - Windstorm or Hail Damage to Property in the Open Deductible Endorsement or similar endorsement; or
  - (d) any other endorsement which attaches to, forms part of or modifies the Commercial Property Form and which states this One Deductible Coverage Extension does not apply; or
- (iii) (a) the Builders Risk Form or Blanket Builders Risk Form which has been endorsed with the Builders Risk Earthquake Shock Endorsement or similar endorsement; or
  - (b) the Builders Risk Form or Blanket Builders Risk Form which has been endorsed with the Builders Risk Flood Endorsement or similar endorsement.

Wherever used in this Coverage Extension, “occurrence” means a loss or series of losses which are attributable directly or indirectly to one cause, disaster, casualty or event.

Notwithstanding the foregoing, any losses arising directly out of or contributed to the same cause, disaster, casualty or event occurring within 72 consecutive hours and commencing during the policy period will be deemed to be one “occurrence”.

**(2) Trauma Assistance\***

The following Coverage Extension applies, subject to terms and conditions provided herein:

**(i) Indemnity Agreement:**

We agree to extend the insurance provided by this Policy to pay for the reasonable costs of “confidential counseling” services provided by an “outside provider” to “eligible individuals” where such services are requested as a direct result of an “insured loss” occurring during the policy period. The “eligible individual” must request “confidential counseling” no later than 90 days after we have been notified of the “insured loss”.

We will also pay for the reasonable costs of “critical incident stress management” services provided by an “outside provider” to “eligible individuals” where such services are requested by you as a direct result of a “serious insured loss” occurring during the policy period. You must initiate the “critical incident stress management” services no later than 30 days after we have been notified of the “serious insured loss”.

**(ii) Limit of Liability:**

The most we will pay for all “confidential counseling” services and “critical incident stress management” services under this Coverage Extension in any one policy period is \$25,000.



**(iii) Additional Provisions:**

If any “eligible individual” has other insurance against a loss for which coverage is afforded under this Coverage Extension, the insurance afforded under this Coverage Extension shall be excess over such other insurance.

**(iv) Additional Exclusions:**

Coverage is not afforded under this Coverage Extension:

- (a) with respect to any request for “confidential counseling” arising out of an automobile loss if providing this coverage would not be in compliance with provincial regulations governing automobile insurance; or
- (b) where similar coverage is already provided, or is required to be provided, under any worker’s compensation, disability benefits, unemployment or employment compensation law or any similar law.

**(v) Definitions:**

Wherever used in this Coverage Extension:

- (a) “Confidential counseling” means twenty-four hour emergency services to handle social and emotional crises of “eligible individuals”. At the discretion of the “outside provider”, counseling may be done over the telephone or face-to-face. A maximum of 6 face-to-face or telephone sessions is allowed per “eligible individual” per “insured loss”. The length of each session will be no longer than 60 minutes. For each “eligible individual”, the counseling must be completed within 180 days of the date the request for counseling is first made.
- (b) “Critical incident stress management” means a comprehensive, integrated multi-component crisis intervention system that takes place at your premises.
- (c) “Eligible individual(s)” means:
  - (1) If you are designated on the Declarations as an individual, you;
  - (2) If you are designated on the Declarations as a partnership, you and your partners;
  - (3) If you are designated on the Declarations as an organization other than a partnership: the executive officers and directors of the organization, and any individual shareholders who own at least 1% of the issued and outstanding shares of the organization; and
  - (4) Your employees.

For any individual listed in (1), (2), (3) or (4) above, the following are also included as “eligible individual(s)”:

- i) The “spouse” of the individual;
- ii) Relatives who are residents of the same household of any person named above;
- iii) Other persons under the age of 21 who are residents of the same household and in the care of any person named above; and
- iv) An unmarried student who is enrolled in and actually attends a school, college or university and who is dependent on any person named above.
- (d) “Insured loss” means any loss reported to us where we have set up a claim; and:
  - (1) we are in the process of investigating the claim to determine if there is coverage under this Policy; or
  - (2) an amount has been paid under this Policy as a result of such claim.

Once a claim has been closed with no payment made, no additional “confidential counseling” will be provided to any “eligible individuals” unless such counseling was initiated while the loss giving rise to the claim was still considered an “insured loss”.
- (e) “Outside provider” means any employee assistance program service provider accredited by the Council on Accreditation, as selected by us at our sole discretion.
- (f) “Serious insured loss” means any “insured loss”:
  - (1) that constitutes a catastrophic loss to your property, or that involves a serious injury or fatality to an “eligible individual”; or
  - (2) where the use of “critical incident stress management” would be a valuable technique to deal with trauma suffered by multiple “eligible individuals” as a result of such “insured loss”.
- (g) “Spouse” means a person:
  - (1) who is married to or has entered into a civil union with another person and is living with that person; or



- (2) who has been living with another person of the opposite or the same sex and has been publicly represented as that person's spouse for at least three years; or in the following cases, for at least one year if:
  - i) a child has been born or is to be born of their union; or
  - ii) they have adopted a child together; or
  - iii) one of them has adopted a child of the other.

**(3) Declaration of Emergency Agreement – Extension of Termination or Expiry Date**

At your option, the effective date of termination of this Policy by us, or the expiry date, is extended, subject to the conditions and definition set out below, when an “emergency” is declared by a Canadian public authority designated by statute for the purpose of issuing such an order.

- (i) The “emergency” must have a direct effect or impact on:
  - (a) you, your insured risk location or site or insured property located in the declared “emergency” area; or
  - (b) our operations or our broker or agent located in the declared “emergency” area,
 and must prevent, or make it not possible, after exercising commercially reasonable efforts, for you to effectively renew or seek alternative insurance coverage.
- (ii) (a) Any time limitation described in GENERAL PROVISIONS and CONDITIONS 7.A., 7.B., the STATUTORY CONDITIONS or the GENERAL CONDITIONS (applicable to the province of Quebec), as applicable, with respect to termination of this Policy by us, will not continue to run until the “emergency” is terminated plus the lesser of:
  - (1) 30 days; or
  - (2) the number of days equal to the total time the “emergency” order was in effect.
- (b) If this Policy is due to expire during an “emergency”, it will continue in force until the “emergency” is terminated plus the lesser of:
  - (1) 30 days; or
  - (2) the number of days equal to the total time the “emergency” order was in effect.
- (iii) In no event will the total term of this extension exceed 120 consecutive days.
- (iv) This Coverage Extension does not apply to any Automobile Policy or its Endorsement(s).
- (v) The limits of insurance of this Policy will not be increased or reinstated, nor will any coverage or notice period provided by this Policy be changed, based on the extension of the effective date of termination or the expiry date of the Policy as described under this Coverage Extension. When this Policy's effective date of termination or expiry date is extended as described under this Coverage Extension, all other terms and conditions of the Policy will remain unchanged.
- (vi) You agree to pay the pro rata premium earned for the additional time the Policy remains in effect as a result of the above.
 

“Emergency” means the first statutory declaration of an emergency:

  - (a) with respect to a situation or an impending situation that constitutes a danger of major proportions that could result in serious harm to persons or substantial damage to property and that is caused by:
    - (1) the forces of nature;
    - (2) a disease or other health risk;
    - (3) an accident; or
    - (4) an act whether intentional or otherwise; or
  - (b) as provided for by the relevant governing legislation if different from (a) but does not include any subsequent statutory declaration(s) that may be issued relating to the same event.



## Commercial Property Form

### SECTION

#### 1. INDEMNITY AGREEMENT

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

- (a) the value of the property at the time and place of the loss or damage as described in **Section 10. VALUATIONS**;
- (b) your interest in the property;
- (c) someone else's interest in their property (including leased property) which is in your care, custody or control as described in **Section 2. INSURED PROPERTY (b) (i)**;
- (d) the amount of insurance specified on the "schedule" for the lost or damaged property.

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

For greater certainty, when property is specifically described on the "schedule", then we will not pay more than the amount of insurance on the "schedule" for the described property.

#### 2. INSURED PROPERTY

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

##### (a) Building(s):

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

- (i) Detached garages, storage buildings, unlicensed trailers, shipping containers and other structures, which are used in connection with your business and are located at the "scheduled risk location";
- (ii) The following property, if it is permanently attached to a building insured by this Form and used in connection with the building:
  - (1) fixtures;
  - (2) signs;
  - (3) wind turbines and solar panels and their related equipment and wiring;
  - (4) machinery and equipment;
  - (5) radio, television, or other antennas (including satellite dishes) and their masts and lead-in wiring;
  - (6) towers and lead-in wiring; and
  - (7) exterior glass including encasing frames for the glass and any lettering, ornamentation or burglar foil on the glass and security bars.

However, we do not consider such property that is connected to a building insured by this Form solely by wiring or cabling as being permanently attached to the building;

##### (iii) Personal property, which is owned by you and is used to maintain and service a building insured by this Form. This includes:

- (1) floor coverings;
- (2) fire protection equipment;
- (3) cooking, refrigerating, dishwashing, laundering and ventilating equipment. However, we will not indemnify you for other personal property in rooms or apartments that you rent to someone else;
- (4) yard equipment;
- (5) materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and alterations to the building insured by this Form or for building services; and
- (6) growing plants, trees, shrubs or flowers inside the building insured by this Form used for decorative purposes when you are the owner of the building, however we will only insure such property if it is lost or damaged directly by theft or attempted theft, or a "specified peril" as defined and limited in **Section 13. DEFINITIONS**; and

##### (iv) Outdoor furniture.

If not indemnified by insurance elsewhere:

- (v) Additions under construction, alterations and repairs to the buildings or structures insured by this Form and at the "scheduled risk location"; and



- (vi) Property waiting to be installed while on “premises”.
- (b) Business Personal Property:  
We will insure personal property which you own and use in your business at the “scheduled risk location(s)”. We will also insure the following while located at the “scheduled risk location(s)”:
  - (i) personal property which belongs, in whole or in part to someone else, including your employees’ tools, and which is in your care, custody or control, arising from and directly related to your business operations, including the cost of labour, materials or services furnished or arranged by you on such property (including leased personal property);
  - (ii) stock or work in progress which includes merchandise of every description, and packing, wrapping and advertising materials;
  - (iii) if you are a tenant in a building:
    - (1) the value of your interest in any alterations or additions you make to that building;
    - (2) signs attached to that building;
    - (3) the value of any fixtures or other installations you add or which are made to the part of that building; and
    - (4) exterior glass that is the property of others in your care, custody or control, including encasing frames for the glass and any lettering, ornamentation or burglar foil on the glass and security bars, which you occupy but which you do not own, but for which you are under obligation to keep insured or for which you are legally liable. This personal property is referred to as Tenants Improvements. If you purchased the used interest in any alterations or additions made by a previous tenant we will consider these alterations or additions as having been made at your expense; and
  - (iv) if the “scheduled risk location” is a condominium “unit” that you own, the fixtures, improvements and alterations within your “unit”.
- (c) Property of Every Description:  
If Property of Every Description is specified on the “schedule” for a “scheduled risk location”, the limits of liability for Building and Business Personal Property as insured at the applicable “scheduled risk location” are combined to provide one single limit of liability, hereinafter referred to as Property of Every Description (POED).

**3. DEDUCTIBLE**

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

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

**4. CO-INSURANCE CLAUSE**

Clause (d) applies separately to each item for which a co-insurance percentage is specified on the Coverage Features page of the Declarations and only where the amount of loss or damage exceeds the lesser of 5% of the applicable limit of liability or \$100,000.

- (a) We agree to not apply clause (d) to each item for which a co-insurance percentage is specified on the “schedule” if:
  - (i) (1) you provide us with a signed Statement of Values within 60 days of the inception date of each policy period; or
  - (2) you provide us with a signed Statement of Values after 60 days of the inception of the policy period of this term;
  - (ii) such Statement of Values is fully completed showing an amount of insurance for each item for each “scheduled risk location”;
  - (iii) the amount of insurance specified on the “schedule” is not less than the amount of insurance shown on the Statement of Values for each applicable item; and
  - (iv) each amount of insurance shown on the Statement of Values is acceptable to us. If we do not respond to you or your agent within 30 days of receipt of such Statement of Values then it will be deemed to have been accepted by us for the purpose of not applying clause (d).

However, clause (d) will apply if you fail to comply with all of the conditions of clause (a).

- (b) The date that clause (a) becomes effective is the day after the receipt by us of the Statement of Values. However if clause (a)(i)(1) applies then the effective date of clause (a) is the inception date of the policy period of this term.



- (c) If all of the conditions of clause (a) have been complied with then we agree to not apply clause (d) to items at “scheduled risk location(s)” added to the Policy after inception of the policy period of this term without the need to provide us with a revised Statement of Values.
- (d) You will maintain insurance concurrent with this Form on the insured property to the extent of at least the amount produced by multiplying the “replacement cost” value of the property by the co-insurance percentage specified on the “schedule”. If you fail to do so, you will be entitled to recover only that portion of any loss that the amount of insurance in force at the time of loss bears to the amount of insurance required to be maintained by this clause.

In the event that settlement is made on the valuation basis of “actual cash value” as provided for in **Sections 10. VALUATIONS** and **11. REPLACEMENT COST BASIS OF SETTLEMENT PROVISIONS**, then “actual cash value” shall be substituted for the term “replacement cost” value in this **Section 4. CO-INSURANCE CLAUSE**.

**5. INSURED PERILS**

This Form, except as otherwise provided, insures against all risks of direct physical loss of or damage to the insured property, occurring during the policy period.

**6. EXCLUDED PROPERTY**

This Form does not insure loss of or damage, unless insured by a specific Coverage Extension, to:

- (a) (i) sewers, drains or watermains located:
  - (1) beyond the property lines of the “scheduled risk location”; or
  - (2) within the property lines of the “scheduled risk location” if loss or damage is caused directly or indirectly, in whole or in part, by any tree or plant root; or
- (ii) radio, television or other antennas (including satellite dishes) or their masts or their lead-in wiring, towers or lead-in wiring, wind turbines or solar panels or their related equipment or wiring, utility poles or wiring, fences, or signs not permanently attached to insured buildings; except as otherwise provided under **Coverage Extensions Endorsement for Commercial Property, Section 1. AUTOMATIC BLANKET COVERAGE EXTENSION (19) Outdoor Property**;
- (b) property at locations which to your knowledge are vacant, unoccupied or shut down for more than 60 consecutive days.
 

A location will be considered vacant when it does not contain enough personal property to conduct customary operations. The following locations will not be considered vacant, unoccupied or shut down:

  - (i) A location which is under construction.
  - (ii) A location which is seasonally unoccupied or seasonally nonoperational if:
    - (1) such period of seasonal unoccupancy or seasonal nonoperation is scheduled to occur annually;
    - (2) you provide us with a fully completed and signed Seasonal Vacancy Questionnaire prior to the commencement of the seasonal vacancy; and
    - (3) you abide by all protection protocols you have previously advised us of as part of your Seasonal Vacancy Questionnaire, or otherwise;
- (c) electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing. This exclusion does not apply to property insured under **Coverage Extensions Endorsement for Commercial Property, Section 1. AUTOMATIC BLANKET COVERAGE EXTENSION (4) EDP Equipment, Data and Media Breakdown**, or loss or damage caused directly by resultant fire or explosion, all described and limited in **Section 13. DEFINITIONS (1)**;
- (d) growing plants, lawns, trees, shrubs or flowers, all while outside buildings, except as provided under **Coverage Extensions Endorsement for Commercial Property, Section 1. AUTOMATIC BLANKET COVERAGE EXTENSION (20) Growing Plants, Lawns, Trees, Shrubs or Flowers in the Open**;
- (e) live animals, fish or birds. This exclusion does not apply to loss or damage caused directly by theft or attempt thereat or by a “specified peril” as defined and limited in **Section 13. DEFINITIONS**;
- (f) (i) “money”, electronic currency (e-currency), “cash cards”, “securities”, stamps, tickets (except lottery tickets held for sale) or tokens;
- (ii) bullion, platinum, other precious metals or their alloys; or
- (iii) “valuable papers and records”, evidence of debt or title, except as provided under **Coverage Extensions Endorsement for Commercial Property, Section 1. AUTOMATIC BLANKET COVERAGE EXTENSION (2) Valuable Papers**;
- (g) “automobiles”, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property. This exclusion does not apply to:
  - (i) amphibious or air cushion vehicles held for sale; or



- (ii) unlicensed “automobiles” or unlicensed trailers:
  - (1) held for sale; or
  - (2) used in your business;
- (h) furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, precious stones or semi-precious stones, except as provided under **Coverage Extensions Endorsement for Commercial Property, Section 2. INDIVIDUAL COVERAGE EXTENSION (12) Furs, Fur Garments, Jewels and Jewellery**. This exclusion does not apply to any loss or damage caused directly by a “specified peril” as defined and limited in **Section 13. DEFINITIONS**;
- (i)
  - (i) property insured under the terms of any marine insurance; or
  - (ii) property while waterborne, except while on a regular ferry or railway car transfer in connection with land transportation;
- (j) property from the time of leaving your custody if it is:
  - (i) loaned or rented or leased to others; or
  - (ii) sold by you under conditional sale, instalment payment or other deferred payment plan; except as otherwise provided under **Coverage Extensions Endorsement for Commercial Property, Section 2. INDIVIDUAL COVERAGE EXTENSION (13) Deferred Payment Plan (Stock)**.

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

- (k) property:
  - (i) illegally acquired, kept, stored or transported; or
  - (ii) seized or confiscated for breach of any law or by order of any public authority.

This exclusion (k) (ii) does not apply to loss or damage to insured property directly caused by or resulting from acts of destruction ordered by such public authority and taken at the time of a conflagration for the purpose of retarding or preventing its further spread if such fire is an insured peril, or as otherwise provided under **Coverage Extensions Endorsement for Commercial Property, Section 2. INDIVIDUAL COVERAGE EXTENSION (21) Confiscation or Seizure of Business Personal Property**;

- (l) property containing any polychlorinated biphenyls (also known as PCBs);
- (m)
  - (i) any pressure vessel, including its connected piping and equipment, which has normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure; or
  - (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, collapse, rupture, bursting, cracking, burning out or bulging of such property while connected ready for use.

This exclusion does not apply to:

- (1) manually portable gas cylinders;
- (2) explosion of natural, coal or manufactured gas; or
- (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, patios, bridges, retaining walls or permanently installed landscape structures outside the building except as provided under **Coverage Extensions Endorsement for Commercial Property, Section 1. AUTOMATIC BLANKET COVERAGE EXTENSION (18) Roadways, Walkways, Parking Lots**;
- (o) property while actually being worked upon and directly resulting from such work or caused by any repairing, adjusting or servicing of property, except as provided under **Coverage Extensions Endorsement for Commercial Property, Section 2. INDIVIDUAL COVERAGE EXTENSION (1) Newly Acquired or Constructed Buildings or Business Property**. This exclusion does not apply to loss or damage caused directly by resultant fire or explosion as described and limited in **Section 13. DEFINITIONS (1)**;
- (p) “fine arts” except as otherwise provided under **Coverage Extensions Endorsement for Commercial Property, Section 1. AUTOMATIC BLANKET COVERAGE EXTENSION (6) Fine Arts**. This exclusion does not apply to any loss or damage caused directly by a “specified peril” as defined and limited in **Section 13. DEFINITIONS**; or
- (q)
  - (i) water or groundwater;
  - (ii) land value; or
  - (iii) land, except aggregate used for retaining walls or permanently installed landscape structures outside the building as provided under **Coverage Extensions Endorsement for Commercial Property, Section 1. AUTOMATIC BLANKET COVERAGE EXTENSION (18) Roadways, Walkways, Parking Lots**.



This exclusion (q) (i) does not apply to packaged water products.

This exclusion (q) (iii) does not apply to engineered aggregate, grout or slurry required to enable the repair, replacement or continued support of your insured property, solely in consequence of loss of or damage to said insured property caused directly by an insured peril, not to exceed the greater of:

- (1) \$25,000; or
- (2) 10% of the amount of insurance specified on the “schedule” for Building at the “scheduled risk location”, for any one “occurrence”. However this exception to exclusion (iii) does not apply if any Foundation Exclusion Endorsement, or similar, is specified on the “schedule” for the “scheduled risk location”.

Exclusions (i) and (iii) do not apply to coverage provided under **Coverage Extensions Endorsement for Commercial Property, Section 2. INDIVIDUAL COVERAGE EXTENSION (10) Pollutant Cleanup and Removal.**

**7. EXCLUSIONS**

**7.A. EXCLUDED PERILS**

This Form does not insure, unless insured by a specific Coverage Extension, 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 that portion of loss or damage caused directly by resultant fire, explosion, smoke, leakage from “fire protective equipment”, riot, vandalism or malicious acts, all as described and limited in **Section 13. DEFINITIONS (1)**, theft or attempted theft, provided such perils are not otherwise excluded in this Form. This exclusion does not apply to property insured under **Coverage Extensions Endorsement for Commercial Property, Section 2. INDIVIDUAL COVERAGE EXTENSION (4) Property in Transit;**
- (b) in whole or in part by “flood”, except for water which is normally contained within a “water container”. 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 that portion of loss or damage caused directly by resultant fire, explosion, smoke, leakage from “fire protective equipment”, riot, vandalism or malicious acts, all as described and limited in **Section 13. DEFINITIONS (1)**, theft or attempted theft, provided such perils are not otherwise excluded in this Form. This exclusion does not apply to property insured under **Coverage Extensions Endorsement for Commercial Property, Section 2. INDIVIDUAL COVERAGE EXTENSION (4) Property in Transit** or loss or damage caused directly by leakage from a watermain;
- (c) by:
  - (i) (1) seepage, leakage or influx of water derived from natural sources through any walls, doors, windows or other openings, foundations, basement floors, sidewalks or sidewalk lights; or
  - (2) water under the ground surface exerting pressure on any foundation or basement wall, unless concurrently and directly caused by a peril not otherwise excluded in this Form; or
  - (ii) “sewer back-up”, wherever located, except as otherwise provided under **Coverage Extensions Endorsement for Commercial Property, Section 2. INDIVIDUAL COVERAGE EXTENSION (2) Sewer Back-up.** This exclusion does not apply to loss or damage concurrently and directly caused by a peril not otherwise excluded in this Form; or
  - (iii) the entrance of rain, sleet, or snow through doors, windows, skylights or other similar wall or roof openings, unless through an aperture concurrently and directly caused by a peril not otherwise excluded in this Form or by thawing of such sleet, snow or ice on the insured building;
- (d) by centrifugal force, mechanical or electrical breakdown or “derangement”. This exclusion does not apply to property insured under **Coverage Extensions Endorsement for Commercial Property, Section 1. AUTOMATIC BLANKET COVERAGE EXTENSION (4) EDP Equipment, Data and Media Breakdown** or loss or damage caused directly from resultant fire;
- (e) (i) by dampness or dryness of atmosphere;
- (ii) by changes in or extremes of temperature, heating or freezing; or
- (iii) by total or partial interruption to the supply of electricity, water, gas, oil or steam except as otherwise provided under **Coverage Extensions Endorsement for Commercial Property, Section 1. AUTOMATIC BLANKET COVERAGE EXTENSION (8) Consequential Loss OffSite Interruption.**

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 Section 6. EXCLUDED PROPERTY** and resultant water damage to insured property directly resultant from such rupture of pipes or breakage of apparatus;



- (2) damage to pipes caused directly by freezing, unless such pipes are excluded in **paragraphs (a) and (m) of Section 6. EXCLUDED PROPERTY;**
- (3) loss of or damage to your Building and Business Personal Property, except “stock”, caused directly by a “specified peril” as defined and limited in **Section 13. DEFINITIONS**, theft or attempted theft; or
- (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; or
- (iii) by marring or scratching.

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

- (1) a “specified peril” as defined and limited in **Section 13. DEFINITIONS;**
- (2) rupture of pipes or breakage of apparatus not excluded in **paragraphs (a) and (m) of Section 6. EXCLUDED PROPERTY;**
- (3) theft or attempted theft; or
- (4) an accident to a transporting conveyance;
- (g) by smoke from agricultural smudging or industrial operations;
- (h) by gnawing, nesting or infestation, or discharge or release of waste products or secretions, by animals, including but not limited to, insects, birds, or rodents. If the gnawing, nesting or infestation, or discharge or release of waste products or secretions results in an insured peril, we will insure the resultant loss or damage to insured property;
- (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, Nuclear Liability and Compensation Act* or any other nuclear liability act, law or statute, or any amending law) or nuclear explosion. This exclusion applies whether or not there are one or more causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas, all as described and limited in **Section 13. DEFINITIONS (1);** or
- (ii) by contamination by radioactive material. This exclusion applies whether or not there are one or more causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage;
- (l) (i) by any dishonest or criminal act committed by you or your agent, acting alone or in collusion with others;
- (ii) by theft or attempted theft committed by any employee of yours, acting alone or in collusion with others; or
- (iii) by any dishonest or criminal act committed by anyone, except as stated in (l) (ii), when you or your agent knew or ought to have known prior to the loss or damage, of the dishonest or criminal act.

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

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

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

This exclusion (l) (ii) does not apply to physical damage caused directly by your employee which results from a peril not otherwise excluded in this Form.

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

- (m) by, in respect to property insured by:
  - (i) **Section 2. INSURED PROPERTY (a) Building(s);**
  - (ii) sewers, drains or watermains;
  - (iii) **Coverage Extensions Endorsement for Commercial Property**, or any such similar endorsement, **Section 1. AUTOMATIC BLANKET COVERAGE EXTENSIONS:**
    - (1) **(8) Consequential Loss OffSite Interruption;**



- (2) (9) Condominium Unit Coverage Loss Assessment;
- (3) (17) Professional Fees, but only with respect to architects, engineers, or other professionals;
- (4) (18) Roadways, Walkway, Parking Lots;
- (5) (19) Outdoor Property;
- (6) (20) Growing Plants, Lawns, Trees, Shrubs or Flowers in the Open;
- (7) (21) Debris Removal, but only with respect to Section 2. INSURED PROPERTY (a) Building(s);
- (8) (26) Environmental Upgrade, but only with respect to (i)(1); or

(iv) Coverage Extensions Endorsement for Commercial Property, or any such similar endorsement, Section 2. INDIVIDUAL COVERAGE EXTENSIONS:

- (1) (1) Newly Acquired or Constructed Buildings or Business Property, but only with respect to (i), (ii), (iii) and (iv) of this Coverage Extension;
- (2) (7) Building By-Laws;
- (3) (10) Pollutant Cleanup and Removal;
- (4) (18) Permission for Repairs; or
- (5) (23) Hook Liability,

snowslide, landslide, mudslide, mudflow, subsidence or other earth movement. This exclusion does not apply to loss or damage caused directly by resultant fire, explosion, smoke leakage from “fire protective equipment” or limestone sinkhole collapse, all as described and limited in Section 13. DEFINITIONS (1);

- (n) by, in respect to property insured by Section 2. INSURED PROPERTY (a) Building(s), explosion (except explosion of natural, coal, or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by you:
- (i) 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; or
  - (vi) steam or gas turbines.

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

(o) by, in respect to property insured by:

- (i) Section 2. INSURED PROPERTY (a) Building(s);
- (ii) sewers, drains and watermains;
- (iii) Coverage Extensions Endorsement for Commercial Property, Section 1. AUTOMATIC BLANKET COVERAGE EXTENSIONS:
  - (1) (8) Consequential Loss OffSite Interruption;
  - (2) (9) Condominium Unit Coverage Loss Assessment;
  - (3) (17) Professional Fees, but only with respect to architects, engineers, or other professionals;
  - (4) (18) Roadways, Walkway, Parking Lots;
  - (5) (19) Outdoor Property;
  - (6) (20) Growing Plants, Lawns, Trees, Shrubs or Flowers in the Open;
  - (7) (21) Debris Removal, but only with respect to Section 2. INSURED PROPERTY (a) Building(s); or
  - (8) (26) Environmental Upgrade, but only with respect to (i)(1); or



(iv) **Coverage Extensions Endorsement for Commercial Property, Section 2. INDIVIDUAL COVERAGE EXTENSIONS:**

- (1) **(1) Newly Acquired or Constructed Buildings or Business Property**, but only with respect to (i), (ii), (iii) and (iv) of this Extension of Coverage;
- (2) **(7) Building By-Laws;**
- (3) **(10) Pollutant Cleanup and Removal;** or
- (4) **(18) Permission for Repairs,**

settling, expansion, contraction, moving, shifting or cracking. This exclusion does not apply to loss or damage caused directly and concurrently by a peril not otherwise excluded;

- (p) by unauthorized instructions to transfer property to any person or to any place; or
- (q) by voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretence, except as provided in **Coverage Extensions Endorsement for Commercial Property, Section 2. INDIVIDUAL COVERAGE EXTENSION (24) Voluntary Parting.**

**7.B. 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” occurs during the policy period and 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”.

**7.C. DATA EXCLUSION**

- (a) This Form does not insure “data”, except as provided under **Coverage Extensions Endorsement for Commercial Property, Section 1. AUTOMATIC BLANKET COVERAGE EXTENSION (2) Valuable Papers.**
- (b) This Form does not insure loss or damage caused directly or indirectly by “data problem”. This exclusion (b) does not apply to:
  - (i) loss or damage caused directly by resultant fire, explosion, smoke or leakage from “fire protective equipment”, all as described and limited in **Section 13. DEFINITIONS (1);** or
  - (ii) coverage as provided under **Coverage Extensions Endorsement for Commercial Property, Section 1. AUTOMATIC BLANKET COVERAGE EXTENSIONS:**
    - (1) Accounts Receivable;**
    - (2) Valuable Papers;** or
    - (3) Limited Electronic Data Restoration,**
 but only if such “data problem” is the direct result of direct physical loss of or damage to insured property caused directly by a peril not otherwise excluded in this Form.

**7.D. 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.

**7.E. 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 that occurs during the policy period; 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”.



**7.F. BY-LAWS EXCLUSION**

This Form does not insure any loss, cost or expense proximately or remotely arising in consequence of or contributed to by the enforcement of any by-law, regulation, ordinance, building and construction code or law regulating zoning or the demolition, repair or construction of buildings or structures, which by-law, regulation, ordinance, building and construction code or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss, except as provided in **Coverage Extensions Endorsement for Commercial Property, Section 2. INDIVIDUAL COVERAGE EXTENSION (7) Building By-Laws.**

**7.G. COMMUNICABLE DISEASE EXCLUSION**

Notwithstanding any provisions to the contrary and for greater certainty, this Form does not insure any loss or damage directly or indirectly caused by, contributed to by, resulting from, arising out of, in response to, or in connection with any “communicable disease”, including but not limited to:

- (a) the fear or threat (whether actual or perceived) of a “communicable disease”;
- (b) any “communicable disease order”;
- (c) any voluntary or involuntary action taken or any failure to take any action by any person, entity or governmental authority, to control, prevent or suppress a “communicable disease” or to detoxify or decontaminate any person, property, animal, plant or environment;
- (d) any voluntary or involuntary action taken by any person, entity or governmental authority to suspend, in whole or in part:
  - (i) commercial or non-commercial operations; or
  - (ii) repair or replacement of any property;
 in response to a “communicable disease” or the fear or threat (whether actual or perceived) of a “communicable disease”;
- (e) any damage to, deterioration of, loss of value of or marketability of, or loss of use of property; or
- (f) loss of business income including but not limited to any:
  - (i) business interruption loss;
  - (ii) contingent business interruption loss; or
  - (iii) increased cost or expense;

of any kind, whether or not caused by, accompanied by or resulting from any loss of or damage to property.

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.

This exclusion does not apply to the exceptions to **Section 7.E. FUNGI AND SPORES EXCLUSION, items (a)(i) and (a)(ii).**

**7.H. OTHER EXCLUDED LOSSES**

This Form does not insure:

- (a)
  - (i) wear and tear;
  - (ii) rust, corrosion, oxidation or reduction; or
  - (iii) gradual deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself.

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

- (b) the cost of making good:
  - (i) faulty or improper material;
  - (ii) faulty or improper workmanship; or
  - (iii) faulty or improper design.

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

This Form does not insure resultant damage from faulty or improper material, faulty or improper workmanship, or faulty or improper design which would apply in the absence of a loss;

- (c) mysterious disappearance, or the shortage of equipment or “stock” disclosed on taking inventory; or
- (d) loss or damage that is intended by you or your agent, acting alone or in collusion with others.



This exclusion (d) does not apply:

- (i) to the proportion of ownership of the lost or damaged property of:
  - (1) your spouse, if you are a sole proprietor; or
  - (2) your partner(s), if your business is a partnership;
    - who did not know and did not ought to have known of the expected or intended act;
- (ii) to physical damage caused directly by your employee which results from a peril not otherwise excluded in this Form only if said employee was not directly or indirectly instructed by you to cause such physical damage; or
- (iii) if you or your agent have no control over the peril not otherwise excluded in this Form that directly results in such loss or damage.

**8. SUPPLEMENTARY PAYMENTS**

We will pay, with respect to any claim we investigate or settle, or any “action” against you that we defend:

- (i) all expenses we incur;
- (ii) the cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- (iii) all reasonable expenses incurred by you at our request to assist us in the investigation or defence of the claim or “action” or assist us in enforcing your rights of recovery against others, including your actual loss of earnings up to \$1,000 a day because of time off from work; and
- (iv) all costs assessed or awarded against you in the “action” and any interest accruing after entry of judgment upon that part of the judgment which is within the applicable limit of insurance.

These payments will not reduce the limit of insurance.

We will not be liable for any:

- (1) punitive damages, aggravated damages or exemplary damages, fines, penalties, storage charges, warehousing fees, hoisting fees or late delivery charges; or
- (2) damages because of bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

**9. PROVISIONS AND CONDITIONS**

All the **GENERAL PROVISIONS AND CONDITIONS** of the **General Provisions and Conditions Form** apply to this Form except those specifically stated to apply only to other Forms. In addition, the following Provisions and Conditions apply to this Form.

**(a) Examination of Records**

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

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

**(b) Permission**

Permission is granted:

- (i) for other insurance concurrent with this Form;
- (ii) to make additions, alterations or repairs; such additions, alterations or repairs shall not increase the amounts of insurance applying under this Form and are subject to all terms and conditions of this Form; and
- (iii) to do such work and to keep and use such articles, materials, and supplies in such quantities as are usual or necessary to your business.

**(c) Notice To Authorities**

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

**(d) Sue and Labour**

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

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



**(e) Other Insurance**

If, on the happening of any loss or damage to insured property there is in force any other insurance covering the same interest and such other insurance is:

- (i) concurrent in terms, provisions and conditions with insurance afforded by this Form, our liability hereunder shall be limited to our rateable proportion of such claim; or
- (ii) other than described in (i) above, this Form will apply only as excess insurance over any other valid and collectible insurance that would apply in the absence of this Form.

**(f) Insurance Under More Than One Coverage, Form or Endorsement**

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

Unless specified otherwise, if a loss insured under any coverage, Coverage Extension or endorsement of this Form also involves a loss under any other coverage or Coverage Extension of this Form, any other Form, its Coverage Extensions or any endorsement, then, the maximum limit of insurance will not exceed the highest applicable limit under any one coverage, Coverage Extension or endorsement.

**(g) Claims Against Third Parties**

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

**(h) No Benefit To Bailee**

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

**(i) Loss Payable Clause**

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

**(j) Property of Others**

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

**(k) Abandonment**

There can be no abandonment to us of any property.

**(l) Reinstatement**

Loss under any item of this Form will not reduce the applicable amount of insurance without payment of additional premium. The premium applicable to the amount of any loss payment will be fully earned up to the Policy expiration date.

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

**(m) Subrogation**

- (i) We, upon making any payment or assuming liability for payment under this Form, will be subrogated to all your rights of recovery against others and may bring action to enforce such rights. We shall have the right to control such subrogation. Following loss or damage, you will not take any action or inaction that harms or prejudices your or our rights of recovery against others.

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

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

for whom insurance is provided by this Form. If the “scheduled risk location” is a condominium building, independent contractors will not be considered agents or employees of the “condominium corporation”, its Directors, Property Managers, or of the “unit” owners.

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



- (iii) Any release from liability entered into by you prior to loss will not affect your right to recover.
- (n) **Recoveries**
  - (i) If either you or we recover any insured property after loss settlement under this Form, that party must give the other party prompt notice.
  - (ii) At your option, the insured property will be returned to you, and if so, you must return the amount we paid for such property. We will pay any reasonable recovery expense and reasonable repair cost for the recovered property, subject to the terms and conditions of this Form.
  - (iii) In the event loss settlement has been effected for loss under this Form and subsequent recovery(ies) is made of such lost or damaged property, you will only be entitled to any amount in excess of the amount we paid, less the actual cost of effecting such recovery(ies).
- (o) **Bankruptcy**  
Your bankruptcy or insolvency or your estates' bankruptcy or insolvency will not relieve us of our obligations under this Form.
- (p) **Examination Under Oath**  
If required by us following loss or damage to insured property, you must:
  - (i) submit to examination under oath;
  - (ii) produce for examination all documents in your possession or control that relate to the application for insurance and proof of loss; and
  - (iii) permit extracts and copies of such documents to be made by us;
 all at a reasonable place and time designated by us.
- (q) **Breach of Conditions**  
If you do not comply with a condition of this insurance, any claim for subsequent loss or damage is not recoverable. We will not deny a claim for this reason if you prove that the non-compliance neither caused nor worsened the loss or damage. Coverage will not be affected if you fail to comply with a condition in part of the "premises" over which you have no control.

**10. VALUATIONS**

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

- (a) on unsold "stock" – the "actual cash value" plus allowance for labour and materials expended for the purposes of performing work upon it;
- (b) on unsold merchandise, raw materials or other commodities bought and sold on an established market exchange – the posted price for the commodity at the time and place of the loss or damage after allowance for discounts and other expenses you otherwise would have incurred;
- (c) on sold "stock" – the selling price after allowance for discounts and other expenses you otherwise would have incurred;
- (d) on property of others in your care, custody or control for the purposes of sale on consignment, storage or performing work upon it – the amount for which you are liable but in no event to exceed the:
  - (i) "actual cash value" plus allowance for labour and materials expended to the time of loss or damage; or
  - (ii) "replacement cost" plus allowance for labour and materials expended to the time of loss or damage, but only if you are contractually required, as evidenced by a written contract executed prior to your acquiring care, custody or control of such property, to indemnify the owner of such property with "replacement cost" valuation basis.
 This clause (ii) does not apply with respect to self-propelled equipment that is 5 years old or more.
- (e) on tenant's improvements and betterments:
  - (i) If repaired or replaced with due diligence and dispatch, we will pay the reasonable cost to replace on the same site if possible, or if this is not possible, the cost of moving, temporary storage and restoration on another site.
  - (ii) If the tenant does not repair or replace such tenant's improvements, we will pay pro rata the original cost of the improvements for the balance of the lease term. If your lease contains a renewal option, the expiration of the renewal option will be used for the preceding calculation instead of the expiration of the current lease term.
  - (iii) Where tenant's improvements are not damaged or destroyed, if as result of an insured peril, your interest in building improvements reverts to the building owner, as a result of the building owner exercising the cancellation clause in the lease, we will pay your reasonable costs to replace the tenant's improvements at this or another location.



- (iv) We are not liable for any loss of leasehold interest in tenant's improvements resulting from your exercising an option to cancel the lease;
- (f) on surplus or obsolete property not in current or future use of your business operations – the “actual cash value”;
- (g) on property valued by us on an agreed or appraised value – the agreed or appraised amount unless the damaged property can be satisfactorily repaired at a lower cost and such repair does not compromise the value of such property;
- (h) on “fine arts” the “actual cash value” but in no event to exceed what it would cost to replace or satisfactorily repair such “fine arts”;
- (i) on patterns, moulds, dies, plates, models and forms – the “replacement cost” at the time and place of loss or damage to the insured property, whether such property is:
  - (i) your property; or
  - (ii) the property of others:
    - (1) in your care, custody or control for which you are liable; or
    - (2) in the custody of others to whom you have entrusted the property;
- (j) on all property where the valuation clause is shown as “actual cash value” on the “schedule” – the “actual cash value”;
- (k) on all buildings where the valuation clause is shown as wreckage value on the “schedule” – the amount to repair, replace, construct or reconstruct the building(s) or structure(s) but in no event exceeding the market value, immediately prior to the loss, of the used material comprising the building(s) or structure(s);
- (l) on all other property insured under this Form, the “replacement cost” at the time and place of the loss or damage occurs, as described and limited in **Section 11. REPLACEMENT COST BASIS OF SETTLEMENT PROVISIONS**, unless shown differently on the “schedule” or for which more specific conditions have been set out.

**11. REPLACEMENT COST BASIS OF SETTLEMENT PROVISIONS**

We agree to “replacement cost” valuation basis subject to the following provisions:

- (a) “Replacement” will be effected by you with due diligence and dispatch.
- (b) Settlement on a “replacement cost” valuation basis will be made only when “replacement” has been effected by you and in no event will it exceed the amount actually and necessarily expended for such “replacement”.
- (c) Any other insurance obtained by you or on your behalf in respect of the perils insured against by this Form on the property to which this Form is applicable will be on the valuation basis of “replacement cost”.
- (d) Failing compliance by you with any of the foregoing provisions, settlement will be made on the valuation basis of “actual cash value” and any reference to “replacement cost” in **Section 4. CO-INSURANCE CLAUSE** will be deemed to be a reference to the “actual cash value” of the insured property.

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

It is hereby provided and agreed that:

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

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

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

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

**b. Right of Subrogation**

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



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

**c. Other Insurance**

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

**d. Who May Give Proof Of Loss**

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

**e. Termination**

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

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

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

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

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

**13. DEFINITIONS**

Wherever used in this Form:

(1) "Specified Peril" means:

- (i) **Fire or Lightning**
- (ii) **Explosion**

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

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

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

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



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

The terms Aircraft and Spacecraft include articles dropped from them.

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

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

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

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

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

- (1) due to cessation of work or by interruption to processes or business operations or by change(s) in temperature;
- (2) due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under **Section 13. DEFINITIONS (1) Specified Peril clause (ii) Explosion;**
- (3) due to theft or attempt thereof. This exclusion (3) does not apply to resultant damage to buildings insured under this Form or for which you are liable.

**(v) Smoke**

The term Smoke means smoke due to:

- (1) a sudden, unusual and faulty operation of any stationary furnace; or
- (2) a fire which becomes uncontrollable or breaks out from where it was intended to be.

There will in no event be any liability under the terms of this Form for any cumulative damage.

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

The term Leakage from “fire protective equipment” means:

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

“fire protective equipment” for the “premises” or for adjoining structures.

**(vii) Windstorm or Hail**

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

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

**(viii) Sonic Shock Waves**

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

**(ix) Elevator Collision**

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

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

**(x) Limestone Sinkhole Collapse**

The term sinkhole collapse means the sudden sinking or collapse of insured property into underground empty spaces created by the action of water on limestone, dolomite, dolostone or other similar rock formations.

There will in no event be any liability under the terms of this Form for:

- (1) the cost of filling sinkhole(s);
- (2) sinking or collapse of insured property into man-made underground cavities.



**(xi) Falling Objects**

There will in no event be any liability under the terms of this Form for loss or damage caused by falling objects to:

- (1) Business Personal Property outside of any building; or
- (2) the interior of any building or structure, or insured property inside such building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

**(xii) Specified Water Damage**

Specified water damage is limited to sudden and accidental discharge or leakage of any liquid or steam solely as the direct result of the breaking apart or cracking of a:

- (1) plumbing;
- (2) heating;
- (3) air conditioning; or
- (4) other,

system or appliance, other than a sump system including its related equipment and parts, that is located at a “scheduled risk location” and normally contains such liquid or steam. There will in no event be any liability for loss or damage to the system or appliance stated above.

**(2) “Action” means:**

a civil proceeding in which damages because of loss of or damage to insured property to which this insurance applies are alleged. “Action” includes:

- (i) An arbitration proceeding in which such damages are claimed and to which you must submit to or do submit to with our consent; or
- (ii) Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit to with our consent.

**(3) “Actual cash value” means:**

the lesser of the cost of repair or the cost of “replacement” less any depreciation, however caused. In determining depreciation, we will consider:

- (i) the condition immediately before the loss or damage;
- (ii) the resale value immediately before the loss or damage;
- (iii) the normal life expectancy; and
- (iv) obsolescence.

“Actual cash value” is determined as at the time and place of loss of or damage to the insured property.

**(4) “Automobile” means:**

any self-propelled land vehicle.

**(5) “Cash cards” means:**

cards designed to store a cash value by electronic means as a mode of payment and without direct access to a bank or other account. “Cash cards” does not include electronic currency (e-currency).

**(6) “Clean up” means:**

the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of “pollutants”, including testing which is integral to these processes.

**(7) “Communicable disease” means any disease that can be transmitted, directly or indirectly, by means of any substance or agent from any organism to another organism where:**

- (i) the substance or agent includes, but is not limited to, any virus, bacterium, parasite or other organism or micro-organism, or its toxic products, or any variation thereof, whether deemed living or not;
- (ii) the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms; and
- (iii) the disease, substance or agent can cause or threaten damage to the health or welfare of any person, animal, plant or environment.

“Communicable disease” also includes any other disease, method of transmission, substance or agent or source described in a definition of communicable disease, infectious disease or any similar terms, in any applicable federal, provincial, territorial, state or municipal law or regulation, provided that such definitions shall not limit in any way the provisions of paragraphs (i) to (iii) inclusive of this definition.



- (8) “Communicable disease order” means any law, by-law, regulation, ordinance, order, announcement, pronouncement, advice, recommendation, suggestion or guidance, whether written or oral, of or made by any applicable federal, provincial, territorial, state or municipal government, governmental entity, public authority, civil authority, public health agency, instrumentality of any governmental entity, the police or the military in respect of any “communicable disease” or the threat or perceived threat of any “communicable disease”, whether issued or applicable prior to, during or after the spread of any “communicable disease”, including, without limitation, any such law, by-law, regulation, ordinance, order, announcement, pronouncement, advice, recommendation, suggestion or guidance that:
- (i) recommends, limits or prohibits, in whole or in part, access to or use of any property or premises (whether or not by physical means);
  - (ii) recommends or requires that some or all businesses or premises close or operate at reduced capacity;
  - (iii) recommends or imposes social distancing, self-isolation, lockdown, restrictions on travel or mass gatherings;
  - (iv) recommends or imposes restrictions on activities, border restrictions or closures, or trade restrictions; or
  - (v) recommends or imposes stay at home or work from home requirements.
- (9) “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.
- (10) “Data” means:  
representations of information or concepts, in any form.
- (11) “Data problem” means:
- (i) erasure, destruction, corruption, misappropriation, misinterpretation of “data”;
  - (ii) error in creating, amending, entering, deleting or using “data”; or
  - (iii) inability to receive, transmit or use “data”.
- (12) “Derangement” means:
- (i) disturbance of regular operation or act irregularly;
  - (ii) malfunction, either partial or total; or
  - (iii) natural or artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
    - (1) electrical or electronic wire, device, appliance, system or network; or
    - (2) device, appliance, system or network utilizing cellular or satellite technology.
- For the purpose of this definition, electrical, magnetic or electromagnetic energy includes but is not limited to:
- (a) i) disturbance to any electric field, magnetic field or electromagnetic field; or
  - ii) microwave or radio frequency, created by any solar storm, solar flare or coronal mass ejection;
  - (b) electrical current, including arcing;
  - (c) electrical charge produced or conducted by a magnetic or electromagnetic field;
  - (d) pulse of electromagnetic energy; or
  - (e) electromagnetic waves or microwaves,
- but does not include lightning.
- (13) “Earthquake” means:  
any:
- (i) seismic event causing the shaking, movement or displacement of land and includes snowslide, landslide or other earth movements occurring concurrently with and directly resulting from an earthquake shock; or
  - (ii) volcanic activity or eruption or pyroclastic flow or surge.
- (14) “Electronic data” means:  
any “data”, text, audio, video and images or similar matter, including but not limited to information about an identifiable individual not otherwise deemed to be publicly available by regulation, that exists on your computer system, and that is subject to scheduled back up procedures and security protections and that are necessary for use by you in the ordinary course of the your business operations.
- “Electronic data” does not include:
- (i) “media”, hardware, software, “money”, funds, decentralized electronic currency (e-currency), “cash cards”, debit cards, debt, credit, bond, “securities”, equity instruments; or



- (ii) accounts, bills, valuable papers, records, abstracts, deeds, confidential and proprietary marketing and financial information, manuscripts or other documents, except as they have been converted to “electronic data”, and then only in that form.
- (15) “Executive officer” means:  
a member of the board of directors, board of trustees, board of managers, board of governors, officer, partner, principal, risk manager or in-house legal counsel, of your company, or a functional equivalent thereof.
- (16) “Fine arts” means:  
paintings, etchings, pictures, tapestries, stained glass and other bona fide works of art (such as valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, manuscripts, antique silver, porcelains, rare glass and bric-a-brac) or other articles of rarity, historical value or artistic merit.
- (17) “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 “scheduled risk location” and forming a part of the public water distribution system; or
  - (iii) any pond or reservoir in which the water is impounded by a dam.
- (18) “Flood” means:
- (i) the breaking out or overflow of any natural or artificial body of water, waves, any storm surge, seiche, tides, tidal waves and tsunamis; or
  - (ii) the unusual and rapid accumulation, overflow or runoff of water or natural precipitation temporarily diffused over the surface of the ground.
- “Flood” does not include the escape of water which is normally contained within a “water container”.
- (19) “Fungi”:  
includes, but is not limited to, any form or type of wet or dry rot, 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.
- (20) “Media” means:  
the material on which “data” is recorded or stored, such as magnetic tapes, flash drives, disc packs, hard drives, paper tapes and cards used in processing units.
- (21) “Money” means:
- (i) currency, coins, and bank-notes in current use and having a face value; and
  - (ii) travellers cheques, registered cheques and money orders which you hold for sale to the public.
- “Money” does not include electronic currency (e-currency).
- (22) “Occurrence” means:  
a loss or series of losses which are attributable directly or indirectly to one cause, disaster, casualty or event.  
Notwithstanding the foregoing, any losses arising directly out of or contributed to by fire, riot, vandalism or malicious acts, windstorm or hail, all as described and limited in **Section 13. DEFINITIONS (1)**, occurring within 72 consecutive hours and commencing during the policy period, will be deemed to be one occurrence. The expiration of this Policy will not reduce the 72 hour period.
- (23) “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.
- (24) “Premises” means:  
the entire area within the property lines and areas under adjoining sidewalks and driveways at:
- (i) each “scheduled risk location”;
  - (ii) any location insured by **Coverage Extensions Endorsement for Commercial Property, Section 2. INDIVIDUAL COVERAGE EXTENSION (1) Newly Acquired or Constructed Buildings or Business Property;** and
  - (iii) each location insured by **Coverage Extensions Endorsement for Commercial Property, Section 2. INDIVIDUAL COVERAGE EXTENSION (3) Property Off Premises including Property on Exhibition,** and in or on vehicles within 100 metres (328 feet) of such locations.



- (25) “Replacement” means:  
the repair, construction, re-construction or substitution with new property of like kind, capacity, size and quality. In the event that repair or substitution is by property of a better kind, capacity, size or quality, the most we will pay is the amount that would have been paid if repair or substitution had been made with property of like kind, capacity, size and quality. This last sentence does not apply to **Coverage Extensions Endorsement for Commercial Property, Section 1. AUTOMATIC BLANKET COVERAGE EXTENSION (26) Environmental Upgrade.**
- (26) “Replacement cost” means:  
the cost of replacing, repairing, constructing, re-constructing or substituting (whichever is the least) the property on the same site with new property of like kind and quality and for like occupancy without deduction for depreciation. If the building is not rebuilt on or immediately adjacent to the same “scheduled risk location”, the cost to rebuild is limited to the cost that would have been incurred had the building been rebuilt on the same “scheduled risk location”.  
If we agree to allow you to make repairs to the damaged insured property yourself then “replacement cost” also includes your reasonable overhead on such repairs.  
In the event that new property of like kind and quality is not obtainable, new property, which is as similar as possible to that lost or damaged and which is capable of performing the same function, but which may include some technological advancements, will be deemed to be new property of like kind and quality for the purpose of these provisions.
- (27) “Schedule” means:  
Commercial Property Coverage Schedule of the Declarations.
- (28) “Scheduled risk location” means:  
risk location(s) specified on the “schedule”.
- (29) “Securities” means:  
all negotiable and non-negotiable instruments or contracts which represent “money” or other property and includes:  
(i) tokens, tickets, stamps (whether represented by actual stamps or unused value in a postal meter) in current use; and  
(ii) evidences of debt issued in connection with credit cards or charge cards.  
“Securities” does not include “money” or electronic currency (e-currency).
- (30) “Sewer back-up” means:  
(i) the backing up or overflow, within the area bounded by the bearing walls and foundations of the building(s) described on the “schedule”, of water or sewage from within any sewer, sump, septic system or drain including any roof or balcony drain. For the purpose of this definition, the building does not include exterior paved or unpaved roadways, walkways, sidewalks, parking lots, other exterior paved surfaces, patios, bridges, retaining walls or permanently installed landscape structures;  
(ii) the entrance of water or natural precipitation temporarily diffused over the surface of the roof or balcony, unless through an aperture concurrently and directly caused by a peril not otherwise excluded in this Form.
- (31) “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”.
- (32) “Stock” means:  
(i) merchandise of every description usual to your business operations;  
(ii) packing, wrapping and advertising materials; and  
(iii) similar property belonging to others which you are under obligation to keep insured or for which you are legally liable.
- (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 individual(s), group(s), organization(s) or government(s) for the purpose of influencing any government or instilling fear in the public or a section of the public.
- (34) “Unit” means:  
the unit as defined in the declaration, description or bylaws of the “condominium corporation” or provincial or territorial legislation relating to condominiums or divided co-ownerships. It refers to a strata lot in British Columbia and to a private portion in Quebec.



- (35) “Valuable papers and records” means:  
written, printed or otherwise inscribed documents and records including books of account, drawings, maps, negatives, photographs, films, card index systems or other records, including “data” thereon. “Valuable papers and records” does not include “money” or “securities”.
- (36) “Water container” means:
- (i) your piping system, process equipment or tank; or
  - (ii) any other device or apparatus,
- at the “scheduled risk location” used for containing, heating, chilling, or dispensing water or ice. “Water container” does not include any:
- (1) watermain located beyond the bearing walls or foundations of the “scheduled risk location”;
  - (2) sewer, sump or septic system;
  - (3) drain;
  - (4) penstock, raceway, sluice, flume, reservoir or dam; or
  - (5) water treatment plant or sewage treatment plant,
- or any part thereof.



## Coverage Extensions Endorsement For Commercial Property

This Endorsement is attached to, forms part of and modifies insurance provided under the **Commercial Property Form** and the **Business Interruption Form**, and is subject to the definitions, exclusions, provisions and conditions of the **Commercial Property Form** and the **Business Interruption Form**.

The Coverage Extensions described in this Endorsement either modify or are in addition to coverage granted under the **Commercial Property Form**, and are also subject to the following conditions:

- (1) If a loss insured under a Coverage Extension is also a loss for the purposes of any Form, its Coverage Extension or an endorsement, then, the maximum limit of insurance will not exceed the highest applicable limit under any one Form, Coverage Extension or endorsement.
- (2) If a specified Coverage Extension is indicated as not covered, deleted or excluded on the “schedule”, there is no amount recoverable.
- (3) If the limit of liability of a Coverage Extension applies to the policy period, and the policy period is extended after issuance for an additional period of less than 6 months, the additional period will be deemed part of the preceding period for the purposes of determining limits.
- (4) The limits of liability specified for the Coverage Extensions apply as an additional amount of insurance, except with respect to the following Coverage Extensions:
  1. (4) EDP Equipment, Data and Media Breakdown;
  - (7) Consequential Loss OnSite Equipment;
  - (8) Consequential Loss OffSite Interruption;
  2. (2) Sewer Back-up;
  - (7) Building By-Laws;
  - (9) Stock Subject To Public Health Declaration;
  - (12) Furs, Fur Garments, Jewels, Jewellery;
  - (13) Deferred Payment Plan (Stock);
  - (17) Protection of Property;
  - (18) Permission for Repairs;
  - (19) Enhanced Pairs, Sets and Parts;
  - (20) Errors and Unintentional Omissions in Description;
  - (21) Confiscation or Seizure of Business Personal Property; and
  - (24) Voluntary Parting.

However, such additional amount(s) of insurance remain subject to any limit of loss provisions stated in the following Endorsements if any such endorsements are attached to your Policy:

- (i) Aggregate Location Earthquake Limit of Loss or Aggregate Earthquake Limit of Loss, whichever is stated, of the **Earthquake Shock Endorsement** or any other endorsement providing similar coverage;
- (ii) Aggregate Location Flood Limit of Loss or Aggregate Flood Limit of Loss, whichever is stated, of the **Flood Endorsement** or any other endorsement providing similar coverage;
- (iii) Limit Of Loss of the **Blanket POED Endorsement** or any other endorsement providing similar coverage.
- (5) **Commercial Property Form, Section 4. CO-INSURANCE CLAUSE** does not apply to the Coverage Extensions unless otherwise stated.
- (6) The Coverage Extensions that:
  - (i) apply to a specific “scheduled risk location” and extend:
    - (a) **Commercial Property Form, Section 2. INSURED PROPERTY** only apply at “scheduled risk location(s)” that have an amount of insurance for Building or Business Personal Property specified on the “schedule”.
    - (b) **Commercial Property Form, Section 2. INSURED PROPERTY (a) Building(s)** only apply at “scheduled risk location(s)” that have an amount of insurance for Building specified on the “schedule”.
    - (c) **Commercial Property Form, Section 2. INSURED PROPERTY (b) Business Personal Property** only apply at “scheduled risk location(s)” that have an amount of insurance for Business Personal Property specified on the “schedule”.
  - (ii) do not apply to a specific “scheduled risk location” only apply if an amount of insurance for Building or Business Personal Property has been specified at any “scheduled risk location”.



- (7) **Commercial Property Form, Section 3. DEDUCTIBLE** is also applicable to those Coverage Extensions which provide indemnity not related to an insured peril. This condition does not apply to any such Coverage Extensions that contain their own Deductible clause.
- (8) Unless otherwise stated, the Coverage Extensions are subject to the exclusions, provisions, and conditions of the **Commercial Property Form**.

**SECTION**

**1. AUTOMATIC BLANKET COVERAGE EXTENSIONS**

**Automatic Blanket Limit Clause**

**Automatic Blanket Limit:** as specified on the Coverage Features page of the Declarations

The Automatic Blanket Limit is the most that we will pay under one or a combination of the Coverage Extensions described below in **Section 1. AUTOMATIC BLANKET COVERAGE EXTENSIONS** for any one “occurrence”. The Automatic Blanket Limit applies separately to each “scheduled risk location”.

**(1) Accounts Receivable**

**(i) Indemnity Agreement:**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY (b) Business Personal Property** to indemnify you for:

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

**(ii) Additional Exclusions:**

This Coverage Extension does not indemnify or insure you for:

- (1) loss or damage caused by bookkeeping, accounting or billing errors or omissions;
- (2) loss or damage caused by alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property but only to the extent of such wrongful giving, taking, obtaining or withholding;
- (3) loss where the only proof as to factual existence of such loss is dependent upon an audit of records or an inventory computation; but you may use such procedures in support of a claim for loss that you can prove using other evidence is due solely to a risk of loss to records of accounts receivable not otherwise excluded hereunder;
- (4) loss or damage caused directly or indirectly by “computer violation”; or
- (5) loss or damage caused directly or indirectly by:
  - (i) mechanical failure;
  - (ii) failure of operation due to programming error or faulty construction or error in design of the insured property;
  - (iii) short circuit, blow-out or other electrical or magnetic disturbance, other than lightning, within electrical equipment, apparatus or devices;
  - (iv) any repairing, servicing or processing operation; or
  - (v) damage to “media” when “electronic data processing equipment” breaks down or malfunctions while “electronic data” is being run through the system.

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

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

- (1) determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;
- (2) calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve months immediately preceding the month in which the loss occurs, or such part thereof for which you have furnished monthly statements to us, as compared with such average for the same months of the preceding year;



- (3) the amount determined under (1) above, increased or decreased by the percentage calculated under (2) above, will be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;
- (4) the amount determined under (3) above will be increased or decreased in conformity with the normal fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the business since the last day of the last fiscal month for which statement has been rendered.

There will be deducted from the total amount of accounts receivable, however established, the amount of such accounts:

- (a) evidenced by records not lost or damaged;
- (b) otherwise re-established or collected by you;
- (c) an amount to allow for probable bad debts which would normally not been collectible by you; and
- (d) all unearned interest and service charges.

**(iv) Off Premises Extension:**

We agree to extend the insurance provided by this Coverage Extension for accounts receivable which are temporarily away from your “scheduled risk location” for a period not exceeding six months or while being conveyed in transit, but excluding while:

- (1) in storage;
- (2) away from your “scheduled risk location” for a period exceeding six months; or
- (3) outside of Canada.

**(v) Definitions:**

Solely with respect to coverage provided by this Coverage Extension, the following definitions are added:

- (1) “Computer system” means computer hardware and software, located at a “scheduled risk location”, and the “electronic data” stored thereon, as well as associated input and output devices, terminal devices, data storage devices, networking equipment, components, firmware and electronic backup facilities, all located at a “scheduled risk location”.
- (2) “Computer violation” means the introduction of a “computer virus” into your “computer system” which directly causes corruption, damage, impairment, destruction or deletion of software or “electronic data” stored within your “computer system”.
- (3) “Computer virus” means any unauthorized malicious code which successfully corrupts, impairs or degrades the integrity, quality or performance of your “computer system”.
- (4) “Electronic data processing equipment” means a network of electronic components capable of accepting information and processing it according to a plan and which exists primarily to generate information in tangible form or on electronic media including but not limited to telephone, facsimile and photocopying equipment. “Electronic data processing equipment” does not include “electronic data”.

**(2) Valuable Papers**

**(i) Indemnity Agreement:**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY (b) Business Personal Property** to indemnify you for the value, as set forth below in (iv) Valuation, due to loss of or damage to “valuable papers and records” at “scheduled risk location(s)” caused directly by an insured peril.

**(ii) Additional Exclusions:**

This Coverage Extension does not indemnify or insure you for:

- (a) loss of or damage to “electronic data” or electronic currency (e-currency);
- (b) any expense to re-record or re-take recordings, pictures or films;
- (c) any expense incurred to redo the work product or research, gather or assemble any information that is not available on existing records or archives and was the basis of the “data”; or
- (d) any other consequential loss, damage or expense.

**(iii) Additional Condition:**

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



**(iv) Valuation:**

For the purpose of this Coverage Extension, the following valuations are applicable for “valuable papers and records”:

- (1) which have not been specifically described or valued on the “schedule” and are negative(s), photograph(s) or film(s), we are liable:
  - (a) if you can copy or duplicate such lost or damaged negative(s), photograph(s) or film(s) from other negative(s), photograph(s) or film(s), then the reasonable expense necessarily incurred to do so;
  - (b) if you cannot copy or duplicate as per (a) above, then the reasonable cost you incur to reach this determination.
- (2) other than (1) above and which have not been specifically described or valued on the “schedule”, we are liable for whichever is the least of:
  - (a) the “actual cash value”;
  - (b) the cost to satisfactorily repair; or
  - (c) (i) the reasonable expense necessarily incurred to gather or assemble information required from existing records or archives; plus
  - (ii) the reasonable cost for actually transcribing or copying such information; plus
  - (iii) the reasonable cost of blank books, blank pages or other appropriate materials, to reproduce your “valuable papers and records” which have been lost or damaged by an insured peril.

However if such “valuable papers and records” consisted of information that cannot be gathered, assembled or transcribed then our liability will not exceed the cost of blank books, blank pages or other appropriate materials;

- (3) which have been specifically described and valued in the “schedule”, which cannot be replaced with other of like kind and quality, we are liable for whichever is the lesser of:
  - (a) the cost to satisfactorily repair, if possible, the damaged “valuable papers and records”; or
  - (b) the agreed value of the property.

**(v) Off Premises Extension:**

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

- (1) in storage;
- (2) away from your “scheduled risk location” for a period exceeding six months;
- (3) in transit by means of non-regularly scheduled ferry or aircraft; or
- (4) outside Canada or the continental United States of America.

**(3) Limited Electronic Data Restoration**

**(i) Indemnity Agreement:**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY (b) Business Personal Property** to indemnify you for the expense to restore or replace “electronic data”, as set forth below in **(iii) Valuation**, due to loss of or damage to “media” at “scheduled risk location(s)” caused directly by an insured peril.

**(ii) Additional Exclusions:**

This Coverage Extension does not indemnify or insure you for:

- (1) any expense to re-record or re-take audio, video or image files or similar matter;
- (2) any expense incurred to redo the work product, research or analysis that was the basis of, or resulted in, any computer program, software or other “electronic data”;
- (3) any other consequential loss, damage or expense;
- (4) loss or damage caused directly or indirectly by “computer violation”; or
- (5) loss or damage cause directly or indirectly by:
  - (i) mechanical failure;
  - (ii) failure of operation due to programming error or faulty construction or error in design of the insured property;



- (iii) short circuit, blow-out or other electrical or magnetic disturbance, other than lightning, within electrical equipment, apparatus or devices;
- (iv) any repairing, servicing or processing operation; or
- (v) damage to “media” when “electronic data processing equipment” breaks down or malfunctions while “electronic data” is being run through the system.

**(iii) Valuation:**

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

- (1) If you can restore the “electronic data” from partially or fully matching “electronic data”, then the reasonable expense necessarily incurred to restore such “electronic data” which has been lost or damaged by such insured peril.
- (2) If you cannot restore the “electronic data” from partially or fully matching “electronic data” but can replace it from written records, then the reasonable expense necessarily incurred to replace from written records such “electronic data” which has been lost or damaged by such insured peril.
- (3) If the lost or damaged “media” has been replaced with a newer generation of “media” of similar function which renders your “electronic data” incompatible, otherwise valued as set forth above in (iii)(1) or (2), then the reasonable additional expense necessarily incurred to modify or upgrade and install such “electronic data” to achieve compatibility required by such newer generation of “media”.
- (4) If you cannot restore or replace the “electronic data” from written records, then the valuation is limited to the reasonable actual cost you incur to reach this determination.

**(iv) Definitions:**

Solely with respect to coverage provided by this Coverage Extension, the following definitions are added:

- (1) “Computer system” means computer hardware and software, located at a “scheduled risk location”, and the “electronic data” stored thereon, as well as associated input and output devices, terminal devices, data storage devices, networking equipment, components, firmware and electronic backup facilities, all located at a “scheduled risk location”.
- (2) “Computer violation” means the introduction of a “computer virus” into your “computer system” which directly causes corruption, damage, impairment, destruction or deletion of software or “electronic data” stored within your “computer system”.
- (3) “Computer virus” means any unauthorized malicious code which successfully corrupts, impairs or degrades the integrity, quality or performance of your “computer system”.
- (4) “Electronic data processing equipment” means a network of electronic components capable of accepting information and processing it according to a plan and which exists primarily to generate information in tangible form or on electronic media including but not limited to telephone, facsimile and photocopying equipment. “Electronic data processing equipment” does not include “electronic data”.

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

**(i) Indemnity Agreements:**

- (1) We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY (b) Business Personal Property** to indemnify you for the:
  - (a) value of “electronic data processing equipment” and “media”; and
  - (b) expense to restore or replace “electronic data”,
 as set forth below in **(v) Valuation**, caused directly by “breakdown” to “electronic data processing equipment” while such property is:
  - (i) at a “scheduled risk location”;
  - (ii) at any temporary location, not exceeding 6 months, or newly acquired location; or
  - (iii) in transit, in Canada or the continental United States of America.
- (2) We also agree to extend the insurance provided by this Coverage Extension to indemnify you for the expense to replace or reprogram “electronic data” solely used to operate or control “production machinery”, temperature control system or elevator control system, as set forth below in **(v) Valuation, Item (2)(d)**, if natural or artificially generated electrical, magnetic or electromagnetic energy directly erases, damages, disturbs, disrupts or otherwise interferes with “electronic data” upon which any such “production machinery”, temperature control system or elevator control system is dependent.
 

This **Indemnity Agreement (i)(2)** only applies if the **Equipment Breakdown Including Production Machinery Endorsement** is attached to the “scheduled risk location” that incurred such loss or damage to such “electronic data” at the time of said loss or damage.



- (ii) **“Breakdown” means:**
  - (1) mechanical failure;
  - (2) failure of operation due to faulty construction or error in design of the insured property;
  - (3) short circuit, blow-out or other electrical or magnetic disturbance, other than lightning, within electrical equipment, apparatus or devices;
  - (4) any repairing, servicing or processing operation;
  - (5) damage to “media” when “electronic data processing equipment” breaks down or malfunctions while “electronic data” is being run through the system.
- (iii) **This Coverage Extension does not insure:**
  - (1) any loss that is covered by a manufacturer’s warranty or service contract except for loss that is in excess of the amount you should have received from the warranty or service contract;
  - (2) any loss or damage caused directly or indirectly by programming errors or faulty machine instructions;
  - (3) any loss or damage caused directly or indirectly by any change or interruption to electric power supply, if such change or interruption originates more than 100 kilometres away from your “premises” containing the “electronic data processing equipment” or “media”;
  - (4) any elevator, escalator, conveyor, crane or hoist;
  - (5) any X-ray machine, electron microscope, laser, particle accelerator, beta gauge, spectrograph, or any equipment or apparatus utilizing radioactive materials;
  - (6) any diagnostic or treatment machine or apparatus;
  - (7) any product manufactured by you;
  - (8) any maintenance machine or apparatus;
  - (9) any “production machinery” and any equipment forming a part of the driving or controlling mechanism for such “production machinery”. This exclusion (iii) (9) does not apply to computing equipment used solely to control, start, stop or monitor such “production machinery”;
  - (10) any expense to re-record or re-take audio, video or image files;
  - (11) any expense incurred to redo the work product, research or analysis that was the basis of, or resulted in, any computer program, software or other “electronic data”; or
  - (12) any loss or damage caused directly or indirectly by “computer violation”.
- (iv) **Under no circumstances does this Coverage Extension extend to cover expense or cost arising out of:**
  - (1) preventative maintenance;
  - (2) repair of defects due to wear and tear;
  - (3) repair of defects or damages occurring during normal operations with no external influence; or
  - (4) operating checks.
- (v) **Valuation:**

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

  - (1) “Electronic data processing equipment” and “media”: “Replacement cost” as described in **Commercial Property Form, Section 11. REPLACEMENT COST BASIS OF SETTLEMENT PROVISIONS.**
  - (2) “Electronic data”:
    - (a) If you can restore the “electronic data” from partially or fully matching “electronic data”, then the reasonable expense necessarily incurred to restore such “electronic data” which has been lost or damaged by “breakdown”.
    - (b) If you cannot restore the “electronic data” from partially or fully matching “electronic data” but can replace it from written records, then the reasonable expense necessarily incurred to replace from written records such “electronic data” which has been lost or damaged by “breakdown”.
    - (c) If you cannot restore or replace the “electronic data” from written records, then the valuation is limited to the reasonable actual cost you incur to reach this determination.
    - (d) Solely with respect to **Indemnity Agreement (i)(2)**: if no partially or fully matching “electronic data” exists to restore from, then the reasonable expense necessarily incurred to replace or reprogram such “electronic data”.

**(vi) Definitions:**

Solely with respect to coverage provided by this Coverage Extension, the following definitions are added:

- (1) "Computer system" means computer hardware and software, located at a "scheduled risk location", and the "electronic data" stored thereon, as well as associated input and output devices, terminal devices, data storage devices, networking equipment, components, firmware and electronic backup facilities, all located at a "scheduled risk location".
- (2) "Computer violation" means the introduction of a "computer virus" into your "computer system" which directly causes corruption, damage, impairment, destruction or deletion of software or "electronic data" stored within your "computer system".
- (3) "Computer virus" means any unauthorized malicious code which successfully corrupts, impairs or degrades the integrity, quality or performance of your "computer system".
- (4) "Electronic data processing equipment" means a network of electronic components capable of accepting information and processing it according to a plan and which exists primarily to generate information in tangible form or on electronic media including but not limited to telephone, facsimile and photocopying equipment. "Electronic data processing equipment" does not include "electronic data".
- (5) "Production machinery" means any complete production machine or apparatus which processes, forms, cuts, shapes, grinds or conveys raw material, material in process, waste material or finished product, and any driving or control mechanisms for such machine or apparatus, including any photocopier.

**(5) Personal Effects (including Volunteers)**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY (b) Business Personal Property** to indemnify you for the loss of or damage to personal effects owned by you, your "executive officers", employees or "volunteer workers" at "scheduled risk location(s)" caused directly by an insured peril.

We will not cover a loss to personal effects if that loss is covered by another insurance policy, even if you or the owner of such personal effects cannot collect under that policy for any reason. However, we will not apply this exclusion if you are obliged to insure such personal effects or if you are legally liable for its loss or damage.

This Coverage Extension does not apply to tools owned by any employee of yours.

Subject to the **Automatic Blanket Limit Clause**, the most that we will pay under this Coverage Extension in respect to any one "executive officer", employee or "volunteer worker" is as specified on the Coverage Features page of the Declarations for any one "occurrence".

Solely with respect to coverage provided by this Coverage Extension, the following definition is added:

- (i) "Volunteer worker" means a person who is not your employee, and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

**(6) Fine Arts**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY** to indemnify you for the loss of or damage to "fine arts" at "scheduled risk location(s)" caused directly by an insured peril.

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

- (i) deterioration;
- (ii) breakage of glassware, stained glass, statuary, marbles, bric-a-brac, porcelains and other fragile articles, unless caused directly by a "specified peril", earthquake or flood, only if insured by Endorsement, falling object striking the exterior of a building, or by accident to land, water or air conveyances, or by theft or attempted theft; or
- (iii) any repairing, restoration or retouching process or any attempt thereof.

For the purpose of this Coverage Extension, the valuation is the "actual cash value" but in no event to exceed what it would cost to replace or satisfactorily repair such "fine arts".

**(7) Consequential Loss OnSite Equipment**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY (b) Business Personal Property** to include consequential loss of or damage to such Business Personal Property at any "premises" caused directly by change of temperature or humidity resulting directly from damage by an insured peril to machinery or equipment at such "premises" used for:

- (i) refrigerating, cooling or air conditioning;
- (ii) humidifying or dehumidifying; or



(iii) heating or converting power, including their connection and supply transmission lines and pipes, furnishing heat, light, power or gas situated on such “premises”.

We will not pay for loss or damage caused by:

- (1) the manual disconnection of any machinery or equipment from the source of electrical power at the “scheduled risk location”; or
- (2) the termination of electrical power caused by the throwing or turning off of any switch or other device at the “scheduled risk location”, which is usual to the shutting off of electrical current or power.

**(8) Consequential Loss OffSite Interruption**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY (b) Business Personal Property** to include consequential loss of or damage to such Business Personal Property at any “premises” caused directly by change of temperature or humidity resulting directly from damage or destruction by an insured peril to off-premises public:

- (i) utility plants, switching stations or sub-stations;
- (ii) transformers installed on the ground or in underground vaults;
- (iii) pumping stations; and
- (iv) underground power transmission and communication lines and pipes

which furnish heat, light, power, gas, oil, water or communication services to the “premises”, provided such off-premises public property damaged or destroyed is located within 100 kilometres of such “premises”.

**(9) Condominium Unit Coverage Loss Assessment**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY** if the “scheduled risk location” is a condominium “unit” that you own, to cover your share of an assessment charged to all “unit” owners by the “condominium corporation” when the assessment is:

- (i) made while this Policy is in force;
- (ii) valid under the “condominium corporation’s” governing rules; and
- (iii) as a result of:
  - (1) direct physical loss of or damage to property in which each “unit” owner has an undivided interest, if such loss or damage is caused directly by an insured peril under this Form and for which a claim has been made under the “condominium corporation’s” policy for such loss or damage provided such assessment is made within one year of when such insured peril first commences;
  - (2) a claim or lawsuit brought against the “condominium corporation” for which there would be coverage under the **COMMERCIAL GENERAL LIABILITY FORM** if the claim or lawsuit were brought against you; or
  - (3) a claim or lawsuit brought against the “condominium corporation” because of a “wrongful act” committed by a director or “executive officer” of the “condominium corporation”.

For the purpose of this Coverage Extension only, “wrongful act” means any actual or alleged error, misstatement, action or inaction, neglect or breach of duty.

We are not liable and will not pay for that part of an assessment that is attributable to a deductible in the insurance policy of the “condominium corporation”. However this exclusion does not apply to an assessment charged solely to you when such assessment:

- (a) is attributable to a deductible in the property insurance policy of the “condominium corporation”;
- (b) complies with **items (i), (ii) and (iii)(1)** above; and
- (c)
  - i) such loss or damage referenced in **item (iii)(1)** above is solely due to your negligence resulting directly in an insured peril under this Form; or
  - ii) such insured peril referenced in **item (iii)(1)** above originates solely from your “unit”.

Notwithstanding the Automatic Blanket Limit, the most that we will pay under this Coverage Extension for an assessment with respect to **items (c) i) or ii)** above is the lesser of:

- 1) \$50,000; or
- 2) the maximum allowed by:
  - a) bylaws and governing rules of the “condominium corporation”; and
  - b) any provincial, state or territorial regulation or legislation relating to the “unit” of such assessment,

for any one “occurrence”.



Other than an assessment with respect to **items (c) i) or ii)** above, the most that we will pay under this Coverage Extension is included in the Automatic Blanket Limit as a combination of the Coverage Extensions described in **Section 1. AUTOMATIC BLANKET COVERAGE EXTENSIONS** for any one “occurrence”.

**(10) Condominium Unit Coverage Contingent**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY (b) Business Personal Property** in the event of loss of or damage to the “condominium corporation’s” building caused directly by an insured peril and if the “scheduled risk location” is a condominium “unit” that you own, to cover your “unit” as originally constructed, excluding your improvements and betterments if the “condominium corporation” has no insurance, its insurance is inadequate, or it is not effective.

**(11) Peak Season**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY (b) Business Personal Property** to indemnify you for any increase in the quantity or value of Business Personal Property caused by seasonal variations and occasioned by loss of or damage to such Business Personal Property at “scheduled risk location(s)” caused directly by an insured peril.

This Coverage Extension will not apply unless the amount of insurance for your Business Personal Property is equal to at least 90% of your average monthly values for the twelve (12) month period immediately preceding the date of loss or damage, or, in the event that you have been in business less than twelve (12) months, for such shorter period of time.

**(12) Brands and Labels**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY (b) Business Personal Property** to indemnify you for the reasonable cost of removal of and re-identifying insured Business Personal Property bearing a brand, label or trademark, the sale of which carries or implies the guarantee of the responsibility of the manufacturers or you, due to loss of or damage to such insured property caused directly by an insured peril.

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

**(13) Building Damage by Theft**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY (b) Business Personal Property** to indemnify you for the damage (except by fire) to that part of a building at a “scheduled risk location” occupied by you directly resulting from theft or attempted theft or from vandalism or malicious acts committed on the same occasion as the theft or attempted theft, provided:

- (i) you are not the owner of such building and are liable for such damage; and
- (ii) the building is not otherwise insured under the **Commercial Property Form**.

**(14) Fire Department Service Charges**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY** to indemnify you for the liability that you assume by contract or agreement prior to loss or damage, or is required by local ordinance, for fire department or police department or security service charges incurred when such service is called to save or protect insured property from a fire or another insured peril.

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

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

We will not pay or reimburse you for fees or fines levied for false alarms or if there is no loss of, damage to, or imminent danger of loss of or damage to insured property.

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

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY** to indemnify you for fire suppression recharge expense that you incur due to the leakage or discharge of the fire suppressant within any automatic fire suppression system or portable fire extinguisher(s) at your “scheduled risk location(s)” where such discharge or leakage is caused directly by or results from an insured peril.

This Coverage Extension does not apply to any cost or expense to replace, upgrade or remove any obsolete component part of such automatic fire suppression system.

**(16) Extra Expense / Expediting Expense****(i) Indemnity Agreement:**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY** to indemnify you for “extra expense” necessarily incurred by you resulting from “covered direct physical loss” during whichever is the least of:

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

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

**(ii) Provisions and Limitations:**

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

- (1) If you do not plan to resume operations, we will not cover your “extra expense” for the additional 90 days after the time that would have been reasonably necessary to repair, rebuild or replace.
- (2) If you fail to:
  - (i) resume operations and stop all “extra expenses” as soon as possible and to whatever extent is possible, as long as this will not increase your loss;
  - (ii) make use of your merchandise, “stock”, or other property at your “scheduled risk location” or at any other location(s) if it would reduce your loss; or
  - (iii) exercise due diligence and dispatch to repair, rebuild or replace the lost or damaged property, we will reduce the amount we will pay for “extra expense” by the amount which could have been saved.

**(iii) Additional Exclusions:**

This Coverage Extension does not insure or indemnify you for the following losses and expenses:

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

**(iv) Definitions:**

Solely with respect to coverage provided by this Coverage Extension, the following definitions are added:

- (1) “Business income” means the sum of:
  - (i) the estimated annual net income (Net Profit or Loss before income taxes) from all your business operations;
  - (ii) continuing normal operating expenses incurred, including payroll;
  - (iii) your incurred necessary “extra expense”; and
  - (iv) your “rental value”.
- (2) “Covered direct physical loss” means loss of or damage to “insured property” caused directly by an “insured peril” during the term of this Policy.
- (3) “Extra expense” means the excess of the total cost of conducting your business during the period required to repair or replace lost or damaged property over the total cost of conducting such business that would have been incurred had no loss occurred. “Extra Expense” includes the reasonable extra cost of temporary repair and of expediting the repair or “replacement” of your lost or damaged property, including overtime and the extra cost of express or other rapid means of transportation, but excludes:
  - (i) all other direct or indirect loss of or damage to property; and
  - (ii) any reduction in your earnings.



“Extra expense” also includes:

- (1) reasonable relocation expense;
  - (2) reasonable costs to equip and operate the replacement or temporary location(s); and
  - (3) property obtained for temporary use necessarily acquired to reduce the “extra expense” loss however any salvage value of such property remaining after resumption of “normal business operations” will be deducted from the “extra expense” loss.
- (4) “Insured peril” means perils insured under **Section 1. AUTOMATIC BLANKET COVERAGE EXTENSION (4) EDP Equipment, Data and Media Breakdown** and the **Commercial Property Form**.
- (5) “Insured property” means property insured under:
- (i) **Commercial Property Form, Section 2. INSURED PROPERTY**; and
  - (ii) the following Coverage Extensions:
    - 1. (2) Valuable Papers;
    - (4) EDP Equipment, Data and Media Breakdown;
    - (5) Personal Effects (including Volunteers);
    - (6) Fine Arts;
    - (7) Consequential Loss OnSite Equipment;
    - (8) Consequential Loss OffSite Interruption;
    - (11) Peak Season;
    - (13) Building Damage by Theft;
    - (18) Roadways, Walkways, Parking Lots;
    - (19) Outdoor Property;
    - (20) Growing Plants, Lawns, Trees, Shrubs or Flowers in the Open;
    - 2. (1) Newly Acquired or Constructed Buildings or Business Property;
    - (2) Sewer Back-up;
    - (3) Property Off Premises including Property on Exhibition;
    - (4) Property in Transit;
    - (5) Installation Floater;
    - (9) Stock Subject To Public Health Declaration;
    - (11) Property of Tenants or Registered Guests of a Hotel or Apartment or Members, Guests or Residents of Health Care Facilities;
    - (12) Furs, Fur Garments, Jewels and Jewellery; and
    - (17) Protection of Property,

of this Endorsement.

- (6) “Normal business operations” means the state your operations would be in if there had been no loss of or damage to insured property.
- (7) “Rental value” means the sum of the:
  - (i) total anticipated annual rental income from tenant occupancy of the “scheduled risk location(s)” as furnished and equipped by you;
  - (ii) amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations;
  - (iii) estimated annual rental value of the unoccupied portion of the “scheduled risk location(s)”; and
  - (iv) fair rental value of any portion of the “scheduled risk location(s)” which is occupied by you.

**(17) Professional Fees**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY** to indemnify you for the reasonable expenses you incur at our request to pay your accountants, auditors, architects, engineers, or other professionals to produce and certify particulars or details or other proofs, information or evidence as may be required for the purpose of investigating or verifying the quantum of loss in the event of a claim under **Commercial Property Form, Section 2. INSURED PROPERTY**, the liability for which is otherwise accepted by us.

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



**(18) Roadways, Walkways, Parking Lots**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY** to indemnify you for the loss of or damage to:

- (i) paved or unpaved roadways, walkways, sidewalks, parking lots and other exterior paved surfaces; and
- (ii) patios, bridges, retaining walls and permanently installed landscape structures, outside the building and on your “scheduled risk location(s)” caused directly by an insured peril.

**(19) Outdoor Property**

(i) We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY** to indemnify you for the loss of or damage to your outdoor:

- (1) radio, television or other antennas (including satellite dishes) and their masts and lead-in wiring;
- (2) towers and lead-in wiring;
- (3) fences;
- (4) light standards;
- (5) wind turbines and solar panels and their related equipment and wiring; and
- (6) signs,

situated at your “scheduled risk location(s)” and not permanently attached to a building, caused directly by an insured peril.

(ii) We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY** to indemnify you for the loss of or damage to your owned outdoor utility pole(s), wiring and cabling situated at a “scheduled risk location(s)” caused directly by a “specified peril”, as defined and limited in **Commercial Property Form, Section 13. DEFINITIONS**.

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

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY** to indemnify you for the loss of or damage, including reasonable debris removal expense, to growing plants, lawns, trees, shrubs or flowers outside the building insured by **Commercial Property Form, Section 2. INSURED PROPERTY (a) Building(s)** at:

- (i) “scheduled risk location(s)”; or
- (ii) any newly acquired location insured by **Section 2. INDIVIDUAL COVERAGE EXTENSION (1) Newly Acquired or Constructed Buildings or Business Property**,

that is caused directly by theft or attempt thereof, or a “specified peril” as defined and limited in **Commercial Property Form, Section 13. DEFINITIONS** with the exception of windstorm and hail.

This Coverage Extension does not apply to growing crops, standing timber or “stock” held for sale.

The most that we will pay under this Coverage Extension at each “scheduled risk location” per growing plant, lawn, tree, shrub or flower outside the building is \$1,000, or as otherwise indicated on the “schedule” for any one “occurrence”.

**(21) Debris Removal**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY** to indemnify you for reasonable expenses incurred in the removal from a “scheduled risk location” of debris of insured property, occasioned by loss of or damage to such property, directly caused by or resulting from an insured peril.

This Coverage Extension does not apply to costs or expenses:

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

**(22) Removal of Windstorm Debris**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY** to indemnify you for reasonable expenses incurred in the removal of debris or other property which is not insured by the **Commercial Property Form** and which is not your property but which has been blown by windstorm upon a “scheduled risk location”.

This Coverage Extension does not apply to costs or expenses:

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



**(23) Terminated Lease**

Where the landlord terminates the lease as a direct result of an insured peril, and the tenant's improvements are damaged by such insured peril, and the lease requirements are for insurance proceeds to be paid to the landlord, we agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY (b) Business Personal Property** to pay the "replacement cost" of your damaged tenant's improvements to the landlord.

**(24) Tenant's Leasehold Interest – Rents**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY (b) Business Personal Property** if, as a direct result of an insured peril, your landlord terminates the lease at a "scheduled risk location" in accordance with the conditions of the lease. This Coverage Extension extends coverage to indemnify you for the reasonable difference between the new lease's higher rental payments, and the rental payments stipulated in the terminated lease.

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

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

- (i) the duration of the lease in effect at the time of the loss, until its expiry; or
- (ii) sixty (60) months.

**(25) Master Key Coverage**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY** to indemnify you for reasonable and necessary expenses to repair or replace exterior or interior gate or door locks and keys for such locks at the "scheduled risk location(s)" if:

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

**(26) Environmental Upgrade**

**(i) Insured Property:**

- (1) We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY (a) Building(s)** to indemnify you for:
  - (a) the increase in the "replacement cost" of the physically damaged part of the insured building that is directly attributable to the using of products or materials that are "green certified";
  - (b) reasonable additional fees incurred by you for a professional certified by Canada Green Building/LEED Canada, to participate in the design and construction, repairing or rebuilding of physically damaged insured building as "green certified" but only if such building was "green certified" prior to the loss or damage; and
  - (c) the reasonable additional cost incurred by you for certification or re-certification of the repaired or replaced insured building as "green certified" but only if such building was "green certified" prior to the loss or damage,

as occasioned by loss of or damage to such building(s) at a "scheduled risk location(s)" caused directly by an insured peril.
- (2) We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY (b) Business Personal Property** to indemnify you for:
  - (a) the increase in the "replacement cost" of the physically damaged insured machinery or equipment, or part thereof, in order to become more efficient or better for the environment, including but not limited to reduced energy or water consumption, reduced toxicity or reduced polluting emissions, than the machinery or equipment being repaired or replaced, provided such repaired or newly replaced property is capable of performing the same function and of like capacity; and
  - (b) the reasonable additional cost incurred by you for certification or re-certification of the repaired or replaced insured machinery or equipment as "green certified",

as occasioned by loss of or damage to such machinery or equipment at a "scheduled risk location(s)" caused directly by an insured peril.

**(ii) Provisions:**

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

- (1) "Replacement" under the terms of this Coverage Extension will be effected at your option.
- (2) "Replacement" will be effected by you with due diligence and dispatch.



- (3) Settlement will be made only when “replacement” has been effected by you and in no event will it exceed the amount actually and necessarily expended.

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

This Coverage Extension does not apply to any property subject to:

- (a) the Actual Cash Value Endorsement; or
  - (b) the Wreckage Value and Limitation of Coverage to Specified Perils Endorsement; or
  - (c) the Functional Building Replacement Cost Endorsement,
- or any similar endorsement.

**(iii) Definition:**

Solely with respect to coverage provided by this Coverage Extension, the following definition is added:

- (1) “Green certified” means products, materials or modes of construction that are Energy Star or Canada Green Building Council/LEED Canada rated or accredited.

**(iv) Coinsurance:**

This Coverage Extension is subject to **Commercial Property Form, Section 4. CO-INSURANCE CLAUSE** however any increase in coverage extended by this Coverage Extension will not be considered in determining the co-insurance clause compliance.

**(v) Limit of Liability:**

Subject to the **Automatic Blanket Limit Clause**, the most that we will pay under this Coverage Extension is the greater of:

- (1) 10% of the cost to repair or replace the lost or damaged property if this Coverage Extension were not in effect; or
  - (2) \$25,000,
- for any one “occurrence”.

**2. INDIVIDUAL COVERAGE EXTENSIONS**

**(1) Newly Acquired or Constructed Buildings or Business Property**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY** to indemnify you for the loss of or damage to:

- (i) your newly acquired buildings or structures, at any newly acquired location within Canada;
- (ii) your new detached buildings or structures while being built anywhere within Canada;
- (iii) additions, alterations or renovations communicating and in direct contact with existing buildings or structures at a “scheduled risk location”;
- (iv) buildings owned or controlled by an organization that you acquire or form after the inception date of this Policy, other than a joint venture, and in which you have a majority interest;
- (v) your newly acquired Business Personal Property, at any newly acquired location within Canada or the continental United States of America that is:
  - (1) acquired, rented or controlled by you; or
  - (2) owned or controlled by an organization that you acquire or form after the inception date of this Policy, other than a joint venture, and in which you have a majority interest;
- (vi) your newly acquired Business Personal Property, excluding stock, work in progress, merchandise of every description, packing, wrapping or advertising materials, at any “scheduled risk location” that is:
  - (1) acquired by you; or
  - (2) owned or controlled by an organization that you acquire or form after the inception date of this Policy, other than a joint venture, and in which you have a majority interest,

caused directly by an insured peril.

The indemnity provided by this Coverage Extension will cease:

- (1) the number of days as specified on the Coverage Features page of the Declarations from:
  - (a) the date construction, addition, alteration or renovation begins; or
  - (b) from the date of the applicable acquisition;
- (2) on the date that the values are reported to us;
- (3) when other insurance covering the property takes effect; or



(4) on the expiration date of this Policy, whichever occurs first.

This Coverage Extension does not apply to buildings, structures, additions, alterations, renovations, organizations or Business Personal Property that were acquired, or for which construction, alteration or renovation began, prior to your effecting an Insurance Policy with us.

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

The most that we will pay under this Coverage Extension is as specified on the Coverage Features page of the Declarations for any one "occurrence".

**(2) Sewer Back-up**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY** to indemnify you for the loss of or damage to insured property at a "scheduled risk location" caused solely and directly by "sewer back-up".

We are liable for the amount by which the loss or damage caused by such "sewer back-up" exceeds \$2,500, or any other amount of the Sewer Back-up Deductible specified on the "schedule" for the "scheduled risk location" in any one "occurrence".

The amount we are liable for under this Coverage Extension will be determined as follows:

(i) If this Coverage Extension is indicated as not covered, deleted or excluded on the "schedule" at a "scheduled risk location" then there is no amount recoverable under this Coverage Extension for such "scheduled risk location".

(ii) If a limit of liability is specified on the "schedule" for Sewer Back-up at a "scheduled risk location" then such limit of liability is the most that we will pay under this Coverage Extension for loss attributable to:

- (a) (1) Building plus Business Personal Property; or
- (2) Property of Every Description; plus

(b) Business Income, Extra Expense or Rental Value,

coverages, as applicable at such "scheduled risk location", for any one "occurrence" at such "scheduled risk location".

However, if a "backwater valve" has been installed at such "scheduled risk location", then, subject to compliance with all the following conditions, the most that we will pay will be determined as per item (iii) below.

i) the "backwater valve" was installed in accordance with the manufacturer's instructions and all applicable provincial and municipal by-laws, regulations, ordinances, building and construction codes or laws relating to sewers and septic systems;

ii) the "backwater valve" is accessible for the purposes of inspection and maintenance;

iii) it can be confirmed that inspection and maintenance of the "backwater valve" for backflow prevention has:

a) been performed in accordance with the manufacturer's instructions; and

b) complied with applicable provincial and municipal by-laws, regulations, ordinances, building and construction codes or laws relating to sewers and septic systems,

and been conducted by an appropriately trained person.

(iii) If no limit of liability is specified on the "schedule" for Sewer Back-up at a "scheduled risk location" then the most that we will pay under this Coverage Extension is the sum of the amount of insurance specified on the "schedule" for:

- (a) (1) Building plus Business Personal Property; or
- (2) Property of Every Description; plus

(b) Business Income, Extra Expense or Rental Value,

as applicable at such "scheduled risk location", for any one "occurrence" at such "scheduled risk location".

Solely with respect to coverage provided by this Coverage Extension, the following definition is added:

(1) "Backwater valve" means a valve which is installed directly into the sewer lateral at the foot of the building foundation wall whose purpose is to prevent the backflow of sewage into the building from an external sewage system.

**(3) Property Off Premises including Property on Exhibition**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY (b) Business Personal Property** to indemnify you for the loss of or damage to insured property that is temporarily away from your "scheduled risk location" caused directly by an insured peril.



This Coverage Extension does not insure loss of or damage to property:

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

We are liable for the amount by which the loss of or damage to insured property that is temporarily away from your "scheduled risk location" exceeds \$1,000, or any other amount of the Property Off Premises including Property on Exhibition Deductible specified on the "schedule" in any one "occurrence".

The most that we will pay under this Coverage Extension is as specified on the Coverage Features Page of the Declarations for any one "occurrence".

**(4) Property in Transit**

- (i) We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY (b) Business Personal Property** to indemnify you for the loss of or damage to insured property in the due course of transit between points or places caused directly by an insured peril:

- (a) anywhere in Canada and the continental United States of America and the most that we will pay under this Coverage Extension is as specified on the Coverage Features page of the Declarations; or
- (b) anywhere in the world and the most that we will pay under this Coverage Extension is as specified on the Coverage Features page of the Declarations as Worldwide,

for any one "occurrence".

We are liable for the amount by which the loss of or damage to insured property in due course of transit exceeds \$1,000, or any other amount of the Property in Transit Deductible specified on the "schedule" in any one "occurrence".

- (ii) This Coverage Extension also insures you for loss of or damage to insured property, while in transit in your owned "automobiles" in Canada and the continental United States of America, caused by a change in temperature resulting from the breakdown, failure or inefficient operation of any refrigeration, humidity control, cooling or heating apparatus (including connections or supply pipes).

The most that we will pay under this **Coverage Extension (4)(ii)** is as specified under the **Coverage Extension (4) (i) (a) Property in Transit** on the Coverage Features page of the Declarations for any one "occurrence".

- (iii) We also agree to extend the insurance provided by this Coverage Extension to indemnify you for the following reasonable incurred expenses due to loss of or damage to insured property in the due course of transit, in your "automobiles" only, between points or places solely in Canada and the continental United States of America, caused directly by an insured peril:

- (1) the removal of the debris of the insured property but only if not covered under any other automobile insurance policy.

This **Coverage Extension (4) (iii) (1)** 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".

The most that we will pay under this **Coverage Extension (4) (iii) (1)** is 25% of the limit of liability as specified under the **Coverage Extension (4) (i) (a) Property in Transit** on the Coverage Features page of the Declarations for any one "occurrence".

This limit of liability applies as an additional amount of insurance.

- (2) to contain, remove, treat, detoxify, stabilize, neutralize, or remediate "pollutants" from land or water, if the spill, leakage, discharge, dispersal, seepage, migration, release or escape of the "pollutants":

- (a) is not covered under any other insurance policy;
- (b) commenced during the policy period; and
- (c) is reported to us within 90 days of the commencement of the spill, leakage, discharge, dispersal, seepage, migration, release or escape of the "pollutants".



The most that we will pay under this **Coverage Extension (4) (iii) (2)** is 10% of the limit of liability as specified under the **Coverage Extension (4) (i) (a) Property in Transit** on the Coverage Features page of the Declarations for any one "occurrence".

This limit of liability applies as an additional amount of insurance.

**(5) Installation Floater**

**(i) Insured Property:**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY (b) Business Personal Property** to indemnify you for the loss of or damage to supplies, machinery, equipment and materials all to enter into and form part of a completed installation, construction or rigging project, including expendable materials and supplies not otherwise excluded, necessary to complete the project, except as herein excluded, belonging to you or to someone else if you are legally liable for such property, anywhere in Canada or the continental United States of America caused directly by an insured peril. Coverage is extended while such property:

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

**(ii) Cessation of Coverage:**

Coverage on all property insured by this Coverage Extension ceases:

- (1) when your interest ceases;
  - (2) 90 days after completion of the installation, disassembly, construction or rigging project;
  - (3) upon commencement of use of the installation or part thereof for the purposes for which it was intended;
  - (4) when the installation, disassembly, construction or rigging activity has ceased for more than 30 consecutive days; or
  - (5) when this Policy expires,
- whichever occurs first.

**(iii) Additional Exclusions:**

This Coverage Extension does not insure:

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



- (iv) **Basis of Valuation:**  
Subject to the limit of liability for this Coverage Extension, the basis of valuation of any loss is subject to the following:
    - (1) On property you own: “actual cash value”.
    - (2) On property for which you are liable: The amount for which you are liable plus the additional cost, if any, expended thereon by you for labour and materials up to the time of loss.
  - (v) **Limit of Liability:**  
The most that we will pay under this Coverage Extension is as specified on the Coverage Features page of the Declarations for any one “occurrence”.
- (6) **Identity Theft Expense**
- (i) **Indemnity Agreement:**  
We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY** to “covered identity expenses” incurred by an “insured person” as the direct result of any one “identity theft” first discovered or learned of during the policy period.
  - (ii) **Provisions:**  
Settlement under this Coverage Extension is subject to the following provisions:
    - (1) Any act or series of acts committed by one or more persons, or in which such person or persons are aiding or abetting others against an “insured person”, is considered to be one occurrence of “identity theft”, even if a series of acts continues into a subsequent policy period.
    - (2) the “identity theft” was first discovered or learned of during the policy period.
    - (3) you notify an applicable law enforcement agency as soon as practicable of discovering or learning of the “identity theft”.
    - (4) You agree to send to us, within 60 days after our request, receipts, bills or other records that support your claim for “covered identity expenses”.
  - (iii) **Exclusions:**  
This Coverage Extension does not insure:
    - (1) “covered identity expenses” incurred due to any fraudulent, dishonest or criminal act by any “insured person” or any person aiding or abetting such “insured person”, or by any authorized representative of such “insured person”, whether acting alone or in collusion with others;
    - (2) loss, damage or expense resulting from fraudulent or misuse of your valid credit, debit or Automated Teller card(s);
    - (3) loss, damage or expenses other than “covered identity expenses”; or
    - (4) loss, damage or expenses insured by another insurance policy, even if you cannot collect under that policy for any reason.
  - (iv) **Deductible:**  
We are liable for the amount by which the loss caused by any “identity theft” exceeds \$1,000, or any other amount of the Identity Theft Expense Deductible specified on the “schedule” in any one occurrence
  - (v) **Limit of Liability:**  
The most that we will pay under this Coverage Extension in any one policy period is as specified on the Coverage Features page of the Declarations.
  - (vi) **Definitions:**  
Solely with respect to coverage provided by this Coverage Extension, the following definitions are added:
    - (1) “Covered identity expenses” means:
      - (i) reasonable costs for notarizing or commissioning affidavits or similar documents attesting to fraud required by law enforcement agencies, financial institutions or similar credit grantors and credit agencies;
      - (ii) reasonable costs for certified mail to law enforcement agencies, financial institutions, or similar credit grantors and credit agencies;
      - (iii) earnings lost by you as a result of time taken off work to deal with “identity theft” related issues including, but not limited to, completing fraud affidavits, meeting with or talking to law enforcement agencies, credit agencies, businesses and legal counsel up to a maximum of \$250 per day. The most that we will pay lost earnings is \$5,000 for any one occurrence;



- (iv) loan application fees for re-applying for a loan(s) due to the rejection of the original application solely because the lender received incorrect credit information due to “identity theft”;
- (v) reasonable legal fees incurred solely as a direct result of “identity theft”, subject to prior notice and approval by us, for:
  - (a) defence of any suits brought against any “insured person” by businesses, financial institutions or their collection agencies;
  - (b) removal of any criminal or civil judgments wrongly entered against any “insured person”; and
  - (c) any challenge to the information in a consumer credit report of any “insured person”;
- (vi) reasonable costs incurred for calls to businesses, law enforcement agencies, financial institutions or similar credit grantors, and credit agencies to report or discuss your actual or alleged “identity theft”; and
- (vii) costs to procure one (1) year of identity monitoring services, call centre and identity restoration services for any “insured person” affected by such “identity theft”.
- (2) “Identity theft” means the act of knowingly transferring or using, without lawful authority, a means of identification of an “insured person” which constitutes an act or an offence under any applicable federal, provincial or territorial law.
- (3) “Insured person” means an individual owner or partner with at least a 25% ownership stake in the Named Insured on this Policy and their “spouse”.
- (4) “Spouse” means a person:
  - (i) who is married to or has entered into a civil union with another person and is living with that person; or
  - (ii) who has been living with another person of the opposite or the same sex and has been publicly represented as that person’s spouse for at least three years; or in the following cases, for at least one year if:
    - (a) a child has been born or is to be born of their union; or
    - (b) they have adopted a child together; or
    - (c) one of them has adopted a child of the other.

**(7) Building By-Laws**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY**, without increasing the limit of liability, and only as a result of an insured peril, to indemnify you for:

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

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

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

This Coverage Extension does not insure against:

- (a) the enforcement of any by-law, regulation, ordinance, building and construction code or law which prohibits you from rebuilding or repairing on the same site or an adjacent site or prohibits continuance of like occupancy;
- (b) the enforcement of any by-law, regulation, ordinance, building and construction code or law which was in effect at the time of the original construction of the part of the building or structure that incurred the loss or damage provided you were the owner of such building or structure at the time of its original construction;
- (c) direct or indirect loss, damage, cost or expense, arising out of “clean up” resulting from any actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants”;
- (d) direct or indirect loss, damage, cost or expense, for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants”; or



- (e) the enforcement of any by-law, regulation, ordinance, building and construction code or law which would apply in absence of loss to the lost or damaged property. This exclusion (e) does not apply to the first \$5,000 for any one “occurrence” as a direct result of the enforcement of any such by-law, regulation, ordinance, building and construction code or law due to loss of or damage to other insured property at the “scheduled risk location” caused directly by an insured peril.

This Coverage Extension applies only to those buildings at “scheduled risk location(s)” that are insured under **Commercial Property Form, Section 2. INSURED PROPERTY (a) Building(s)** on “replacement cost” valuation basis. This Coverage Extension does not apply to any building which is insured under **Section 2. INDIVIDUAL COVERAGE EXTENSION (5) Installation Floater**.

If the total amount for both loss of or damage to insured property and the loss or cost insured by this Coverage Extension exceeds the amount of insurance applying to the property, an additional amount of insurance, up to 5% of the limit of liability for such property will apply to the loss or cost insured by this Coverage Extension for any one “occurrence”.

**(8) Automatic Inflation Adjustment**

**(i) Indemnity Agreement:**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY (a) Building(s)** by increasing the amount of insurance applicable to building(s) during the policy period by the proportion by which the latest published Statistics Canada Non-Residential Construction Price Indexes have increased since the last “premium due date”.

**(ii) Provisions:**

- (1) If the amount of insurance applicable to building(s) is changed at your request during the policy period, the effective date of this Coverage Extension is deemed to coincide with the effective date of such change.
- (2) If **Commercial Property Form, Section 2. INSURED PROPERTY (a) Building(s)** insures two or more buildings, the foregoing will apply separately to each item.
- (3) This Coverage Extension only applies if:
  - (a) the valuation basis for the applicable Building(s) is “replacement cost”; and
  - (b) loss of or damage to the applicable Building(s) at the “scheduled risk location(s)” is caused directly by an insured peril.

**(iii) Definition:**

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

**(9) Stock Subject To Public Health Declaration**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY (b) Business Personal Property** to your “stock” which a “public health authority” has declared may not be sold or distributed to your customers.

This Coverage Extension only applies if other insured property has been lost or damaged directly by an insured peril during the same “occurrence” that directly leads to such “public health authority” declaration.

Solely with respect to coverage provided by this Coverage Extension, the following definition is added:

- (i) “Public health authority” means: a governmental authority having jurisdiction over your business operations relating to creating and administering standards for the public’s health and hygiene protection.

**(10) Pollutant Cleanup and Removal**

**(i) Indemnity Agreement:**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY** to indemnify you for the reasonable expense incurred to “clean up” “pollutants” from land or water at your “scheduled risk location”, provided the spill, leakage, discharge, dispersal, seepage, migration, release or escape of the “pollutants”:

- (1) is solely and directly the result of an insured peril;
- (2) which resulted from loss of or damage to insured property at your “scheduled risk location”;
- (3) first commenced during the policy period; and
- (4) is reported in writing to us within 365 days of the first commencement of the spill, leakage, discharge, dispersal, seepage, migration, release or escape of the “pollutants”.

**(ii) Additional Provisions:**

This Coverage Extension only applies if the “pollutants” are your insured property.



(iii) **Additional Exclusions:**

This Coverage Extension does not indemnify or insure you for:

- (1) any fines or penalties assessed against you by any government or public authority; or
- (2) any cost or expense to test, monitor or assess the existence, concentration or effects of “pollutants”. However, we will pay for testing which is performed in the course of extracting the “pollutants” from the land or water.

(iv) **Limit of Liability:**

The most that we will pay under this Coverage Extension in any one policy period is as specified on the Coverage Features page of the Declarations.

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

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY** to indemnify you for the loss of or damage to personal property of:

- (i)
  - (1) each tenant of your apartment;
  - (2) each registered guest of your hotel;
  - (3) each of your members or guests of your business;
  - (4) each child or student registered or enrolled in your daycare or educational facility, including their legal guardians;

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

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

at “scheduled risk location(s)” caused directly by an insured peril.

The most that we will pay under this Coverage Extension at each “scheduled risk location” per covered tenant, guest, member or resident is as specified on the Coverage Features page of the Declarations for any one “occurrence”.

The most that we will pay under this Coverage Extension at each “scheduled risk location” in any one policy period is as specified on the Coverage Features page of the Declarations.

Solely with respect to coverage provided by this Coverage Extension, the following definition is added:

- (1) “Scheduled premises” means “premises” specified on the “schedule”.

(12) **Furs, Fur Garments, Jewels, and Jewellery**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY (b) Business Personal Property** to indemnify you for the loss of or damage to furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, precious stones and semi-precious stones at “scheduled risk location(s)” caused directly by an insured peril.

The most that we will pay under this Coverage Extension in any one policy period is as specified on the Coverage Features page of the Declarations.

(13) **Deferred Payment Plan (Stock)**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY (b) Business Personal Property** to your interest in goods sold by you under conditional sale, instalment payment or other deferred payment plan and no longer in your custody and which are lost or damaged directly by an insured peril.

This Coverage Extension does not apply to loss or damage caused directly or indirectly by any fraudulent scheme, trick, device or false pretence, regardless of the method or instrument used to perpetrate the deception or the conversion, embezzlement, theft or secretion by any person in lawful possession of the property under a mortgage, deferred payment plan, conditional sale or other similar written agreement.

The most that we will pay under this Coverage Extension is as specified on the Coverage Features Page of the Declarations for any one “occurrence”.



#### (14) Product Recall Expense

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY (b) Business Personal Property** to indemnify you for any reasonable and necessary “product recall expenses” incurred by you and directly related to a withdrawal of your products from within Canada and continental United States of America when such withdrawal is because you, acting reasonably, or a government body has determined that the use of the product could result in bodily injury or property damage because of a known or suspected defect or deficiency in the product.

Solely with respect to coverage provided by this Coverage Extension, the following definition is added:

- (1) “Product recall expenses” means reasonable:
- (i) costs of notification;
  - (ii) costs of stationery, envelopes, production of announcements and postage or facsimiles;
  - (iii) costs of overtime directly related to such product recall paid to your regular employees;
  - (iv) costs of hiring independent contractors and other temporary help;
  - (v) costs of transportation, shipping or packaging directly related to such product recall;
  - (vi) costs of warehouse or storage space directly related to such product recall;
  - (vii) costs of proper disposal of your products, or products that contain your products, that cannot be reused, not exceeding your purchase price or your cost to produce the products; and
  - (viii) any other reasonable expenses incurred by you with our written consent;
- but “product recall expenses” does not include:
- (a) costs of the replacement, repair or redesign of your product;
  - (b) costs of regaining your market share; or
  - (c) reduction in goodwill, revenue or profit.

The most that we will pay under this Coverage Extension is as specified on the Coverage Features page of the Declarations for any one “occurrence”.

The Limit of Insurance provided under this Coverage Extension is inclusive of any insurance coverage that may exist elsewhere under any Form or Endorsement of this Policy.

#### (15) Rewards

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY** to pay a reward to any person, except as excluded below, for information that leads to a conviction for any criminal act, if the loss or damage to insured property caused directly by an insured peril exceeds the applicable deductible and is directly resultant from such criminal act.

We will not pay or reimburse rewards paid under this Coverage Extension to:

- (i) you;
- (ii) your partner(s);
- (iii) your “executive officer(s)”; or
- (iv) any employee of yours who committed the criminal act, acting alone or in collusion with others, or members of their households(s).

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

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

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

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

#### (16) Recovery Expense

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY (b) Business Personal Property** to indemnify you for the reasonable “recovery expense” incurred solely in consequence of the theft of insured property occurring during the policy period.

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



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

- (i) the amount of insurance specified on the Coverage Features page of the Declarations; or
  - (ii) 25% of the amount we pay or would pay for direct physical loss to insured property,
- for any one “occurrence”.

Solely with respect to coverage provided by this Coverage Extension, the following definition is added:

- (1) “Recovery expense” means:
  - (i) fees charged by your anti-theft device service provider to search for, locate and return the stolen insured property;
  - (ii) reasonable expense, including employee overtime, to search for the stolen insured property; and
  - (iii) reasonable expense to transport the stolen insured property back to your “scheduled risk location” for your use or back to your shop or any repair shop for required repairs.

**(17) Protection of Property**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY**, if any of the insured property is necessarily removed from a “premises” to prevent loss of or damage to or further loss of or damage to such property. We will insure under this Coverage Extension that part of the insurance under the **Commercial Property Form** and this Endorsement that exceeds the amount of our liability for any loss already incurred to the property removed and any property remaining at the “premises” in the proportions which the value of the property in each of the locations bears to the value of the property in them all. We will insure for any direct physical loss of or damage to that property caused directly by an insured peril:

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

However we will not be liable under this Coverage Extension beyond the expiry of this Policy.

**(18) Permission for Repairs**

You may immediately carry out necessary and reasonable repairs for damage to insured property, provided such repairs are confined solely to the protection of the insured property from further loss or damage. If such damage is insured under the terms and conditions of **Commercial Property Form, Section 2. INSURED PROPERTY**, we will reimburse you for your proportion of the actual cost of such repairs, subject to **Commercial Property Form, Section 3. DEDUCTIBLE** clause and any applicable Amount of Insurance stated on the “schedule” and provided you keep an accurate record of such reasonable repair expenditures.

Nothing in this clause will be deemed to have waived the requirement that notice of loss be given as soon as practicable to us as provided elsewhere in this Policy.

The most that we will pay under this Coverage Extension is as specified on the Coverage Features page of the Declarations for any one “occurrence”.

**(19) Enhanced Pairs, Sets and Parts**

The following condition is added to the **Commercial Property Form, Section 9. PROVISIONS AND CONDITIONS**:

**(r) Pairs, Sets and Parts**

- (i) In the case of loss of or damage to any article or articles by an insured peril, whether scheduled or unscheduled, which are a part of a set, the measure of loss of or damage to such articles will be adjusted on the basis of a reasonable and fair proportion of the total value of the set, if repair or replacement of the lost or damaged parts is not effected.
- (ii) In the case of loss of or damage to any component part(s) of insured property consisting of a machine or assembly by an insured peril, whether scheduled or unscheduled, consisting, when complete for use, of several parts, the measure of loss of or damage to such insured property will be adjusted on the basis of the total reduction of value of the machine or assembly including the cost of installation, if repair or replacement of the part(s) is not effected.

**(20) Errors and Unintentional Omissions in Description**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY** so that such insurance will indemnify you and be effective notwithstanding, and will not be invalidated by, any unintentional or inadvertent error or omission that occurs during the policy period with respect to the:

- (i) description or legal address of any “scheduled risk location”;
- (ii) description of any Additional Interest with respect to the insured property; or



(iii) deletion of any “scheduled risk location” during this policy period, provided notice is given to us as soon as practicable on discovery of such error or omission.

The most that we will pay under items (i) and (ii) of this Coverage Extension is the limit of liability specified on the “schedule” for the “scheduled risk location” for any one “occurrence”.

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

- (1) the limit of liability that was previously specified on the “schedule” for the applicable “scheduled risk location” immediately prior to its deletion; or
- (2) the amount of insurance specified on the Coverage Features page of the Declarations.

**(21) Confiscation or Seizure of Business Personal Property**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY (b) Business Personal Property** to indemnify you for loss of insured property at “scheduled risk location(s)” which has been confiscated or seized by public authority provided that you purchased such property:

- (i) from a person who had acquired the property illegally; and
- (ii) in good faith such that you did not know and could not ought to have known that you were purchasing illegally acquired property.

The most that we will pay under this Coverage Extension in any one policy period is as specified on the Coverage Features page of the Declarations.

**(22) Extortion Payments**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY** to reimburse you for any “contamination extortion expenses” resulting from a “contamination extortion demand” against insured property or your product anywhere in Canada and the continental United States of America provided such “contamination extortion demand”:

- (i) first commenced during the policy period; and
- (ii) is reported in writing to us during the policy period or within 60 days of cancellation, termination or non-renewal of the Policy.

The most that we will pay under this Coverage Extension in any one policy period is as specified on the Coverage Features page of the Declarations.

Solely with respect to coverage provided by this Coverage Extension, the following definitions are added:

- (1) “Contamination” means the:
  - (i) alteration of your insured property or your product; or
  - (ii) introduction of a foreign material or substance into your insured property or your product, in such a way as to render such property unfit for its intended use or consumption as determined by any government authority which has jurisdiction over your business operations.
- (2) “Contamination extortion demand” means a credible threat or connected series of credible threats made against you involving the “contamination” or other impairment to your insured property or your product, requiring payments of “money”, electronic currency (e-currency), “cash cards”, “securities” or the monetary value of property or other consideration as a condition to remove such threat(s) or to identify such contaminated insured property or product.
- (3) “Contamination extortion expenses” means reasonable and necessary costs, fees, “money”, electronic currency (e-currency), “cash cards” or “securities” paid by you to a third party whom you reasonably believe to be responsible for the “contamination extortion demand”, provided that:
  - (i) the applicable government authority(s) does not object or recommend against the payment of such “contamination extortion expenses”;
  - (ii) such “contamination extortion expenses” are paid to terminate the “contamination extortion threat”; and
  - (iii) our prior written consent is obtained before such “contamination extortion expenses” are incurred.

**(23) Hook Liability**

**(i) Indemnity Agreement:**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY (b) Business Personal Property** to indemnify you for your legal liability for direct physical loss of or damage to insured property of others in your care, custody or control caused directly by an insured peril and occurring while such property is being lifted or lowered anywhere in Canada or the continental United States of America.



This Coverage Extension ceases the earliest of when:

- (1) all rigging apparatus and devices have been removed from the insured property of others; or
- (2) the insured property of others commences being transported by a conveyance other than your lifting or lowering equipment.

**(ii) Additional Exclusions:**

This Coverage Extension does not indemnify or insure you for any loss, damage, cost or expense resulting directly or indirectly from:

- (1) operating contrary to any instructions or recommendations set out in the manufacturer's specifications or capacity tables;
- (2) cessation of work or by interruption of the lifting or lowering operation for more than 24 continuous hours.

This exclusion (2) does not apply to loss or damage caused directly by a peril not otherwise excluded in this Coverage Extension;

- (3) any stevedoring operations; or
- (4) any liability for loss, damage, cost or expense assumed by you under any contract or agreement, whether oral or written.

This exclusion (4) does not apply to the extent you would have been liable in the absence of such contract or agreement.

**(iii) Limit of Liability:**

The most that we will pay under this Coverage Extension is as specified on the Coverage Features page of the Declarations for any one "occurrence", including legal expenses, salvage charges, sue and labour or other expenses all combined.

**(24) Voluntary Parting**

We agree to extend the insurance provided by **Commercial Property Form, Section 2. INSURED PROPERTY (b) Business Personal Property** to indemnify you for loss of insured property by voluntary parting by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretence provided that if upon becoming aware of the dishonest or criminal act, you or your agent immediately notifies the police and us.

The most that we will pay under this Coverage Extension is as specified on the Coverage Features page of the Declarations for any one "occurrence".

All other terms and conditions remain unchanged.



## Earthquake Shock Endorsement

This Endorsement is attached to, forms part of and modifies the insurance provided under the **Commercial Property Form** and the **Business Interruption Form**, and is subject to the definitions, exclusions, provisions, and conditions of the **Commercial Property Form** and the **Business Interruption Form**.

This Endorsement applies separately to each “scheduled risk location” for which the Earthquake Shock Endorsement is specified on the “schedule”.

### SECTION

#### 1. INSURED PERIL

This insurance is extended to include “earthquake”.

#### 2. LIMIT OF INSURANCE

This Endorsement does not increase the amount of insurance specified on the “schedule” for the Coverages and Coverage Extensions at the “scheduled risk location”.

- (a) Subject to (b) and (c) below, if an amount of insurance is specified on the “schedule” for Earthquake for the “scheduled risk location”, that limit is the most we will pay for the **Commercial Property Form** and the **Business Interruption Form** in any one “earthquake occurrence” at the “scheduled risk location”.
- (b) Notwithstanding any other limit of loss, amount of insurance or limit of liability specified under this Policy or Endorsement, if a limit of insurance is specified on the “schedule” for Aggregate Location Earthquake Limit of Loss, that limit is the most we will pay for the **Commercial Property Form** and the **Business Interruption Form** for the sum of all losses, disasters or casualties including salvage or other charges or expenses all combined during the policy period for the “scheduled risk location”.
- (c) Notwithstanding any other limit of loss, amount of insurance or limit of liability specified under this Policy or Endorsement, if a limit of insurance is specified on the “schedule” for Aggregate Earthquake Limit of Loss, that limit is the most we will pay for the **Commercial Property Form** and the **Business Interruption Form** for the sum of all losses, disasters or casualties including salvage or other charges or expenses all combined during the policy period from all insured “scheduled risk locations”.

If the policy period is extended after issuance for an additional period of less than 6 months, the additional period will be deemed part of the last preceding period for purposes of determining the most that we will pay under this Endorsement for (b) and (c) above.

#### 3. DEDUCTIBLE

We are liable for the amount by which the loss or damage caused by “earthquake” exceeds the amount of the deductible specified on the “schedule” for Earthquake Shock Endorsement in any one “earthquake occurrence”. The amount of the deductible will be calculated as follows:

- (a) \$100,000 or as otherwise shown as the deductible on the “schedule” for Earthquake Shock Endorsement;
- (b) If a percentage is shown as the deductible, the amount of the deductible will be calculated as such percentage multiplied by the sum of the amount of insurance specified on the “schedule” for Building plus the amount of insurance specified on the “schedule” for Business Personal Property plus the amounts of insurance specified on the “schedule” for Business Income, Extra Expense and Rental Value;
- (c) If both a percentage deductible and dollar deductible are shown on the “schedule” for Earthquake Shock Endorsement, the higher deductible amount will apply. If only a percentage is shown on the “schedule” for Earthquake Shock Endorsement, the higher amount specified in (a) above or calculated in (b) above will apply.

**GENERAL COVERAGE EXTENSION 1. One Deductible** of the **General Provisions and Conditions Form** does not apply to this Endorsement.

This Deductible clause applies separately to each “scheduled risk location” to which this Endorsement applies.

#### 4. EXCLUSIONS

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

- (a) fire, explosion, or smoke;
- (b) leakage from “fire protective equipment”;
- (c) riot, vandalism or malicious acts;



- (d) theft or attempted theft; or
- (e) "flood".

## 5. COVERAGE EXTENSIONS

- (a) We will be liable for loss or damage to the insured property, caused by wind, hail, rain or snow entering a building located at the "scheduled risk location" but only if through an opening in the roof or walls that is caused directly by an "earthquake".
  - (b) We will indemnify you for physical damage occurring during the policy period to insured property caused directly from volcanic ash or volcanic dust directly resulting from a volcanic eruption.

## 6. DEFINITIONS

Wherever used in this Endorsement:

- (1) "Earthquake occurrence" means all earthquake shocks which occur within 168 consecutive hours, commencing during the policy period on or after the effective date of this Endorsement. The expiration of this Policy will not reduce the 168 hour period.

All other terms and conditions remain unchanged.



## Flood Endorsement

This Endorsement is attached to, forms part of and modifies insurance provided under the **Commercial Property Form** and the **Business Interruption Form**, and is subject to the definitions, exclusions, provisions, and conditions of the **Commercial Property Form** and the **Business Interruption Form**.

This Endorsement applies separately to each “scheduled risk location” for which the Flood Endorsement is specified on the “schedule”.

### SECTION

#### 1. INSURED PERIL

This insurance is extended to include “flood”.

#### 2. LIMIT OF INSURANCE

This Endorsement does not increase the amount of insurance specified on the “schedule” for the Coverages and Coverage Extensions at the “scheduled risk location”.

- (a) Subject to (b) and (c) below, if an amount of insurance is specified on the “schedule” for Flood for the “scheduled risk location”, that limit is the most we will pay for the **Commercial Property Form** and the **Business Interruption Form** in any one “flood occurrence” at the “scheduled risk location”.
- (b) Notwithstanding any other limit of loss, amount of insurance or limit of liability specified under this Policy or Endorsement, if a limit of insurance is specified on the “schedule” for Aggregate Location Flood Limit of Loss, that limit is the most we will pay for the **Commercial Property Form** and the **Business Interruption Form** for the sum of all losses, disasters or casualties including salvage or other charges or expenses all combined during the policy period for the “scheduled risk location”.
- (c) Notwithstanding any other limit of loss, amount of insurance or limit of liability specified under this Policy or Endorsement, if a limit of insurance is specified on the “schedule” for Aggregate Flood Limit of Loss, that limit is the most we will pay for the **Commercial Property Form** and the **Business Interruption Form** for the sum of all losses, disasters or casualties including salvage or other charges or expenses all combined during the policy period from all insured “scheduled risk locations”.

If the policy period is extended after issuance for an additional period of less than 6 months, the additional period will be deemed part of the last preceding period for purposes of determining the most that we will pay under this Endorsement for (b) and (c) above.

#### 3. DEDUCTIBLE

We are liable for the amount by which the loss or damage caused by “flood” exceeds the amount of the deductible specified on the “schedule” for Flood Endorsement in any one “flood occurrence”. The amount of the deductible will be calculated as follows:

- (a) \$25,000 or as otherwise shown as the deductible;
- (b) If a percentage is shown as the deductible, the amount of the deductible will be calculated as such percentage multiplied by the sum of the amount of insurance specified on the “schedule” for Building plus the amount of insurance specified on the “schedule” for Business Personal Property plus the amounts of insurance specified on the “schedule” for Business Income, Extra Expense and Rental Value;
- (c) If both a percentage deductible and dollar deductible are shown, the higher deductible amount will apply. If only a percentage is shown, the higher amount specified in (a) above or calculated in (b) above will apply.

**GENERAL COVERAGE EXTENSION 1. One Deductible** of the **General Provisions and Conditions Form** does not apply to this Endorsement.

This Deductible clause applies separately to each “scheduled risk location” to which this Endorsement applies.

#### 4. EXCLUSIONS

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

- (a) fire, explosion, or smoke;
- (b) leakage from “fire protective equipment”;
- (c) riot, vandalism or malicious acts;



- (d) theft or attempted theft;
- (e) the backing up or overflow, within the area bounded by the bearing walls and foundations of the building which is located at the “scheduled risk location”, of water from within any sewer, sump, septic system or drain including any roof or balcony drain. This exclusion (e) does not apply to loss or damage that occurs concurrently or in any sequence to the occasioning of loss or damage caused by “flood”;
- (f) water below the surface of the ground including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows or other openings in such sidewalks, driveways, foundations, walls or floors; or
- (g) leakage from a watermain.

## 5. EXTENSIONS OF COVERAGE

- (a) We will be liable for loss of or damage to the insured property caused by wind, hail, rain, or snow entering a building which is located at the “scheduled risk location” through an opening in the roof or walls directly resulting from “flood”.
- (b) We will indemnify you for the loss of or damage to insured property caused directly by any intentional “flood”, breach of any dike or opening of any flood gate by order of any public authority which is done to protect other property.

## 6. DEFINITIONS

Wherever used in this Endorsement:

- (1) “Flood occurrence” means all flooding which occurs within any 168 consecutive hours commencing during the policy period on or after the effective date of this Endorsement. The expiration of this Policy will not reduce the 168 hour period.

All other terms and conditions remain unchanged.



## Limitation – Water Damage Deductible Endorsement

This Endorsement is attached to, forms part of and modifies the insurance provided under the **Commercial Property Form**, and is subject to the definitions, exclusions, provisions, and conditions of the **Commercial Property Form**.

This Endorsement only applies to each “scheduled risk location” for which the Limitation – Water Damage Deductible Endorsement is specified on the “schedule”.

### SECTION

#### 1. WATER DAMAGE DEDUCTIBLE

The following is added to the **Commercial Property Form, Section 3. DEDUCTIBLE:**

We are liable for the amount by which the loss or damage caused by a “water damage peril” exceeds the amount of the deductible specified on the “schedule” for Limitation – Water Damage Deductible Endorsement in any one “occurrence”.

#### 2. DEFINITIONS

Wherever used in this Endorsement:

- (1) “Water damage peril” means loss or damage directly or indirectly, in whole or in part, resulting from or caused by:
  - (i) the escape of water, ice, steam or any heat transfer medium or its vapours from within any “water container” located at the “scheduled risk location”;
  - (ii) the escape or release of water, antifreeze or other fire suppressant from “fire protective equipment” located at the “scheduled risk location”; or
  - (iii) the entrance of water, rain, hail, sleet, ice, frost or snow into the building or structure at the “scheduled risk location” due to the backing up or overflow of any balcony drain.

“Water damage peril” does not include “flood” or “sewer back-up”, except as provided by **Section 2.(1)(iii)** above.

All other terms and conditions remain unchanged.



**Condominium Corporation Endorsement**

This Endorsement is attached to, forms part of and modifies insurance provided under the **Commercial Property Form** and the **Business Interruption Form**, and is subject to the definitions, exclusions, provisions, and conditions of the **Commercial Property Form** and the **Business Interruption Form**.

If the sequencing of any added clause in this Endorsement is in conflict with the sequencing of the respective clause of the **Commercial Property Form** or the **Business Interruption Form** and any endorsements attached thereto, then this Endorsement is changed to the next available sequencing.

**SECTION**

**1. AMENDED BUILDING COVERAGE**

The following is added to **Commercial Property Form Section 2. INSURED PROPERTY (a) Building(s)**:

(vii) those parts of the common property or common elements and the “units” as defined in the provincial or territorial legislation or in the registered documents of the “condominium corporation”.

**2. AMENDED BUSINESS PERSONAL PROPERTY COVERAGE**

**Commercial Property Form Section 2. INSURED PROPERTY**, item (b) Business Personal Property is deleted in its entirety and replaced with the following:

(b) Business Personal Property

We will insure business personal property owned by the “condominium corporation” at the “scheduled risk location(s)”, excluding property of owners of individual “units” and additions, alterations or improvements made or acquired by the individual “unit” owners; except as otherwise provided under **Section 4. ADDITIONAL CONDOMINIUM COVERAGE EXTENSION (25) Condominium Unit Owners Contents** of this Endorsement.

**3. DELETED COVERAGE EXTENSIONS**

**Coverage Extensions Endorsement for Commercial Property, Section 1. AUTOMATIC BLANKET COVERAGE EXTENSIONS (9) Condominium Unit Coverage Loss Assessment and (10) Condominium Unit Coverage Contingent** are deleted in their entirety.

**4. ADDITIONAL CONDOMINIUM COVERAGE EXTENSIONS**

The following Coverage Extensions are added to **Coverage Extensions Endorsement for Commercial Property, Section 2. INDIVIDUAL COVERAGE EXTENSIONS** only if an amount of insurance is specified on the “schedule” for Building at the “scheduled risk location”.

**Condominium Extension Limit Clause**

**Condominium Extension Limit: \$200,000**

The Condominium Extension Limit is the most that we will pay for one or a combination of the Coverage Extensions listed below for any one “occurrence”.

**(23)Condominium Maintenance Fees**

We agree to extend the insurance provided by **Commercial Property Form Section 2. INSURED PROPERTY** to indemnify you for the pro-rata share of the “condominium maintenance fees” you are unable to collect as a direct result of loss of or damage to insured property by an insured peril at the “scheduled risk location” that renders the “unit(s)” uninhabitable. You may not waive the right to recover “condominium maintenance fees” receivable except with our express permission and you must cooperate with us to recover and to enforce collection of unpaid “condominium maintenance fees” receivable.

Subject to the **Condominium Extension Limit Clause**, the most that we will pay under this Coverage Extension and in combination of all other **Section 4. ADDITIONAL CONDOMINIUM COVERAGE EXTENSIONS** of this Endorsement is the Condominium Extension Limit for any one “occurrence”.

**(24)Insurance Trustees Fees**

We agree to extend the insurance provided by **Commercial Property Form Section 2. INSURED PROPERTY** to indemnify you for reasonable and customary fees paid to an insurance trustee for services provided following loss of or damage by an insured peril to insured property at “scheduled risk location(s)”. The use of an insurance trustee must be required by the documents or legislation governing the operation of the “condominium corporation”.

Subject to the **Condominium Extension Limit Clause**, the most that we will pay under this Coverage Extension for such fees resulting from all “scheduled risk locations” combined is the least of:

- (i) 2% of the amount of insurance specified on the “schedule” for the Building at the affected “scheduled risk location(s)”;
- (ii) 2% of the loss sustained and otherwise payable under this Endorsement without regard to the benefit under this Coverage Extension; or
- (iii) the Condominium Extension Limit,



for any one “occurrence”.

Subject to the **Condominium Extension Limit Clause**, the most that we will pay under this Coverage Extension and in combination of all other **Section 4. ADDITIONAL CONDOMINIUM COVERAGE EXTENSIONS** of this Endorsement is the Condominium Extension Limit for any one “occurrence”.

**(25) Condominium Unit Owners Contents**

We agree to extend the insurance provided by **Commercial Property Form Section 2. INSURED PROPERTY** to indemnify you for loss of or damage by an insured peril to “unit owner contents” at “scheduled risk location(s)”.

The most that we will pay under this Coverage Extension to any one “unit” owner is \$2,500 for any one “occurrence”.

Subject to the **Condominium Extension Limit Clause**, the most that we will pay under this Coverage Extension and in combination of all other **Section 4. ADDITIONAL CONDOMINIUM COVERAGE EXTENSIONS** of this Endorsement is the Condominium Extension Limit for any one “occurrence”.

**5. PRIVILEGE TO ADJUST CLAUSE**

At our option, we will adjust the loss with you or your property manager and you agree to distribute the claim payment fairly among the owners of the lost or damaged insured property.

**6. AMENDED DEFINITION**

Coverage granted under this Endorsement is not “covered direct physical loss” as defined in **Business Interruption Form, Section 10. DEFINITIONS**.

**7. DEFINITIONS**

Wherever used in this Endorsement:

(1) “Condominium maintenance fees” means the regular obligatory payment made to the “condominium corporation” by “unit” owners based on their “unit” entitlement and used to service the common property, the costs of which would still be incurred in absence of loss or damage, but not including any special assessments that are payable or have been incorporated in such “condominium maintenance fees”.

(2) “Unit owner contents” means personal property which:

- (i) belongs to the owners of individual “units”; or
- (ii) similar property belonging to others:
  - (1) which you are under obligation to keep insured; or
  - (2) for which you are legally liable,

all while situated at the “scheduled risk location”.

“Unit owner contents” does not include property which is:

- (a) insured under **Commercial Property Form Section 2. INSURED PROPERTY**;
- (b) owned by the “condominium corporation”;
- (c) the common property or common elements;
- (d) the “units” as defined in the provincial or territorial legislation or in the registered documents of the “condominium corporation”; or
- (e) additions, alterations or improvements made or acquired by the individual “unit” owners to the “units”.

All other terms and conditions remain unchanged.



## Equipment Breakdown excluding Production Machinery Endorsement

This Endorsement is attached to, forms part of and modifies insurance provided under the **Commercial Property Form** and the **Business Interruption Form**, and is subject to the definitions, exclusions, provisions and conditions of the **Commercial Property Form** and the **Business Interruption Form**.

If the sequencing of any added clause in this Endorsement is in conflict with the sequencing of the respective clause of the **Commercial Property Form**, the **Business Interruption Form** or the **Coverage Extensions Endorsement for Commercial Property** and any endorsements attached thereto, then this Endorsement is changed to the next available sequencing.

### SECTION

#### 1. INDEMNITY AGREEMENT

##### (a) Direct Damage

We agree to pay for loss of insured property directly damaged by an “accident” to an “object” occurring during the policy period and while the “object” is in use or connected ready for use at a “scheduled risk location”.

It is agreed that the **Commercial Property Form, Section 6. EXCLUDED PROPERTY (c)** and **Section 7. EXCLUSIONS, 7.A (d)** do not apply to an “accident” occurring during the policy period.

##### (b) Equipment Breakdown Business Interruption

If:

- (i) Indemnity is provided by Indemnity Agreement (a) above; and
- (ii) Business Income, Extra Expense or Rental Value coverage is insured at the “scheduled risk location”,

we agree to extend such coverage by adding the following to the definition of “insured peril” of the **Business Interruption Form, Section 10 Definitions**:

“Insured peril” also means an “accident” occurring during the policy period.

If Business Income, Extra Expense or Rental Value coverage is insured at the “scheduled risk location”, all the definitions, exclusions, provisions and conditions of the **Business Interruption Form** apply to this Endorsement.

#### 2. DEDUCTIBLE

Our liability with respect to any insured loss under this Endorsement will be excess of the applicable deductible.

- (a) With respect to **Section 1. INDEMNITY AGREEMENT (a) Direct Damage**, we are liable for the amount by which the loss or damage caused by an “accident” exceeds the amount of the Deductible specified on the “schedule” for this Endorsement in any one “accident”.
- (b) With respect to **Section 1. INDEMNITY AGREEMENT (b) Equipment Breakdown Business Interruption**, our liability for each interruption of business resulting from an “accident” begins only when the period of interruption exceeds the length of time in consecutive hours as specified on the “schedule” for this Endorsement. We are liable only for that part of the loss in excess of such consecutive number of hours in any one “accident”.

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

#### 3. EXCLUDED PROPERTY

This Endorsement does not insure any “accident” to an “object”:

- (a) prior to the time such “object” has been completely installed, tested and contractually accepted by you;
- (b) undergoing any hydrostatic test, pneumatic test, pressure test, insulation breakdown test or being dried out;
- (c) which is being or has been manufactured, modified or altered by you or is being tested or used for experimental purposes; or
- (d) outside Canada or the continental United States.

#### 4. EXCLUDED PERILS

The following excluded perils apply in addition to those on the **Commercial Property Form** and the **Business Interruption Form**.

This Endorsement does not insure, unless insured by a specific Coverage Extension, against any “accident”, or any loss or damage caused directly or indirectly:

- (a) by an explosion of gas or unconsumed fuel within the furnace of any boiler or fired vessel or within the passages from the furnace to the atmosphere, whether or not the explosion:
  - (i) is contributed to or aggravated by an “accident” to any part of said “object” that contains heat transfer medium or its vapours; or



- (ii) is caused in whole or in part, directly or indirectly, by an “accident” to any “object”, or part thereof, nor will we be liable for any loss from an “accident” caused directly or indirectly by such explosion;
- (b) as respects any boiler of the chemical recovery type, by an explosion within the furnace of any such boiler or within the passages from the furnace to the atmosphere, whether or not such explosion:
  - (i) is contributed to or aggravated by an “accident” to any part of said boiler that contains heat transfer medium or its vapours; or
  - (ii) is caused in whole or in part, directly or indirectly by an “accident” to any “object” or part thereof, nor will we be liable for any loss from an “accident” caused directly or indirectly by such explosion.

**5. EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**

The Coverage Extensions described below either modify or are in addition to coverage granted under this Endorsement, and are also subject to the following conditions:

1. If the limit of liability of a Coverage Extension applies to the policy period, and the policy period is extended after issuance for an additional period of less than 6 months, the additional period will be deemed part of the preceding period for the purposes of determining limits.
2. The limits of liability specified for the Coverage Extensions apply as an additional amount of insurance, except with respect to the following Coverage Extensions:
  - (1) Equipment Breakdown – Ammonia Contamination;
  - (2) Equipment Breakdown – Water Damage;
  - (4) Equipment Breakdown – Diagnostic Equipment;
3. Unless otherwise stated, the Coverage Extensions are subject to the exclusions, provisions and conditions of this Endorsement.

**(1) Equipment Breakdown – Ammonia Contamination**

If, as a direct result of an “accident” to an “object” in use or connected ready for use at a “scheduled risk location” occurring during the policy period, ammonia contaminates insured property, we will indemnify you for, including salvage expense, the lesser of the amount:

- (i) of such loss to ammonia contaminated insured property; or
  - (ii) indicated for this Coverage Extension on the Coverage Features page of the Declarations,
- for loss from any one “accident”, including all resultant and concomitant “accidents”.

**(2) Equipment Breakdown – Water Damage**

If, as a direct result of an “accident” to an “object” in use or connected ready for use at a “scheduled risk location” occurring during the policy period, damage occurs to insured property due to the escape of water, we will indemnify you for, including salvage expense, the lesser of the amount:

- (i) of such loss to water damaged insured property; or
  - (ii) indicated for this Coverage Extension on the Coverage Features page of the Declarations,
- for loss from any one “accident”, including all resultant and concomitant “accidents”.

This Coverage Extension does not indemnify or insure you if coverage for such water damage loss is provided by any other policy in effect at the time of the loss.

**(3) Equipment Breakdown – Hazardous Substance**

If, as a direct result of an “accident” to an “object” in use or connected ready for use at a “scheduled risk location” occurring during the policy period, any insured property at such “scheduled risk location” is damaged, contaminated or polluted by any substance declared by any governmental agency to be hazardous to health or the environment, we will indemnify you for the cost incurred for the “clean up”, repair or replacement, collection, transportation, storage and disposal of such insured property damaged, contaminated or polluted by such substance or pollutant as a direct result of the “accident”.

This Coverage Extension does not indemnify or insure you:

- (a) if insured property is damaged, contaminated or polluted by ammonia, “fungi” or “spores”; or
- (b) for loss or damage to water, groundwater or land.

The most that we will pay under this Coverage Extension for loss from any one “accident”, including all resultant and concomitant “accidents”, is the amount indicated for this Coverage Extension on the Coverage Features page of the Declarations.



#### (4) Equipment Breakdown – Diagnostic Equipment

We agree to extend the insurance to indemnify you for loss of or damage to any insured electronic equipment used for research, diagnostic, treatment or other medical or scientific purposes and any complete insured x-ray machine or spectrograph at “scheduled risk location(s)” caused directly by an “accident” to such equipment occurring during the policy period.

This Coverage Extension does not indemnify or insure you if such equipment has a “replacement cost” exceeding the amount indicated for this Coverage Extension on the Coverage Features page of the Declarations.

This Coverage Extension does not indemnify or insure you if coverage for such damage or loss is provided by any other policy in effect at the time of the loss.

#### (5) Equipment Breakdown – Fungi and Spores

If, as a direct result of an “accident” to an “object” in use or connected ready for use at a “scheduled risk location” occurring during the policy period, any insured property is directly contaminated by “fungi” or “spores”, we will indemnify you for the cost necessitated by the “clean up” or disposal of such “fungi” or “spores”, if such “fungi” or “spores” are discovered and reported to us within 120 days of this “accident”.

The most that we will pay under this Coverage Extension for loss from any one “accident”, including all resultant and concomitant “accidents”, is the amount indicated for this Coverage Extension on the Coverage Features page of the Declarations.

### 6. PROVISIONS AND CONDITIONS

#### (a) Disputed Loss

In the event a recoverable loss exists and there is a dispute between any other property Insurer and us as to which Insurer is liable or as to the proportion of the loss to be paid by each Insurer, then upon your written request we will settle the loss in accordance with the Insurance Bureau of Canada’s *Agreement Respecting Disputed Losses Between Property Insurance and Boiler and Machinery Insurance Policies*.

#### (b) Portable Storage

As respects any unfired vessel which is used for the storage of gas or liquid and which is periodically filled, moved, emptied and refilled in the course of its normal service, such vessel will be considered as connected ready for use within the terms of this Endorsement.

#### (c) Suspension

Upon the discovery of a dangerous condition with respect to any “object”, any representative of ours may immediately suspend the insurance with respect to an “accident” to said “object” by written notice mailed or delivered to you at your address as specified on the Declarations in accordance with **General Provisions and Conditions Form, GENERAL PROVISIONS AND CONDITIONS (6) Notice**, or at the “scheduled risk location” of the “object” as specified for it in this Endorsement.

Insurance so suspended may be reinstated by us, but only by an endorsement issued to and forming a part of this Endorsement and signed by our duly authorized representative.

You will be allowed the unearned portion of the premium for the “object(s)” on which insurance is suspended, pro rata, for the period of suspension. Such allowance will be paid at the expiration of this Policy.

### 7. VALUATIONS

For the purpose of calculating the total value of the insured property for loss adjustment, the following valuation basis applies on “objects”:

- (i) The most we will pay for any repair or replacement is limited to whichever is the least of the following:
  - (1) the cost at the time of the “accident” to repair the damaged “object”;
  - (2) the cost at the time of the “accident” to replace the damaged “object” with property of like kind, capacity, size, quality and function if available; or
  - (3) if an “object” of like kind, capacity, size, quality and function is not available, we will replace it with property incorporating the most current technology providing it is comparable to the original function of the damaged “object”.
- (ii) In the event that:
  - (1) repair or replacement is by property of a better kind, capacity, size, quality or function; and
  - (2) repair or replacement with property of like kind, capacity, size, quality and function was available,
 the most we will pay is the amount that would have been paid if repair or replacement had been made by property of like kind, capacity, size, quality and function.



- (iii) We will not be liable for the cost of repairing or replacing any part or parts of an “object” in excess of the cost of repairing or replacing the entire “object”.
- (iv) If the damaged “object” contained polychlorinated biphenyls (also known as PCBs) and cannot be repaired, the most we will pay is the “actual cash value” of the “object” at the time and location of the “accident”.
- (v) If any damaged “object” is not repaired or replaced, the most we will pay for such property will be limited to the “actual cash value” of such “object” at the time and location of the “accident”.
- (vi) We will not indemnify or insure you for loss or damage to any “object” which is obsolete and not in current or planned future use of your business operations.

**8. DEFINITIONS**

Wherever used in this Endorsement:

(1) “Accident” means:

a sudden and accidental breakdown of an “object”, or a part thereof, which is accompanied at the time of the occurrence by physical damage to the “object” that necessitates repair or replacement of the “object” or part thereof.

“Accident” does not mean:

- (i) depletion, deterioration, corrosion, or erosion of material;
- (ii) wear and tear;
- (iii) vibration or misalignment;
- (iv) leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (v) the breakdown of any structure or foundation supporting the “object” or any part thereof; or
- (vi) the functioning of any safety device or protective device.

(2) “Object” means:

(i) Pressure Objects

(1) Any:

- (a) boiler or other fired vessel;
- (b) unfired vessel;
- (c) refrigerating or air conditioning vessels and piping;
- (d) A.S.M.E. approved fibreglass reinforced plastic vessel; and
- (e) other piping and its accessory equipment related to (a), (b), (c) and (d) above, all normally subject to vacuum or internal pressure other than static pressure of contents;

(2) any condensate return tank; and

(3) any heat exchanger that forms part of forced air heating equipment.

(ii) Mechanical Objects

Any:

- (1) machine or apparatus which generates, transmits, or uses mechanical or electrical energy; and
- (2) fibre optic cable including the optical transmitter and receiver and other related apparatus, all related to (1) above.

“Object” does not mean or include:

- (a) any boiler setting, refractory or insulating material or any part of a boiler or fired pressure vessel which does not contain a heat transfer medium or its vapours;
- (b) any hose, any domestic and supply water piping, any waste disposal piping, any sewer piping, any drainage piping and any sprinkler system piping and its accessory equipment;
- (c) any buried piping other than:
  - (i) feedwater piping between any boiler and its feed pumps or injectors;
  - (ii) boiler condensate return piping; and
  - (iii) water piping forming a part of a refrigerating, air conditioning or hot water heating system, but not including any water piping leading to or from any source of supply of cooling water for any condenser or compressor;



- (d) any:
  - (i) furnace or gas passage of any boiler or fired pressure vessel that does not contain a heat transfer medium or its vapours; or
  - (ii) oven, stove, incinerator or kiln that are not heated by electricity, but not excluding heat recovery piping or pressure vessels used therewith;
- (e) any part of:
  - (i) an “automobile”, track locomotive or other vehicle;
  - (ii) a power shovel, excavator or other mobile equipment;
  - (iii) an aircraft, spacecraft or satellite; or
  - (iv) a watercraft or other floating vessel, but not excluding any electrical equipment of any machinery or apparatus mounted on any such vehicle;
- (f) any:
  - (i) conveyor belt;
  - (ii) drag line, trailing cable or any other cable;
  - (iii) any electrical cable buried underground and which is not contained within a conduit, duct or tunnel;
  - (iv) elevator or escalator; or
  - (v) crane or hoist, but not excluding any pneumatic, mechanical or electrical equipment driving it;
- (g) any cylinder not sealed in PVC (Polyvinyl Chloride) protection, containing a movable plunger or piston, mounted on or forming part of an elevator or hoist;
- (h) any vacuum tube, gas tube, anode tube, x-ray tube, klystron tube, video amplifier tube or laser cartridge;
- (i) any computer or electronic equipment used primarily for processing “data” if coverage for an “accident” to such equipment is provided by any other policy in effect at the time of the loss;
- (j) any electronic equipment used for research, diagnostic, treatment, experimental or other medical or scientific purposes;
- (k) any complete x-ray machine, electron microscope, particle accelerator, laser, beta gauge, spectrograph or any equipment or apparatus utilizing radioactive materials;
- (l) any penstock, draft tube or well casing;
- (m) any maintenance machine or apparatus; or
- (n) any complete production machine or apparatus which processes, forms, cuts, shapes, grinds or conveys raw material, material in process, waste material or finished product, and any driving or control mechanisms for such machine or apparatus, including:
  - (i) any photocopier; and
  - (ii) any electronic equipment used solely to start, stop, control or monitor one or more “object”, unless coverage for an “accident” to that property is provided by any other policy in effect at the time of the loss.

All other terms and conditions remain the same.



## Business Interruption Form

### SECTION

#### 1. INDEMNITY AGREEMENT

We will pay for your loss of “business income”, your incurred necessary “extra expense”, or loss of “rental value” sustained during the Period of Indemnity due to the total or partial suspension of your “normal business operations” directly resulting from and necessitated by “covered direct physical loss” subject to the provisions and limitations set forth in this Form as applicable to the coverage specified on the “schedule”. The “covered direct physical loss” must occur at a “scheduled risk location” that has a limit specified on the “schedule”, except for property in transit, we will pay for your loss as provided for under **Section 2. LIMIT OF LIABILITY**.

#### 2. LIMIT OF LIABILITY

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

The most we will pay for your loss of “business income” resulting from loss of or damage to your property in transit is as specified on the Coverage Features page of the Declarations for Business Income, Property In Transit.

#### 3. PERIOD OF INDEMNITY

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

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

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

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

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

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

#### 4. DEDUCTIBLE

- (a) We are liable for the amount by which your loss of “business income”, incurred necessary “extra expense” or loss of “rental value”, as applicable to the coverage specified on the “schedule”, resulting from “covered direct physical loss” exceeds the amount of the Deductible specified on the “schedule” in any one “occurrence”.
- (b) Our liability for each interruption of business resulting from “covered direct physical loss” begins only when the period of interruption exceeds 24 consecutive hours, or the number of consecutive hours or days as specified on the “schedule” as the waiting period deductible and we are liable only for that part of the loss in excess of such consecutive number of hours or days in any one “occurrence”.

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

#### 5. EXCLUSIONS

This Form does not cover the following losses and expenses:

- (a) the cost of repairing or replacing the property, or the cost of research or other costs of replacing or restoring any type of recorded material. However, if these costs are necessary to speed up your return to “normal business operations”, we will indemnify you to the extent that they reduce your loss hereunder;
- (b) any increase in your loss that results because strikers or other persons have interfered with repairs to damaged property or with any resumption of operations;
- (c) any increase in your loss that results from the loss of a lease, license, other contract or order. However, if the loss of the lease, license, other contract or order is the direct result of an interruption of business due to loss of or damage to property at your “scheduled risk location”, we will indemnify you for your loss of “business income”, incurred necessary



“extra expense” or loss of “rental value”, as applicable to the coverage specified on the “schedule”, only during the time that would have been required to repair, rebuild or replace the lost or damaged property; or

- (d) fines, penalties or any other consequential or remote loss except as otherwise provided under **Coverage Extensions for Business Interruption Endorsement, Section 1. BUSINESS INTERRUPTION COVERAGE EXTENSIONS (7) Fines, Damages or Penalties for Breach of Contract.**

**6. VALUATION**

**(a) Business Income Valuation:**

Applicable only to **Section 10. DEFINITION (1), parts (i) and (ii)** only of the “business income” coverage:

We will:

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

**(b) Extra Expense Valuation:**

Applicable to “extra expense” and **Section 10. DEFINITION (1), part (iii)** only of the “business income” coverages:

The amount of “extra expense” will be determined based on:

- (i) all expenses that exceed the normal operating expenses that would have been incurred by your business operations during the Period of Indemnity if no “covered direct physical loss” had occurred. We will deduct:
  - (1) the salvage value that remains of any property bought for temporary use during the Period of Indemnity once your business operations have resumed; and
  - (2) any costs and expenses that are paid for by other insurance;
- (ii) all necessarily incurred expenses that reduce your “business income” loss that otherwise would not have been incurred.

**(c) Rental Value Valuation:**

Applicable only to “rental value” and **Section 10. DEFINITION (1), part (iv)** only of the “business income” coverages:

We will:

- (i) establish the amount by which your rental income has been reduced solely due to “covered direct physical loss”;
- (ii) subtract those costs and expenses that do not necessarily continue during the Period of Indemnity.

**7. YOUR OBLIGATIONS TO MINIMIZE LOSS**

You have certain additional obligations under this Form and you will not be fully indemnified for a loss if you do not meet these obligations:

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

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

**8. PROVISIONS AND CONDITIONS**

All the **GENERAL PROVISIONS AND CONDITIONS** of the **General Provisions and Conditions Form** apply to this Form except those specifically stated to apply only to other Forms. All the definitions, exclusions, provisions and conditions applicable to the **Commercial Property Form** apply to this Form.

**9. PREMIUM ADJUSTMENT**

Applicable only to “business income” coverage.

This Premium Adjustment clause is not applicable to any “scheduled risk location” which has a **Business Interruption Actual Loss Sustained Endorsement**, or similar, specified on the “schedule” for such location.



(i) **Adjustment Requirements**

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

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

(ii) **Adjustment Determination**

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

For each insured risk location:

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

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

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

(iii) **Adjustment Calculation**

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

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

**10. DEFINITIONS**

The following definitions are added.

Wherever used in this Form:

- (1) “Business income” means:
 

the sum of:

  - (i) the estimated annual net income (Net Profit or Loss before income taxes) from all your business operations;
  - (ii) continuing normal operating expenses incurred, including payroll;
  - (iii) your incurred necessary “extra expense”; and
  - (iv) your “rental value”.
- (2) “Covered direct physical loss” means:
 

loss of or damage to “insured property” by an “insured peril” during the term of this Policy. Also, any “occurrence” insured under the following Coverage Extensions of the **Coverage Extensions Endorsement for Commercial Property**, or any such similar endorsement, will be considered a “covered direct physical loss” for the purposes of this Form:

  1. (1) Accounts Receivable;
  - (2) Valuable Papers;
  - (4) EDP Equipment, Data and Media Breakdown;
  - (5) Personal Effects (including Volunteers);



- (6) Fine Arts;
- (11) Peak Season;
- (13) Building Damage by Theft;
- (18) Roadways, Walkways, Parking Lots;
- (19) Outdoor Property;
- (20) Growing Plants, Lawns, Trees, Shrubs or Flowers in the Open;
- 2. (2) Sewer Back-up;
- (3) Property Off Premises including Property on Exhibition;
- (4) Property in Transit;
- (8) Building By-Laws;
- (10) Glass;
- (11) Stock Subject To Public Health Declaration;
- (13) Property of Tenants or Registered Guests of a Hotel or Apartment or Members, Guests and Residents of Health Care Facilities;
- (14) Furs, Fur Garments, Jewels and Jewellery; and
- (19) Protection of Property.

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

- Condominium Corporation Endorsement;
- any Multi-Cover Endorsement;
- Resident Health Care Facility Property Endorsement;
- Food Processors Property Extension Endorsement;
- Pet Care Services Property Endorsement; or
- Plastic Products Property Extension Endorsement,

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

- (3) "Data" means:  
representations of information or concepts, in any form.
- (4) "Data problem" means:
  - (i) erasure, destruction, corruption, misappropriation, misinterpretation of "data";
  - (ii) error in creating, amending, entering, deleting or using "data"; or
  - (iii) inability to receive, transmit or use "data".
- (5) "Extra expense" means:  
the excess of the total cost of conducting your business during the period required to repair or replace lost or damaged property over the total cost of conducting such business that would have been incurred had no loss occurred. "Extra expense" includes the reasonable:
  - (1) extra cost of temporary repair and of expediting the repair or replacement of your lost or damaged property including overtime and the extra cost of express and other rapid means of transportation;
  - (2) relocation expense; and
  - (3) costs to equip and operate the replacement or temporary location(s),
 but excludes:
  - (i) all other direct or indirect loss of or damage to property, and any expense for physical property unless incurred to reduce "extra expense" loss (and then not to exceed the amount by which such loss is reduced with any salvage value of such property remaining after resumption of "normal business operations" being deducted from the "extra expense" loss);
  - (ii) the estimated annual net income (Net Profit or Loss before income taxes) from all your business operations;
  - (iii) continuing normal operating expenses incurred; or
  - (iv) "rental value".
- (6) "Fungi":  
includes but is not limited to, any form or type of wet or dry rot, mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "fungi" or "spores" or resultant mycotoxins, allergens or pathogens.



- (7) “Insured peril” means:  
perils insured under the **Commercial Property Form and Coverage Extensions Endorsement for Commercial Property, Section 1. AUTOMATIC BLANKET COVERAGE EXTENSION (4) EDP Equipment, Data and Media Breakdown.**
- (8) “Insured property” means:
- (i) property insured under the **Commercial Property Form and the Coverage Extensions Endorsement For Commercial Property;**
  - (ii) buildings at the “scheduled risk location(s)”; and
  - (iii) business Personal Property at the “scheduled risk location(s)”,  
of this Policy.
- (9) “Normal business operations” means:  
the state your operations would be in if there had been no loss or damage to insured property.
- (10) “Occurrence” means:  
a loss or series of losses which are attributable directly or indirectly to one cause, disaster, casualty or event. If the same cause, disaster, casualty or event continues for a period of time, such cause, disaster, casualty or event will be deemed to be one occurrence.  
Notwithstanding the foregoing, any losses arising directly out of or contributed to by fire, riot, vandalism or malicious acts, windstorm or hail, all as described and limited in the **Commercial Property Form, Section 13. DEFINITIONS (1),** occurring within 168 consecutive hours and commencing during the policy period, will be deemed to be one occurrence. The expiration of this Policy will not reduce the 168 hour period.
- (11) “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.
- (12) “Premises” means:  
the entire area within the property lines and areas under adjoining sidewalks and driveways at:
- (i) each “scheduled risk location”;
  - (ii) any location insured by **Coverage Extensions Endorsement for Commercial Property, Section 2. INDIVIDUAL COVERAGE EXTENSION (1) Newly Acquired or Constructed Buildings or Business Property;** and
  - (iii) each location insured by **Coverage Extensions Endorsement for Commercial Property, Section 2. INDIVIDUAL COVERAGE EXTENSION (3) Property Off Premises including Property on Exhibition,**  
and in or on vehicles within 100 metres (328 feet) of such locations.
- (13) “Public health authority” means:  
a governmental authority having jurisdiction over your business operations relating to creating and administering standards for the public’s health and hygiene protection.
- (14) “Recall” means:  
the withdrawal of a product from the market because:
- (i) its use or consumption has resulted in bodily injury or property damage;
  - (ii) of a criminal act, committed by someone other than you or your employees acting with your knowledge or consent, that has created a threat of bodily injury or property damage if the product is used or consumed; or
  - (iii) it has become public knowledge that the use or consumption of the product could result in bodily injury or property damage.
- A series of “recalls” of:
- (1) the same product or similar products;
  - (2) two or more products arising from the same or a similar cause;
  - (3) products with the same or a similar brand name, trademark, model, series or similar designation; or
  - (4) products of the same manufacturer;
- within any 12 month period will be considered one “recall”.
- (15) “Rental value” means:  
the sum of the:
- (i) total anticipated annual rental income from tenant occupancy of the “scheduled risk location(s)” as furnished and equipped by you;
  - (ii) amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations; and



- (iii) (1) estimated annual rental value of the unoccupied portion of the “scheduled risk location(s)”; and
- (2) fair rental value of any portion of the “scheduled risk location(s)” which is occupied by you.
- (16) “Schedule” means:  
Commercial Property Coverage Schedule of the Declarations.
- (17) “Scheduled risk location” means:  
risk location(s) specified on the “schedule”.
- (18) “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”.
- (19) “Stock” means:
  - (i) merchandise of every description usual to your business operations;
  - (ii) packing, wrapping and advertising materials; and
  - (iii) similar property belonging to others which you are under obligation to keep insured or for which you are legally liable.
- (20) “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 individual(s), group(s), organization(s) or government(s) for the purpose of influencing any government or instilling fear in the public or a section of the public.



### Coverage Extensions Endorsement For Business Interruption

This Endorsement is attached to, forms part of and modifies insurance provided under the **Business Interruption Form**, and is subject to the definitions, exclusions, provisions, and conditions of the **Business Interruption Form**.

The Coverage Extensions either modify or are in addition to coverage granted under the **Business Interruption Form**, as applicable, and are also subject to the following conditions:

- (1) If a loss insured under a Coverage Extension also involves a loss under any Form, its' Coverage Extension or an endorsement, then, the maximum limit of insurance will not exceed the highest applicable limit under any one Form, Coverage Extension or endorsement.
- (2) If a specified Coverage Extension is indicated as not covered, deleted or excluded on the "schedule", there is no amount recoverable.
- (3) If the limit of liability of a Coverage Extension applies to the policy period, and the policy period is extended after issuance for an additional period of less than 6 months, the additional period will be deemed part of the preceding period for the purposes of determining limits.
- (4) The Coverage Extensions are applicable only to the coverage specified on the "schedule".
- (5) The limits of liability specified for the Coverage Extensions apply as an additional amount of insurance, except with respect to the following extensions:
  - (4) Off-Premises Heat, Power, Gas, Water or Communication Services;
  - (5) Non Owned Heat, Power, Gas, Water or Communication Services;
  - (6) Down Zoning Loss of Income;
  - (8) Enhanced Ingress, Egress and Civil Authority;
  - (11) Retailers Product Impairment;
  - (12) Mortgage Rate Guarantee;
  - (13) Tenant Lease Cancellation Expense; or
  - (14) Errors and Unintentional Omissions in Description.

However, such additional amount(s) of insurance remain subject to any limit of loss provisions stated in the following Endorsements if any such endorsements are attached to your Policy:

- (i) Aggregate Location Earthquake Limit of Loss or Aggregate Earthquake Limit of Loss, whichever is stated, of the **Earthquake Shock Endorsement** or any other endorsement providing similar coverage;
- (ii) Aggregate Location Flood Limit of Loss or Aggregate Flood Limit of Loss, whichever is stated, of the **Flood Endorsement** or any other endorsement providing similar coverage;
- (iii) Limit Of Loss of the **Blanket POED Endorsement** or any other endorsement providing similar coverage.
- (6) If no amount of insurance is specified on the "schedule" for any Business Interruption coverage at the "scheduled risk location", there is no amount recoverable.
- (7) If "extra expense" only is specified on the "schedule", the following are not insured at such "scheduled risk location(s)":
  - (2) Contingent Business Income Coverage including Royalties;
  - (6) Down Zoning Loss of Income;
  - (7) Fines, Damages or Penalties for Breach of Contract;
  - (11) Retailers Product Impairment;
  - (12) Mortgage Rate Guarantee; or
  - (13) Tenant Lease Cancellation Expense.
- (8) **Business Interruption Form, Section 4. DEDUCTIBLE** is applicable to those Coverage Extensions which provide indemnity not related to an "insured peril" or "covered direct physical loss". This condition does not apply if such Coverage Extension contains its own Deductible clause or any waiting period.
- (9) Unless otherwise stated, the Coverage Extensions are subject to the exclusions, provisions, and conditions of the **Business Interruption Form**.



SECTION

1. BUSINESS INTERRUPTION COVERAGE EXTENSIONS

(1) Loss of Business Income at Newly Acquired Locations

We agree to extend the insurance provided by the **Business Interruption Form** to indemnify you for your loss of “business income”, incurred necessary “extra expense” or loss of “rental value” that you sustain during the Period of Indemnity due to the necessary total or partial suspension of your “normal business operations” resulting from the loss or damage to property which you acquire or construct for your use after your Policy takes effect, as long as the damage or destruction results from an “insured peril” and the insured property is located in Canada.

The indemnity provided by this Coverage Extension will cease when any of the following first occurs:

- (i) on the date that the values are reported to us;
- (ii) when other insurance covering the property takes effect; or
- (iii) 90 days after you acquire or complete construction of the property.

Premium will be payable from the date that you first acquired or completed construction of the property.

The most that we will pay under this Coverage Extension is as specified on the Coverage Features page of the Declarations for any one “occurrence”.

(2) Contingent Business Income Coverage including Royalties

We agree to extend the insurance provided by the **Business Interruption Form** to indemnify you for your loss of “business income” or “royalties” resulting from interruption to your “normal business operations” due to loss or damage resulting directly from an “insured peril” to “contingent property”, provided such location is not:

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

The most that we will pay under this Coverage Extension due to loss or damage to “contingent property” located:

- (1) anywhere in Canada or the continental United States of America is as specified on the Coverage Features page of the Declarations;
- (2) anywhere in the world is as specified on the Coverage Features page of the Declarations as Worldwide, for any one “occurrence”.

Solely with respect to coverage provided by this Coverage Extension, the following definitions are added:

- (1) “Contingent property” means:
  - (i) property at a location which directly provides you or anyone else on your behalf with products, materials or services;
  - (ii) property at a location which is a direct recipient who regularly or historically receives your products, materials or services that you produce or sell;
  - (iii) property at a location that is in the vicinity of your business and attracts business to your “premises”; or
  - (iv) property at a location of a licensee with whom you have a written agreement to pay you “royalties”.

“Contingent property” does not include any:

  - (a) “insured property” in transit;
  - (b) provider of communication service;
  - (c) provider of transportation service; or
  - (d) property that is excluded under the **Commercial Property Form, Section 6. EXCLUDED PROPERTY.**
- (2) “Royalties” means technical fees, commissions or similar fees derived from the manufacture and sale of goods or products by a licensee, which would have been earned under the terms of a written agreement between you and such licensee.

(3) Accountants Fees

We agree to extend the insurance provided by the **Business Interruption Form** to indemnify you for the reasonable expense you incur at our request to pay accountants, who are not your employees, to produce and certify particulars or details or other proofs, information or evidence as may be required for the purpose of investigating or verifying the quantum of any claim under the **Business Interruption Form**, the liability for which is otherwise accepted by us, resulting from “covered direct physical loss”.

The most that we will pay under this Coverage Extension is as specified on the Coverage Features page of the Declarations for any one “occurrence”.



#### (4) Off-Premises Heat, Power, Gas, Water or Communication Services

We agree to extend the insurance provided by the **Business Interruption Form** to indemnify you for your loss of “business income”, incurred necessary “extra expense” or loss of “rental value” resulting from interruption of service caused directly by damage or destruction of off-premises public:

- (i) utility plants, switching stations or sub-stations;
- (ii) transformers installed on the ground or in underground vaults;
- (iii) pumping stations; and
- (iv) underground power transmission and communications lines and pipes,

which furnish heat, light, power, gas, oil, water or communication services to your “scheduled risk location(s)”.

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

- (1) located on your “premises”;
- (2) under your control; or
- (3) located beyond 100 kilometres of your “premises”.

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

The most that we will pay under this Coverage Extension is as specified on the Coverage Features page of the Declarations for any one interruption.

#### (5) Non Owned Heat, Power, Gas, Water or Communication Services

We agree to extend the insurance provided by the **Business Interruption Form** to indemnify you for your loss of “business income”, incurred necessary “extra expense” or loss of “rental value” resulting from interruption of service caused directly by damage or destruction of non-owned:

- (i) utility transformers;
- (ii) pumping stations; or
- (iii) underground power transmission and communication lines,

which furnish heat, light, power, gas, oil, water or communication services and are located on your “scheduled risk location”.

The damage or destruction must be due to an “insured peril”. This coverage does not apply if such property is owned or leased by you.

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

The most that we will pay under this Coverage Extension is as specified in the Coverage Features page of the Declarations for any one interruption.

#### (6) Down Zoning Loss of Income

We agree to extend the insurance provided by the Business Interruption Form, without increasing the limit of liability or Period of Indemnity, and only as a result of “covered direct physical loss”, to indemnify you for your loss of “business income” or loss of “rental value” resulting from the inability to repair or reconstruct the damaged building(s) or structure(s) to the capacity or functionality that existed prior to the loss or damage solely arising from the enforcement of any by-law, regulation, ordinance, building and construction code or law which:

- (i) regulates zoning or the demolition, repair or construction of damaged building(s) or structure(s);
- (ii) is in force at the time of loss or damage; and
- (iii) prohibits the repair or reconstruction of the damaged building or structure to the like height, floor area and style, or for like occupancy as existed immediately prior to the loss or damage.

This Coverage Extension applies only to those buildings that are insured under **Commercial Property Form, Section 2. INSURED PROPERTY (a) Building(s)** on “replacement cost” basis of settlement. This Coverage Extension does not apply:

- (1) to any building which is covered under **Coverage Extensions for Commercial Property Endorsement, Section 2. INDIVIDUAL COVERAGE EXTENSION (5) Installation Floater**; or
  - (2) if the building or structure is not rebuilt on or immediately adjacent to the same “scheduled risk location”,
- Indemnity applies for the shortest of the following periods, starting from the time of loss or damage:
- (a) the time required to resume your “normal business operations”;



- (b) 12 consecutive months or any other Period of Indemnity specified on the “schedule” for Business Income or Rental Value as applicable.

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

We agree to extend the insurance provided by the **Business Interruption Form** to indemnify you for fines, liquidated damages or penalties that you are legally liable to pay for non-completion of any order with your customer located within Canada and continental United States as a result of a breach of an executed contract in effect prior to the loss at your “scheduled risk location” solely in consequence of “covered direct physical loss”.

The most that we will pay under this Coverage Extension is as specified on the Coverage Features page of the Declarations for any one “occurrence” at your “scheduled risk location”.

**(8) Enhanced Ingress, Egress and Civil Authority**

**(i) Indemnity Agreement:**

If access to your “scheduled risk location” is denied, prevented or interfered with:

- (1) due to damage to other property nearby caused directly by an “insured peril”; or
- (2) directly due to:
  - (a) an actual or suspected leak of natural gas or any other dangerous fluid, gas or vapour;
  - (b) a train derailment;
  - (c) an actual bomb threat or a bomb hoax;
  - (d) a hostage situation; or
  - (e) a police investigation of a suicide or crime other than an automobile collision,
 at other property located within 1 kilometre of your “scheduled risk location”,

we agree to extend the insurance provided by the **Business Interruption Form** to indemnify you for your:

- (a) loss of “business income”;
- (b) incurred necessary “extra expense”; or
- (c) loss of “rental value”;

for the period of such access denial, prevention or interference.

**(ii) Additional Exclusions:**

We will not indemnify you for loss resulting directly or indirectly from:

- (1) damage to any type of property listed under **Commercial Property Form, Section 6. EXCLUDED PROPERTY**;
- (2) scheduled construction activity; or
- (3) any other event that was scheduled to occur prior to such damage to other property nearby.

We will not apply exclusion (1) to roadways and bridges.

**(iii) Deductible:**

Our liability begins only after a period of 48 consecutive hours from which access to your “scheduled risk location” has been denied, prevented or interfered with and we are liable only for that part of the loss in excess of the period of 48 consecutive hours.

However we will not apply this waiting period to **Indemnity Agreement (i)(1)** if you are denied or prevented access to your “scheduled risk location” due to a public declaration or written order by a Government authority.

**(iv) Limit of Liability:**

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

- (1) your loss of “business income”, incurred necessary “extra expense”, and loss of “rental value” incurred at your affected “scheduled risk location” during 30 consecutive days; or
- (2) 25% of the amount of insurance specified on the “schedule” for the sum of “business income”, “extra expense” and “rental value” for such affected “scheduled risk location”,

for any one “occurrence”, commencing from the date of such access denial, prevention or interference.

**(9) Emergency Vacating Expense**

As a direct result of a peril not otherwise excluded on the **Commercial Property Form**, we agree to extend the insurance provided by the **Business Interruption Form** to indemnify you for necessary and reasonable expenses that you incur resulting from the “emergency” vacating of your “scheduled risk location”.

The most that we will pay under this Coverage Extension is as specified on the Coverage Features page of the Declarations for any one “occurrence”.



Solely with respect to coverage provided by this Coverage Extension, the following definitions are added:

- (1) “Emergency” means the occurrence of:
  - (i) imminent danger arising from a threat at your “scheduled risk location” or nearby which may cause loss of life or harm to your employees or the clients in your care; or
  - (ii) access to your “scheduled risk location” being denied as a result of a police or coroner’s investigation or incident at your “scheduled risk location” or nearby.

However, we will not cover any expense you sustain under this Coverage Extension arising out of:

- (a) “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 expense unless loss of or damage to insured property is directly caused by resultant fire or explosion of natural, coal or manufactured gas, all as described and limited by the **Commercial Property Form, Section 13. DEFINITIONS (1)**. However we will not apply this exclusion (a) if the Earthquake Shock Endorsement, or a similar earthquake endorsement, is specified on the “schedule” at the “scheduled risk location” incurring such “emergency” vacating;
  - (b) “flood”, except for water which is normally contained within your piping system, process equipment, tank or “water container”. 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 expense unless loss of or damage to insured property is directly caused by resultant fire or explosion of natural, coal or manufactured gas, all as described and limited by the **Commercial Property Form, Section 13. DEFINITIONS (1)**. However we will not apply this exclusion (b) if the Flood Endorsement, or a similar flood endorsement, is specified on the “schedule” at the “scheduled risk location” incurring such “emergency” vacating;
  - (c) a strike, bomb threat or false fire alarm, unless vacating is ordered by a Civil Authority;
  - (d) a planned vacating drill;
  - (e) the vacating of one or more clients that is due to and confined to their individual medical condition;
  - (f) the routine transfer of clients;
  - (g) “pandemic outbreak”, illness, virus or infectious disease;
  - (h) an infestation of animals, including but not limited to insects, birds or rodents;
  - (i) sheltering and feeding your employees and the clients in your care beyond a period of 24 hours from the start of the “emergency”; or
  - (j) any claim indemnified under **Section 1. BUSINESS INTERRUPTION COVERAGE EXTENSIONS (10) Negative Publicity**, the liability for which is otherwise accepted by us.
- (2) “Pandemic outbreak” means an outbreak of any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease that becomes prevalent over the human population throughout the region, as declared by Civil Authority or “public health authority”.
  - (3) “Public health authority” means:
    - (i) a governmental authority having jurisdiction over your business operations relating to creating and administering standards for the public’s health and hygiene protection; or
    - (ii) the World Health Organization.

**(10) Negative Publicity**

**(i) Indemnity Agreement:**

We agree to extend the insurance provided by the **Business Interruption Form** to indemnify you for your loss of “business income” and incurred necessary “negative publicity expense” you sustain at your “scheduled risk location” as a direct result of:

- (1) poisoning of any person directly caused by the consumption of food or beverage you manufactured, prepared or served at a “scheduled risk location”;
- (2) murder or suicide occurring at such “scheduled risk location”; or
- (3) criminal discharge of firearm occurring at such “scheduled risk location”, which occurs during the policy period.



(ii) **Exclusions:**

We will not indemnify you for any loss or expense resulting from, caused by or contributed to by, arising or resulting, directly or indirectly, in whole or in part, from:

- (1) any increased costs incurred to comply with the enforcement of any by-law, regulation, ordinance, building and construction code, law or order, including but not limited to any cost or expense arising out of the repair or upgrading or retrofitting of equipment or defective sanitation; or
- (2) monitoring of, clean up, removal, containment or treatment of an infestation of animals, including but not limited to insects, birds or rodents.

(iii) **Deductible:**

We are liable for the amount by which your “loss of business income” and incurred necessary “negative publicity expenses” exceeds \$1,000, or any other amount of the Negative Publicity Deductible specified on the “schedule” in any one “occurrence” at each “scheduled risk location”.

(iv) **Limit of Liability:**

The most that we will pay under this Coverage Extension for each “scheduled risk location” in any one policy period is as specified on the Coverage Features page of the Declarations, subject to a maximum of 30 days from the date of the poisoning, murder, suicide or criminal discharge of firearm.

(v) **Definitions:**

Solely with respect to coverage provided by this Coverage Extension, the following definition is added:

- (1) “Negative publicity expense” means the following expenses that are necessarily incurred to reduce your “business income” loss which otherwise would not have been incurred:
  - (i) cleaning services and supplies;
  - (ii) security services; and
  - (iii) reasonable fees, costs and expenses, approved in writing by us, to plan, implement, execute and manage a reasonable and necessary public relations campaign, if deemed necessary by us, to mitigate any actual or potential negative publicity resulting from such loss.

“Negative publicity expense” does not include any cost or expense to repair, replace, obtain or upgrade any property, including but not limited to new or upgraded alarm systems, window protections, security bars or fencing.

(11) **Retailers Product Impairment**

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

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

- (ii) The 60 consecutive day period:

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

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

- (iii) The “recall” must be either:

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

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

- (iv) We will not indemnify you for the loss of “business income” you sustain under this Coverage Extension if:

- (1) the product “recalled” was manufactured by you or on your behalf;
- (2) the product “recalled” is a component of a product manufactured by you;
- (3) prior to the effective date of the Policy you knew, or ought to have known, that a product “recall” was planned or had already begun;



- (4) you have violated a law or regulation in connection with the sale or distribution of a “recalled” product; or
  - (5) the product or component of a product “recalled” is handled, sold or held for sale by you in any capacity other than as a retailer. This exclusion will apply even if you are also a retailer of the product, unless the other capacity is incidental assembly, which is related to your operation as a retailer of the product “recalled”.
- (v) The most that we will pay under this Coverage Extension for loss of “business income” resulting from the “recall” of a product is as specified on the Coverage Features page of the Declarations for any one “recall”.

**(12) Mortgage Rate Guarantee**

We agree to extend the insurance provided by the **Business Interruption Form** to indemnify you for the cost of additional competitive rate of interest that may be charged by mortgage providers for the rebuilding or reconstruction of your building resulting from “covered direct physical loss”.

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

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

- (i) the duration of the existing mortgage period in effect at the time of the loss, until its expiry;
- (ii) your interest in the building ceases; or
- (iii) 60 months.

This Coverage Extension is subject to the following provisions:

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

The most that we will pay under this Coverage Extension is as specified on the Coverage Features page of the Declarations for any one “occurrence”.

**(13) Tenant Lease Cancellation Expense**

We agree to extend the insurance provided by the **Business Interruption Form**, without increasing the limit of liability, to include in “rental value”:

- (i) the value of the allowances you have advanced to your tenants under new lease agreements that have been forfeited;
- (ii) the cost of real estate commissions paid or are required to be paid for newly negotiated lease agreements which are required to be renegotiated; and
- (iii) the reasonable cost of advertising and promoting for replacements for existing tenants,

as a result of such tenants exercising their right to cancel said lease agreements solely due to “covered direct physical loss”.

Items (i) and (ii) of this Coverage Extension only apply to:

- (1) tenant allowances that have been advanced during the policy period; and
- (2) real estate commissions on leases that have been executed during the policy period, and prior to the “covered direct physical loss”.

The most that we will pay under this Coverage Extension is as specified on the Coverage Features page of the Declarations for any one “occurrence”.

**(14) Errors and Unintentional Omissions in Description**

We agree to extend the insurance provided by the **Business Interruption Form** so that such insurance will indemnify you and be effective notwithstanding, and will not be invalidated by, any unintentional or inadvertent error or omission that occurs during the policy period with respect to the:

- (i) description or legal address of any “scheduled risk location”;
- (ii) description of any Additional Interest with respect to the insured property; or
- (iii) deletion of any “scheduled risk location” during this policy period,

provided notice is given to us as soon as practicable on discovery of such error or omission.

The most that we will pay under items (i) and (ii) of this Coverage Extension is the limit of liability specified on the “schedule” for the “scheduled risk location” for any one “occurrence”.



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

- (1) the limit of liability that was previously specified on the “schedule” for the applicable “scheduled risk location” immediately prior to its deletion; or
- (2) the amount of insurance specified on the Coverage Features page of the Declarations.

All other terms and conditions remain unchanged.



## Business Interruption – Actual Loss Sustained Endorsement

This Endorsement is attached to, forms part of and modifies insurance provided under the **Business Interruption Form**, and is subject to the definitions, exclusions, provisions and conditions of the **Business Interruption Form**.

### SECTION

#### 1. ACTUAL LOSS SUSTAINED

**Business Interruption Form Section 2. LIMIT OF LIABILITY** is deleted in its entirety and replaced with the following:

The most we will pay under this Form is your actual loss of “business income” at the applicable “scheduled risk location”.

#### 2. REMOVAL OF PREMIUM ADJUSTMENT CLAUSE

**Business Interruption Form Section 9. PREMIUM ADJUSTMENT** is deleted in its entirety.

All other terms and conditions remain unchanged.



## Crime Form

### SECTION

#### 1. INSURING AGREEMENTS

Coverage is provided under the following INSURING AGREEMENTS if:

- (a) an amount of insurance is specified on the Commercial Property Coverage Schedule; or
- (b) an amount of insurance is specified on the “schedule” for the applicable INSURING AGREEMENT.

Coverage is subject to the terms and conditions of this Form.

##### (1) Employee Dishonesty

We will indemnify you for loss of “money”, “securities” and “other property” used in your business due to dishonesty or fraud by any of your “employees”, acting alone or in collusion with other persons with the manifest intent to:

- (a) cause you to sustain loss or damage; and
- (b) obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other “employee” benefits earned in the normal course of employment) for:
  - (i) any “employee”; or
  - (ii) any other person or organization.

If one “employee” commits a series of similar or related dishonest acts, or if more than one “employee” is involved in an act or series of acts, we will consider this to be a single loss.

If more than one person or organization is covered under this Form, the amount of insurance as stated on the “schedule” for Employee Dishonesty will apply to all of them together. In other words, each one will not have the amount of insurance as stated on the “schedule”.

The most we will pay under this INSURING AGREEMENT is as specified on the “schedule” for any one “occurrence”.

##### (2) Money and Securities

We will indemnify you for loss resulting from the actual destruction, disappearance or wrongful or illegal taking of “money”, “securities” and “other property” from any of the following locations:

- (a) inside your “premises”; or outside your “premises”; or
- (b) within any “banking premises” or similar recognized places of safe deposit; or
- (c) while being carried by you, one of your partners or any of your “employees” authorized to have the “money” and “securities”; or
- (d) in the living quarters of your home or the home of one of your partners or any “employee” authorized to have the “money” or “securities”.

The most we will pay under this INSURING AGREEMENT is as specified on the “schedule” for any one “occurrence”.

##### (3) Forgery or Alteration

(a) We will indemnify you for loss resulting directly from “forgery” or alteration of cheques, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in “money” that are:

- (i) made or drawn by or drawn upon you; or
  - (ii) made or drawn by one acting as your agent;
- or that are purported to have been so made or drawn.

(b) If you are sued for refusing to pay any instrument covered in Paragraph (a) above, on the basis that it has been forged or altered, and you have our written consent to defend against the action, we will pay for any reasonable legal expenses that you incur and pay in that defence. The amount that we will pay is in addition to amount of insurance applicable to this INSURING AGREEMENT.

The most we will pay under this INSURING AGREEMENT is as specified on the “schedule” for any one “occurrence”.

##### (4) Money Orders and Counterfeit Currency

We will indemnify you for loss resulting directly from your having accepted in good faith, in exchange for merchandise, “money” or services:

- (a) Money orders or bank drafts issued by any post office, express company or bank that are not paid upon presentation; or
- (b) “Counterfeit” currency, in Canadian or United States currency, acquired during the regular course of business.

The most we will pay under this INSURING AGREEMENT is as specified on the “schedule” for any one “occurrence”.



**(5) Credit Card Forgery**

- (a) We will indemnify you for losses which you sustain through forgery or alteration of, on or in any written instrument required in conjunction with any credit card issued to you or to any partner, officer or “employee” of yours, provided however, that you will comply fully with the provisions, conditions and other terms under which the credit card has been issued.
- (b) If you are sued for refusing to pay any instrument covered in Paragraph (a) above, on the basis that it has been forged or altered, and you have our written consent to defend against the action, we will pay for any reasonable legal expenses that you incur and pay in that defence. The amount that we will pay is in addition to the amount of insurance applicable to this INSURING AGREEMENT.

The most we will pay under this INSURING AGREEMENT is as specified on the “schedule” for any one “occurrence”.

**(6) Computer Fraud, Funds Transfer Fraud and Telephone Systems Fraud**

- (a) We will indemnify you for loss of or damage to “money”, “securities” and “other property” caused directly by “computer fraud”.
- (b) We will indemnify you for loss of “money” and “securities” resulting directly from a “fraudulent instruction” directing a financial institution to transfer, pay or deliver “money” and “securities” from your “transfer account”.
- (c) We will indemnify you for telephone long-distance toll-call charges you incur resulting directly from “telephone systems fraud”.

For the purposes of this INSURING AGREEMENT only, the following provision shall apply: Loss or damage insured under Computer Fraud, Funds Transfer Fraud and Telephone Systems Fraud shall not be considered “data problem”.

The most we will pay under this INSURING AGREEMENT is as specified on the “schedule” for any one “occurrence”.

**(7) Social Engineering Fraud**

We will indemnify you for loss resulting directly from your having, in good faith, transferred, paid or delivered “money”, “securities” or “other property” in reliance upon a transfer instruction purportedly issued by:

- (a) you;
- (b) your “employee”; or
- (c) your “client” or “vendor”;

but proves to be a “fraudulent instruction” issued by an imposter without the knowledge or consent of the person(s) described in items (a), (b), and (c) above.

The following is a pre-condition to coverage under this INSURING AGREEMENT:

You must verify all transfer instructions in excess of \$10,000 by performing an “authentication” procedure which must be recorded, logged or otherwise documented by you or an “employee” before acting upon any such transfer instruction.

The most we will pay under this INSURING AGREEMENT is as specified on the “schedule” for any one “occurrence”.

**(8) False Pretence**

We will indemnify you for loss to “mobile equipment” resulting directly from:

- (a) someone causing you to voluntarily part with title or possession of “mobile equipment” by false pretence;
- (b) you acquiring “mobile equipment” from a seller who did not have legal title or the right to transfer title or ownership of such “mobile equipment”; or
- (c) conversion of “mobile equipment” you rent or lease to others.

The most we will pay under this INSURING AGREEMENT is as specified on the “schedule” for any one “occurrence”.

**2. COVERAGE EXTENSIONS**

The Coverage Extensions either modify or are in addition to coverage granted under this Form subject to the following conditions:

- (1) The limits of liability specified for the Coverage Extensions apply as an additional amount of insurance, except with respect to (b) Third Party Employee Dishonesty Extension.
- (2) If a loss insured under a Coverage Extension also involves a loss under any form, its Coverage Extension(s) or any endorsement, then, the maximum limit of insurance will not exceed the highest applicable limit under any one form, Coverage Extension or endorsement.



- (3) If a specified Coverage Extension is indicated as not covered, deleted or excluded on the “schedule”, there is no amount recoverable.
- (4) Unless otherwise stated, the Coverage Extensions are subject to the exclusions, provisions and conditions of this Form.

**(a) Professional Fees**

We agree to extend the insurance provided by this Form to indemnify you for the reasonable expenses you incur at our request to pay your accountants, auditors, or other professionals to produce and certify particulars or details or other proofs, information or evidence as may be required for the purpose of investigating or verifying the quantum of loss in the event of any claim under Section 1. INSURING AGREEMENTS (1) through (8), the liability for which is otherwise accepted by us.

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

The most that we will pay under this Coverage Extension is as specified on the Coverage Features page of the Declarations for any one “occurrence”.

**(b) Third Party Employee Dishonesty Extension**

We agree to extend the insurance provided under Section 1. INSURING AGREEMENT (1) Employee Dishonesty to indemnify you for your legal liability arising directly from the loss of or damage to “money”, “securities” and “other property” sustained by your “client” resulting directly from “theft” committed by an identified “employee”, acting alone or in collusion with other persons.

Coverage is limited to property:

- (i) that your “client” owns or leases;
- (ii) that your “client” holds for others; or
- (iii) for which your “client” is legally liable;

while the property is at your “client’s premises”

The most that we will pay under this Coverage Extension is as specified on the Coverage Features page of the Declarations for any one “occurrence”.

This Coverage Extension is for your benefit only. It provides no rights or benefits to any other person or organization, including your “client”. Any claim for loss that is covered under this coverage must be presented by you.

With respect to this Coverage Extension, “client’s premises” means the interior of that portion of any building your “client” occupies.

**3. AMOUNT OF INSURANCE**

The most we will pay for loss in any one “occurrence” is the applicable amount of insurance specified on the “schedule” for each INSURING AGREEMENT or COVERAGE EXTENSION.

**4. DEDUCTIBLE**

We are not liable for loss in any one “occurrence” unless the amount of loss exceeds whichever is the highest of:

- (a) \$1,000; or
- (b) the Deductible shown on the “schedule”.

We will then be liable for the amount of loss in excess of the applicable Deductible, up to the amount of insurance.

**5. EXCLUSIONS**

**(a)** This Form does not apply to:

**(i) Acts Committed By You, A Partner Or Your Members**

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

- (1) you; or
- (2) any of your partners;

whether acting alone or in collusion with other persons.



(ii) **Acts Of Employees, Directors, Trustees Or Representatives**

Loss resulting from “theft” or any other dishonest act committed by any of your “employees”, directors, trustees or authorized representatives:

- (1) whether acting alone or in collusion with other persons; or
- (2) while performing services for you or otherwise;

except when covered under Section 1. INSURING AGREEMENT (1) Employee Dishonesty.

(iii) **Governmental Action**

Loss resulting from seizure, quarantine, confiscation or destruction of property by order of governmental authority.

(iv) **Indirect Loss**

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

- (1) your inability to realize income that you would have realized had there been no loss;
- (2) payment of damages of any type for which you are legally liable, but we will pay compensatory damages arising directly from a loss indemnified under this Form; or
- (3) payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this Form, except as provided under Section 2. COVERAGE EXTENSION (a) Professional Fees.

(v) **Legal Expenses**

Expenses related to any legal action, except when covered under Section 1. INSURING AGREEMENTS (3) Forgery or Alteration or (5) Credit Card Forgery.

(vi) **Data**

Loss directly or indirectly caused by or resulting from, in whole or in part, by “data” or “data problem”. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

(vii) **War Exclusion**

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

(viii) **Terrorism Exclusion**

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

(ix) **Nuclear Exclusion**

Any loss or damage caused directly or indirectly by:

- (a) any nuclear incident (as defined in the *Nuclear Liability Act*, *Nuclear Liability and Compensation Act* or any other nuclear liability act, law or statute, or amending law) or nuclear explosion. This exclusion applies whether or not there are one or more causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas, applicable to “money” and “securities” of Section 1. INSURING AGREEMENT (2) Money And Securities;
- (b) contamination by radioactive material. This exclusion applies whether or not there are one or more causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.



(x) **Pollution Exclusion**

- (a) Loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants”, nor the cost or expense of any resulting “clean up”. This exclusion does not apply:
  - (i) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants” occurs during the policy period and is directly caused by a peril not otherwise excluded in this Form; or
  - (ii) to loss or damage occurring during the policy period and 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”.

(xi) **Fungi and Spores Exclusion**

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

(xii) **Communicable Disease Exclusion**

Notwithstanding any provisions to the contrary and for greater certainty, this Form does not insure any loss or damage directly or indirectly caused by, contributed to by, resulting from, arising out of, in response to, or in connection with any “communicable disease”, including but not limited to:

- (a) the fear or threat (whether actual or perceived) of a “communicable disease”;
- (b) any “communicable disease order”;
- (c) any voluntary or involuntary action taken or any failure to take any action by any person, entity or governmental authority, to control, prevent or suppress a “communicable disease” or to detoxify or decontaminate any person, property, animal, plant or environment;
- (d) any voluntary or involuntary action taken by any person, entity or governmental authority to suspend, in whole or in part:
  - (i) commercial or non-commercial operations; or
  - (ii) repair or replacement of any property;
 in response to a “communicable disease” or the fear or threat (whether actual or perceived) of a “communicable disease”;
- (e) any damage to, deterioration of, loss of value of or marketability of, or loss of use of property; or
- (f) loss of business income including but not limited to any:
  - (i) business interruption loss;
  - (ii) contingent business interruption loss; or
  - (iii) increased cost or expense;
 of any kind, whether or not caused by, accompanied by or resulting from any loss of or damage to property.

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.

This exclusion does not apply to the exceptions to Section 5. EXCLUSION (a)(xi) Fungi and Spores Exclusion, items (a)(i) and (a)(ii).



- (b) **Section 1. INSURING AGREEMENT (1) Employee Dishonesty** does not apply to:
- (i) **Employee Cancelled Under Prior Insurance**  
Loss caused by any “employee” of yours, or your predecessor, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.
  - (ii) **Inventory Shortages**  
Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
    - (1) an inventory computation; or
    - (2) a profit and loss computation.
 However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.
  - (iii) **Trading**  
Loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account.
  - (iv) **Discovery Period**  
Loss discovered by you and reported to us after two years from the end of the policy period.
- (c) Section 1. INSURING AGREEMENTS (2) Money And Securities, (6) Computer Fraud, Funds Transfer Fraud And Telephone Systems Fraud, (7) Social Engineering Fraud and (8) False Pretence do not apply to:
- (i) **Accounting or Arithmetical Errors or Omissions**  
Loss resulting from accounting or arithmetical errors or omissions.
  - (ii) **Exchanges or Purchases**  
Loss resulting from the giving or surrendering of “money”, “securities”, “other property” or “mobile equipment” in any exchange or purchase, except as otherwise insured under Section 1. INSURING AGREEMENTS (7) Social Engineering and (8) False Pretence.
  - (iii) **Fire**  
Loss resulting from fire, however caused, except:
    - (1) loss from damage to a safe or vault; and
    - (2) loss of or damage to “money” and “securities”.
  - (iv) **Money Operated Devices**  
Loss of property contained in any money operated device unless the amount of “money” deposited in it is recorded by a continuous recording.
  - (v) **Transfer or Surrender Of Property**
    - (1) Loss of or damage to “Money”, “Securities”, “other property” or “mobile equipment” after it has been transferred or surrendered to a person or place outside the “premises” or “banking premises”:
      - (a) on the basis of unauthorized instructions;
      - (b) as a result of a threat to do bodily harm to any person; or
      - (c) as a result of a threat to do damage to any property.
    - (2) But this Exclusion does not apply to loss of “money”, “securities”, “other property” or “mobile equipment” while outside the “premises” in the care and custody of a “messenger” if you:
      - (a) had no knowledge of any threat at the time the conveyance began; or
      - (b) had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.
  - (vi) **Voluntary Parting of Title To Or Possession Of Property**  
Loss resulting from you, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property, except as otherwise insured under Section 1. INSURING AGREEMENTS (7) Social Engineering Fraud and (8) False Pretence.
  - (vii) **Records**  
Loss of manuscripts, books of account or records.



(viii) **Telephone Systems Fraud**

Any charges for telephone long-distance toll-calls incurred by you as a direct result of “telephone systems fraud”, except as otherwise insured under Section 1. INSURING AGREEMENT (6) Computer Fraud, Funds Transfer Fraud And Telephone Systems Fraud.

(d) **Section 1. INSURING AGREEMENT (3) Forgery Or Alteration** does not apply to:

(i) **Registered or Coupon Bonds**

We will not cover any registered or coupon bonds or other obligations that you issued, or which any one represents as having been issued by you.

(e) **Section 1. INSURING AGREEMENT (8) False Pretence (a) and (b)** does not apply to:

- (i) loss arising directly as a result of you not checking the title of “mobile equipment” to determine if such “mobile equipment” is free and clear of all liens registered against it in Canada and the United States. You are required to obtain written documentation to prove this lien check was done. This exclusion only applies to those types of “mobile equipment” where such liens are registered with a provincial or state agency and are available to be checked by members of the public;
- (ii) loss arising directly as a result of you accepting as payment for “mobile equipment” any form of payment other than cash, certified cheque, money order, credit card (subject to Exclusion (iv) below), debit card, bank draft, pre-authorized debit or traded-in “mobile equipment” or property whose value exceeds that of the covered property you have voluntarily parted with;
- (iii) loss or damage caused by or arising out of your contractual obligation for the completion of any form of credit application;
- (iv) loss caused as a result of allowing a “client” to use a credit card without “EMV” chip technology to pay for a purchase or where “EMV” chip technology in a credit card is not used;
- (v) loss or damage to any “mobile equipment” financed by you, where such “mobile equipment” was not:
  - 1. owned by you; or
  - 2. in your care, custody and control
 prior to the commencement of any financing discussions for that “mobile equipment”.

**6. CONDITIONS**

All the GENERAL PROVISIONS AND CONDITIONS of the General Provisions and Conditions Form apply to this Form except those specifically stated to apply only to other Forms. In addition, the following Provisions and Conditions apply to this Form.

**A. CONDITIONS APPLICABLE TO ALL INSURING AGREEMENTS**

The following Provisions and Conditions apply to all Section 1. INSURING AGREEMENTS.

**(a) Cancellation as To Any Employee**

This insurance is cancelled as to any “employee”:

- (i) Immediately upon discovery by:
  - (1) you; or
  - (2) any of your partners, managers, officers, directors or trustees not in collusion with the “employee”;
 of “theft” or any other dishonest act committed by the “employee” whether before or after becoming employed by you.
- (ii) On the date specified in a notice mailed to the first Named Insured. That date will be at least 30 days after the date of mailing.

However, in the Province of Quebec:

- (1) item (i) above does not apply;
- (2) item (ii) above is amended to at least 15 days after the date of mailing;
- (3) delivery of such written notice by us is deemed equivalent to mailing; and
- (4) such cancellation will be evidenced by an endorsement attached to this Form.

We will mail or deliver our notice to the first Named Insured’s last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.



**(b) Consolidation, Merger, Purchase or Acquisition**

- (i) If through consolidation or merger with, or purchase or acquisition of assets or liabilities of, some other entity, any additional persons become “employees” or you acquire the use and control of any additional “premises”, you must give us written notice and obtain our written consent to extend this insurance to such additional “employees” or “premises” within 60 days after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities.
- (ii) We may condition our consent upon payment of an additional premium; but for the first 60 days after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities, any insurance afforded for “employees” or “premises” also applies to these additional “employees” or “premises” for acts committed or events occurring within this 60 day period.

**(c) Loss Covered Under This Form And Prior Insurance Issued By Us or Any Affiliate**

If any loss is covered:

- (i) partly by this Form; and
- (ii) partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

the most we will pay is the larger of the amount recoverable under this Form or the prior insurance.

**(d) Loss Sustained**

Subject to the 6.A.(e) Loss Sustained During Prior Insurance, we will pay for loss that you sustain through acts committed or events occurring during the policy period shown on the “schedule” and discovered by you:

- (i) during the policy period; or
- (ii) during the period of time provided in 6.A.(f) Extended Period to Discover Loss.

**(e) Loss Sustained During Prior Insurance**

- (i) If you, or any predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under that insurance except that the time within which to discover loss had expired, we will pay for it under this Form, provided:
  - (1) this insurance became effective at the time of cancellation or termination of the prior insurance; and
  - (2) the loss would have been covered by this Form had it been in effect when the acts or events causing the loss were committed or occurred.
- (ii) The insurance under this Condition is part of, not in addition to, Section 3. AMOUNT OF INSURANCE and is limited to the lesser of the amount recoverable under:
  - (a) this Form as of its effective date; or
  - (b) the prior insurance had it remained in effect.

**(f) Extended Period to Discover Loss**

- (i) We will pay for loss that you sustained prior to the effective date of termination or cancellation of this insurance, which is discovered by you no later than 2 years from the date of that termination or cancellation.
- (ii) However, this extended period to discover loss terminates immediately upon the effective date of any other insurance obtained by you replacing in whole or in part the insurance afforded by this Form, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

**(g) Joint Insured**

- (i) If more than one Insured is named on the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes of this Form. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.
- (ii) If any Insured, or partner, or officer of that Insured has knowledge of any information relevant to this Form, that knowledge is considered knowledge of every Insured.
- (iii) An “employee” of any Insured is considered to be an “employee” of every Insured under this Form.
- (iv) If this Form or any of its INSURING AGREEMENTS or coverages is cancelled or terminated as to any Insured, loss sustained by that Insured is covered only if discovered by you during the period of time provided in the Extended Period To Discover Loss Condition 6.A.(f).
- (v) We will not pay more for loss sustained by more than one Insured than the amount we would pay if all the loss had been sustained by one Insured.



**(h) Legal Action Against Us**

You may not bring any legal action against us involving loss:

- (i) unless you have complied with all the terms of this Form; and
- (ii) until 90 days after you have filed proof of loss with us.

If law prohibits any limitation, such limitation is amended so as to equal the minimum period of limitation provided by such law.

**(i) Non-Cumulation of Amount of Insurance**

Regardless of the number of years this Form remains in force or the number of premiums paid, no amount of insurance cumulates from year to year or policy period to policy period.

**(j) Ownership of Property; Interests Covered**

The property indemnified under this Form is limited to property:

- (i) that you own or lease;
- (ii) that you hold for others; or
- (iii) for which you are legally liable, except for property inside the premises of a “client” of yours.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this Form must be presented by you.

**(k) Recoveries**

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

- (1) to you, until you are reimbursed for any loss that you sustain that exceeds the amount of insurance and the Deductible amount, if any;
- (2) then to us, until we are reimbursed for the settlement made; and
- (3) then to you, until you are reimbursed for that part of the loss equal to the Deductible amount, if any.

(ii) Recoveries do not include any recovery:

- (1) from insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
- (2) of original “securities” after duplicates of them have been issued.

**(l) Territory**

This Form covers acts committed or events occurring within Canada and the United States of America (including its territories and possessions).

Under Section 1. INSURING AGREEMENT (1) Employee Dishonesty, we will pay for loss caused by any “employee” while temporarily outside the territory specified for a period of not more than 90 days.

Under Section 1. INSURING AGREEMENTS (3) Forgery Or Alteration, (5) Credit Card Forgery, (6) Computer Fraud, Funds Transfer Fraud And Telephone Systems Fraud, and (7) Social Engineering Fraud we will cover loss you sustain anywhere in the world.

**(m) Loss Caused by Unidentifiable Employee**

If a loss is alleged to have been caused by the fraud or dishonesty of any one or more of the “employees” covered under Section 1. INSURING AGREEMENT (1) Employee Dishonesty and you are unable to designate the specific “employee” or “employees” causing such loss, you shall nevertheless have the benefit of such applicable Coverage subject to the provisions and exclusions of this Form, provided that the evidence submitted reasonably proves that the loss was in fact due to the fraud or dishonesty of one or more of the said “employees”, and provided, further, that our aggregate liability for any such loss shall not exceed the Amount of Insurance applicable to such Coverage.

**(n) Notice to Authorities**

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



**(o) Other Insurance**

If, on the happening of any loss or damage to insured property there is in force any other insurance covering the same interest, and such other insurance is:

- (i) concurrent in terms, provisions and conditions with insurance afforded by this Form, our liability hereunder shall be limited to our rateable proportion of such claim; or
- (ii) other than described in (i) above, this Form will apply only as excess insurance over any other valid and collectible insurance that would apply in the absence of this Form.

**(p) Insurance Under More Than One Coverage, Form or Endorsement**

- (i) In the event of loss or damage to “money”, “securities”, “other property”, or “mobile equipment” insured under the terms of this Form, we will not, under any circumstances, be liable for more than the actual loss sustained by you, even though more than one form applies to such loss.
- (ii) Unless specified otherwise, if a loss insured under any coverage, Coverage Extension or endorsement of this Form also involves a loss under any other coverage or Coverage Extension of this Form, any other form, its Coverage Extensions or any endorsement, then, the maximum limit of insurance will not exceed the highest applicable limit under any one coverage, Coverage Extension or endorsement.

**(q) No Benefit to Bailee**

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

**(r) Property of Others**

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

**(s) Bankruptcy**

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

**(t) Examination Under Oath**

If required by us following your loss or claim, you must:

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

**(u) Transfer of Your Rights of Recovery Against Others to Us**

You must transfer to us all your rights of recovery against any person, or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

**B. CONDITIONS APPLICABLE TO SECTION 1. INSURING AGREEMENT (2) MONEY AND SECURITIES**

The following additional Provisions and Conditions apply to Section 1. INSURING AGREEMENT (2) Money And Securities.

**(a) Armored Motor Vehicle Companies**

Under Section 1. INSURING AGREEMENT (2) Money And Securities we will only pay for the amount of loss you cannot recover:

- (i) under your contract with the armored motor vehicle company; and
- (ii) from any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

**C. CONDITIONS APPLICABLE TO SECTION 1. INSURING AGREEMENTS (3) FORGERY OR ALTERATION and (5) CREDIT CARD FORGERY**

The following additional Provisions and Conditions apply to Section 1. INSURING AGREEMENTS (3) Forgery Or Alteration and (5) Credit Card Forgery.

**(a) Deductible**

The Deductible amount does not apply to legal expenses paid under these INSURING AGREEMENTS.



**(b) Facsimile Signatures**

We will treat mechanically or electronically reproduced facsimile signatures the same as handwritten signatures.

**(c) Proof of Loss**

You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

**D. CONDITIONS APPLICABLE TO SECTION 1. INSURING AGREEMENT (7) SOCIAL ENGINEERING FRAUD**

The following additional Provisions and Conditions apply to Section 1. INSURING AGREEMENT (7) Social Engineering Fraud.

**(a) Warranties and Covenants**

Subject to Limits of liability in excess of \$10,000, the Crime Insurance Application and all statements made and materials furnished to us are deemed incorporated into and made a part of this Section 1. INSURING AGREEMENT (7).

By acceptance of this Section 1. INSURING AGREEMENT (7), you agree that the statements, warranties and representations contained in the Crime Insurance Application and all statements made and materials furnished to us are accurate and complete, and that this Section 1. INSURING AGREEMENT (7) is issued in reliance upon the truth of such statements, warranties and representations.

You agree that any material misrepresentation or non-disclosure of any matter by you or on your behalf in the Crime Insurance Application and all statements made and materials furnished to us will render this Section 1. INSURING AGREEMENT (7) null and void and relieve us from any and all duties and obligations under this Section 1. INSURING AGREEMENT (7).

**E. CONDITIONS APPLICABLE TO SECTION 1. INSURING AGREEMENT (8) FALSE PRETENCE**

The following additional Provisions and Conditions apply to Section 1. INSURING AGREEMENT (8) False Pretence.

- (a) The amount of loss shall reflect deduction of the actual value of any property delivered to you in full or partial payment for title to or possession of such "mobile equipment".
- (b) In the event such "mobile equipment" is recovered, the limit of our liability for loss shall not exceed the actual cost and expense of recovering such "mobile equipment" and returning the same to you, plus the cost of any repairs made necessary by physical damage to such "mobile equipment" subsequent to such loss.
- (c) This insurance does not apply to any loss under Section 1. INSURING AGREEMENT (8) (a) and (c) above unless you had title to or possession of such "mobile equipment", and, if such "mobile equipment" is located you make every effort to regain possession of such "mobile equipment".
- (d) This insurance does not apply unless you, as soon as practical after a loss, notify police authorities of the incident.
- (e) The insurance afforded under this Section 1. INSURING AGREEMENT (8) applies to any "mobile equipment", whether or not encumbered by any security interest of your creditor.
- (f) The Date of Loss shall be deemed to be the date upon which you:
  - (a) voluntarily parted with title to or ownership of the covered property with respect to Section 1. INSURING AGREEMENT (8) (a);
  - (b) took possession of the covered property with respect to Section 1. INSURING AGREEMENT (8) (b); or
  - (c) become aware of any act that may result in a loss with respect to Section 1. INSURING AGREEMENT (8) (c).
- (g) This insurance does not apply to any loss under Section 1. INSURING AGREEMENT (8) (c) to "mobile equipment" that is an automobile(s) you rent or lease to others for less than 30 days.

**7. VALUATION—SETTLEMENT**

- (a) Subject to Section 3. AMOUNT OF INSURANCE, we will pay for loss of:
  - (i) "money" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than Canada:
    - (1) at face value in the "money" issued by that country; or
    - (2) in the Canadian dollar equivalent determined by the rate of exchange on the day the loss was discovered.



- (ii) “securities” but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:
    - (1) pay the value of such “securities” or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those “securities”; or
    - (2) pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the “securities”. However, we will be liable only for the payment of so much of the cost of the bond as would be charged for bond having a penalty not exceeding the lesser of the:
      - a) value of the “securities” at the close of business on the day the loss was discovered; or
      - b) the amount of insurance.
  - (iii) or damage to “other property” or loss from damage to the “premises” or its exterior for the replacement cost of the property without deduction for depreciation. However, we will not pay more than the least of the following:
    - (1) the amount of insurance applicable to the lost or damaged property;
    - (2) the cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose; or
    - (3) the amount you actually spend that is necessary to repair or replace the lost or damaged property.

We will not pay on a replacement cost basis for any loss or damage:

    - a) until the lost or damaged property is actually repaired or replaced; and
    - b) unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.
  - (iv) “mobile equipment” but only up to the actual cash value of the “mobile equipment” at the time any loss or damage occurs, and the loss or damage shall be ascertained or estimated according to that actual cash value with proper deduction for depreciation, however caused, and shall not exceed the amount that it would cost to repair or replace the “mobile equipment”, or any part thereof, with material of like kind and quality, but, if any part of the “mobile equipment” is obsolete and out of stock, our liability in respect thereof shall be limited to the value of that part at the time of loss or damage, not exceeding the maker’s latest list price.
- We may pay for the loss in money or may repair or replace the damaged “mobile equipment” or part thereof. Under Section 1. INSURING AGREEMENT (8) (b), when you acquire “mobile equipment” from a seller who did not have legal title or the right to transfer title of such “mobile equipment”, we will pay the lesser of the following amounts:
- (1) the amount you paid for the “mobile equipment”; or
  - (2) the wholesale value of the “mobile equipment”.
- (b) We may, at our option, pay for loss of or damage to property other than “money”:
    - (i) in the “money” of the country in which the loss occurred; or
    - (ii) in the Canadian dollar equivalent of the “money” of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.
  - (c) Any property that we pay for or replace becomes our property.

**8. DEFINITIONS**

The following definitions are added.

Wherever used in this Form, the following terms have the following meanings:

- (1) “Authentication” means:
  - (i) a verbal conversation with a “vendor” or “client” using a “pre-determined telephone number” to verify the identity of the “vendor” or “client” and the authenticity of a transfer instruction; or
  - (ii) a reasonable established authentication procedure to verify your or your “employee’s” identity and the authenticity of the transfer instruction.



- (2) "Banking premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.
- (3) "Clean up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to these processes.
- (4) "Client" means any entity for whom you perform services for or whom you sell goods to under a written agreement.
- (5) "Communicable disease" means any disease that can be transmitted, directly or indirectly, by means of any substance or agent from any organism to another organism where:
  - (i) the substance or agent includes, but is not limited to, any virus, bacterium, parasite or other organism or micro-organism, or its toxic products, or any variation thereof, whether deemed living or not;
  - (ii) the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms; and
  - (iii) the disease, substance or agent can cause or threaten damage to the health or welfare of any person, animal, plant or environment.

"Communicable disease" also includes any other disease, method of transmission, substance or agent or source described in a definition of communicable disease, infectious disease or any similar terms, in any applicable federal, provincial, territorial, state or municipal law or regulation, provided that such definitions shall not limit in any way the provisions of paragraphs (i) to (iii) inclusive of this definition.
- (6) "Communicable disease order" means any law, by-law, regulation, ordinance, order, announcement, pronouncement, advice, recommendation, suggestion or guidance, whether written or oral, of or made by any applicable federal, provincial, territorial, state or municipal government, governmental entity, public authority, civil authority, public health agency, instrumentality of any governmental entity, the police or the military in respect of any "communicable disease" or the threat or perceived threat of any "communicable disease", whether issued or applicable prior to, during or after the spread of any "communicable disease", including, without limitation, any such law, by-law, regulation, ordinance, order, announcement, pronouncement, advice, recommendation, suggestion or guidance that:
  - (i) recommends, limits or prohibits, in whole or in part, access to or use of any property or premises (whether or not by physical means);
  - (ii) recommends or requires that some or all businesses or premises close or operate at reduced capacity;
  - (iii) recommends or imposes social distancing, self-isolation, lockdown, restrictions on travel or mass gatherings;
  - (iv) recommends or imposes restrictions on activities, border restrictions or closures, or trade restrictions; or
  - (v) recommends or imposes stay at home or work from home requirements.
- (7) "Computer fraud" means the "theft" of "money", "securities" and "other property" resulting directly from unauthorized access to your computer system to fraudulently transfer "money", "securities" and "other property" from inside your "premises" or "banking premises" to any person other than a "messenger", or to a place outside the "premises".
- (8) "Counterfeit" means an imitation of an actual valid original which is intended to deceive and to be taken as the original.
- (9) "Data" means representations of information or concepts, in any form.
- (10) "Data problem" means:
  - (i) erasure, destruction, corruption, misappropriation, misinterpretation of "data";
  - (ii) error in creating, amending, entering, deleting or using "data"; or
  - (iii) inability to receive, transmit or use "data".
- (11) "Employee":
  - (i) "Employee" means:
    - (1) any natural person:
      - (a) while in your service or for 30 days after termination of service;
      - (b) who you compensate directly by salary, wages or commissions; and
      - (c) who you have the right to direct and control while performing services for you; and
    - (2) any natural person who is furnished temporarily to you:
      - (a) to substitute for a permanent "employee" as defined in Paragraph (1) above, who is on leave; or



- (b) to meet seasonal or short-term work load conditions; while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the “premises”.
- (ii) “Employee” does not mean:
  - (1) any agent, broker, person leased to you by a labor leasing firm, factor, commission merchant, consignee, independent contractor or representative of the same general character;
  - (2) any volunteer, except while performing acts coming within the scope of the usual duties of an “employee”; or
  - (3) any director or trustee except:
    - (a) while performing acts coming within the scope of the usual duties of an “employee”; or
    - (b) while acting as a member of any committee duly elected or appointed by your board of trustees to have custody of property of yours.
- (12) “EMV” means EuroPay, MasterCard and Visa: credit card chip technology used as a standard in smart payment cards, where data is stored on integrated circuits or chips. Cards with EMV technology are also called chip cards or IC cards.
- (13) “Forgery” means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one’s own name signed with or without authority, in any capacity, for any purpose.
- (14) “Fraudulent instruction” means:
  - (i) As respects to Section 1. INSURING AGREEMENT (6) Computer Fraud, Funds Transfer Fraud and Telephone Systems Fraud (b):
    - (1) an electronic or telephone instruction which purports to have been transmitted by you or your “employee”, but which was in fact fraudulently transmitted by someone else without your or your “employee’s” knowledge or consent; or
    - (2) a written instruction issued by you or your “employee”, which was forged or altered by someone other than you or your “employee” without your or your “employee’s” knowledge or consent or which purports to have been issued by you or your “employee” but was in fact fraudulently issued without your or your “employee’s” knowledge or consent.
  - (ii) As respects to Section 1. INSURING AGREEMENT (7) Social Engineering Fraud:
    - (1) an electronic or telephone instruction which purports to have been transmitted by you, your “employee”, “client” or “vendor” but which was in fact fraudulently transmitted by someone else without your, your “employee’s”, “client’s” or “vendor’s” knowledge or consent; or
    - (2) a written instruction issued by you, your “employee”, “client” or “vendor” which was forged or altered by someone other than you, your “employee”, “client” or “vendor” without your, your “employee’s”, “client’s” or “vendor’s” knowledge or consent or which purports to have been issued by you, your “employee”, “client” or “vendor” but was in fact fraudulently issued without your, your “employee’s” “client’s” or “vendor’s knowledge or consent.
- (15) “Funds” means “money” and “securities”.
- (16) “Fungi” includes, but is not limited to, any form or type of wet or dry rot, 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.
- (17) “Messenger” means you, or a relative of yours, or any of your partners or members, or any “employee” while having care and custody of property outside the “premises”.
- (18) “Mobile equipment” means:
  - (i) automobile;
  - (ii) truck;
  - (iii) trailer;
  - (iv) recreational vehicle;
  - (v) motorcycle;
  - (vi) all-terrain vehicle;
  - (vii) snowmobile;
  - (viii) watercraft;



- (ix) farm machinery and accessories; or
  - (x) construction equipment and accessories;
- owned or property which belongs, in whole or in part to someone else and which is held for sale by you.
- (19) "Money" means:
- (i) currency, coins and bank notes in current use and having a face value;
  - (ii) gift cards and cash card; and
  - (ii) travelers cheques, register cheques and money orders held for sale to the public.
- "Money" does not include electronic currency (including but not limited to e-currency, digital currency, virtual currency or crypto currency).
- (20) "Occurrence" means:
- (i) as respects Section 1. INSURING AGREEMENT (1) Employee Dishonesty, all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts.
  - (ii) as respects Section 1. INSURING AGREEMENTS (3) Forgery or Alteration and (5) Credit Card Forgery, all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.
  - (iii) as respects all other INSURING AGREEMENTS:
    - (1) an act or series of related acts involving one or more persons; or
    - (2) an act or event, or a series of related acts or events not involving any person.
- (21) "Other property" means any tangible property other than "money", "securities", or "mobile equipment", that has intrinsic value but does not include any property excluded under this Form or electronic currency (including but not limited to e-currency, digital currency, virtual currency or crypto currency).
- (22) "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.
- (23) "Pre-Determined Telephone Number" means a telephone number that:
- (i) was provided by the "vendor" or "client" when the written agreement or other arrangement was first established with you;
  - (ii) replaced a telephone number previously provided by the "vendor" or "client", provided that confirmation of the legitimacy of the change was achieved through verbal contact with the "vendor" or "client" at the previously provided telephone number; or
  - (iii) replaced a telephone number previously provided by the "vendor" or "client" and was received by you at least 30 days prior to the receipt of a transfer instruction.
- (24) "Premises" means the interior of that portion of any building you occupy in conducting your business operations.
- (25) "Schedule" means the Crime Coverage Schedule of the Declarations.
- (26) "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or property and includes:
- (i) tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
  - (ii) evidences of debt issued in connection with credit cards or charge cards, which cards are not issued by you.
- "Securities" does not include "money" or electronic currency (including but not limited to e-currency, digital currency, virtual currency or crypto currency).
- (27) "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".
- (28) "Telephone system" means any system or equipment owned or leased by you and located and installed at your "premises" for the purposes of voice based communications, such as, but not limited to: private branch exchange (PBX), Voice Over Internet Protocol (VoIP), telephony router, voice mail router, automated call attendant, or direct inward system access (DISA).
- (29) "Telephone systems fraud" means an unauthorized or fraudulent use of a confidential account code or systems password to gain access to your "telephone system".



- (30) "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 individual(s), group(s), organization(s) or government(s) for the purpose of influencing any government or instilling fear in the public or a section of the public.
- (31) "Theft" means the unlawful taking of "money", "securities" or "other property" to the deprivation of you.
- (32) "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "money" and "securities":
  - (i) by means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
  - (ii) by means of written instructions establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.
- (33) "Vendor" means an entity from whom you purchase goods or receive services under a written agreement.



## COMMERCIAL GENERAL LIABILITY FORM

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

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

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

### SECTION I – COVERAGES

#### COVERAGE A. BODILY INJURY and PROPERTY DAMAGE LIABILITY

##### 1. Insuring Agreement

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

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

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

- b. This insurance applies to “bodily injury” and “property damage” only if:
- (1) The “bodily injury” or “property damage” is caused by an “occurrence” that takes place in the “coverage territory”;
  - (2) The “bodily injury” or “property damage” occurs during the policy period; and
  - (3) Prior to the policy period, no insured listed under Paragraph 1. of **Section II – Who Is An Insured** and no employee authorized by you to give or receive notice of an “occurrence” or claim, knew that the “bodily injury” or “property damage” had occurred, in whole or in part. If such a listed insured or authorized employee knew, prior to the policy period, that the “bodily injury” or “property damage” occurred, then any continuation, change or resumption of such “bodily injury” or “property damage” during or after the policy period will be deemed to have been known prior to the policy period.
- c. “Bodily injury” or “property damage” which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of **Section II – Who Is An Insured** or any employee authorized by you to give or receive notice of an “occurrence” or claim, includes any continuation, change or resumption of that “bodily injury” or “property damage” after the end of the policy period.
- d. “Bodily injury” or “property damage” will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of **Section II – Who Is An Insured** or any employee authorized by you to give or receive notice of an “occurrence” or claim:
- (1) Reports all, or any part, of the “bodily injury” or “property damage” to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for damages because of the “bodily injury” or “property damage”; or
  - (3) Becomes aware by any other means that “bodily injury” or “property damage” has occurred or has begun to occur.
- e. Damages because of “bodily injury” include damages claimed by any person or organization for care, loss of services or death resulting at any time from the “bodily injury”.

##### 2. Exclusions

This insurance does not apply to:

###### a. Expected or Intended Injury

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

###### b. Contractual Liability

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

- (1) That the insured would have in the absence of the contract or agreement; or



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

**c. Workers’ Compensation and Similar Laws**

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

**d. Employer’s Liability**

“Bodily injury” to:

- (1) Your employees arising out of and in the course of:
  - (a) Employment by you; or
  - (b) Performing duties related to the conduct of your business.
- (2) The spouse, child, parent, brother or sister of that employee as a consequence of Paragraph (1) above.

This exclusion applies:

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

This exclusion does not apply to:

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

**e. Automobile**

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

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

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

This exclusion does not apply to:

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

**f. Aircraft or Watercraft**

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

Use includes operation and “loading or unloading”.



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

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft that is:
  - (a) Less than 10 metres long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) “Bodily injury” to an employee of the insured on whose behalf contributions are made by or required to be made by the insured under the provisions of any Canadian provincial or territorial workers’ compensation law, if the “bodily injury” results from an “occurrence” involving watercraft.

**g. Aircraft Products and Grounding**

“Bodily injury” or “property damage” arising out of:

- (i) any:
  - (1) (a) airframe;
  - (b) engine; or
  - (c) completed control or instrument, of any aircraft, missile, satellite or spacecraft; or
  - (2) aircraft, missile, satellite or spacecraft.

However this exclusion (i) only applies to:

- (a) “bodily injury” or “property damage” arising out of “your product” or “your work”; or
- (b) damages because of “bodily injury” or “property damage” included in the “products-completed operations hazard”; or

- (ii) the “grounding” of any aircraft, missile, satellite or spacecraft by any person or organization.

**h. Airport**

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

**i. Damage To Property**

“Property damage” to:

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

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

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

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

**j. Damage To Your Product**

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

**k. Damage To Your Work**

“Property damage” to that particular part of “your work” arising out of it or any part of it and included in the “products-completed operations hazard”.



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

**l. Damage To Impaired Property or Property Not Physically Injured**

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

- (1) A defect, deficiency, inadequacy or dangerous condition in “your product” or “your work”; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to “your product” or “your work” after it has been put to its intended use.

**m. Recall of Products, Work or Impaired Property**

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

- (1) “Your product”;
- (2) “Your work”; or
- (3) “Impaired property”;

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

**n. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate “electronic data”.

**o. Personal and Advertising Injury**

“Bodily injury” arising out of “personal and advertising injury”.

**p. Professional Services**

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

**q. Asbestos** – see Common Exclusions

**r. Fungi or Spores** – see Common Exclusions

**s. Nuclear** – see Common Exclusions

**t. Pollution** – see Common Exclusions

**u. Terrorism** – see Common Exclusions

**v. War Risks** – see Common Exclusions

**COVERAGE B. PERSONAL and ADVERTISING INJURY LIABILITY**

**1. Insuring Agreement**

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

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

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

b. This insurance applies to “personal and advertising injury” caused by an offence arising out of your business but only if the offence was committed in the “coverage territory” during the policy period.



## 2. Exclusions

This insurance does not apply to:

### a. Knowing Violation Of Rights Of Another

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

### b. Material Published With Knowledge Of Falsity

“Personal and advertising injury” arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

### c. Material Published Prior To Policy Period

“Personal and advertising injury” arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

### d. Criminal Acts

“Personal and advertising injury” arising out of a criminal act committed by or at the direction of the insured.

### e. Contractual Liability

“Personal and advertising injury” for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

### f. Breach Of Contract

“Personal and advertising injury” arising out of a breach of contract, except an implied contract to use another’s advertising idea in your “advertisement”.

### g. Quality Or Performance Of Goods – Failure To Conform To Statements

“Personal and advertising injury” arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your “advertisement”.

### h. Wrong Description Of Prices

“Personal and advertising injury” arising out of the wrong description of the price of goods, products or services stated in your “advertisement”.

### i. Infringement Of Copyright, Patent, Trademark or Trade Secret

“Personal and advertising injury” arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your “advertisement”, of copyright, trade dress or slogan.

### j. Insureds In Media and Internet Type Businesses

“Personal and advertising injury” committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web-sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraph 20. a., b. and c. of “personal and advertising injury” under **SECTION V – Definitions**.

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

### k. Electronic Interactive Websites, Chatrooms or Bulletin Boards

“Personal and advertising injury” arising out of an electronic interactive website, chatroom, interactive forum or bulletin board the insured hosts, owns, or over which the insured exercises control.

### l. Unauthorized Use Of Another’s Name or Product

“Personal and advertising injury” arising out of the unauthorized use of another’s name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another’s potential customers.

### m. Asbestos – see Common Exclusions

### n. Fungi or Spores – see Common Exclusions

### o. Nuclear – see Common Exclusions

### p. Pollution – see Common Exclusions

### q. Terrorism – see Common Exclusions



- r. **War Risks** – see Common Exclusions

## COVERAGE C. MEDICAL PAYMENTS

### 1. Insuring Agreement

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

### 2. Exclusions

We will not pay expenses for “bodily injury”:

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

## COVERAGE D. TENANTS’ LEGAL LIABILITY

### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of “property damage” to which this insurance applies. This insurance applies only to “property damage” to premises of others rented to you or occupied by you. We will have the right and duty to defend the insured against any “action” seeking those damages. However, we will have no duty to defend the insured against any “action” seeking damages for “property damage” to which this insurance does not apply. We may, at our discretion, investigate any “occurrence” and settle any claim or “action” that may result. But:
  - (1) The amount we will pay for damages is limited as described in **Section III – Limits Of Insurance**; and
  - (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical expenses under Coverage C.
 No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Supplementary Payments – Coverages A, B, D and E**.



- b. This insurance applies to “property damage” only if:
  - (1) The “property damage” is caused by an “occurrence” that takes place in the “coverage territory”;
  - (2) The “property damage” occurs during the policy period; and
  - (3) Prior to the policy period, no insured listed under Paragraph 1. of **Section II – Who Is An Insured** and no employee authorized by you to give or receive notice of an “occurrence” or claim, knew that the “property damage” had occurred, in whole or in part. If such a listed insured or authorized employee knew, prior to the policy period, that the “property damage” occurred, then any continuation, change or resumption of such “property damage” during or after the policy period will be deemed to have been known prior to the policy period.
- c. “Property damage” which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of **Section II – Who Is An Insured** or any employee authorized by you to give or receive notice of an “occurrence” or claim, includes any continuation, change or resumption of that “property damage” after the end of the policy period.
- d. “Property damage” will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of **Section II – Who Is An Insured** or any employee authorized by you to give or receive notice of an “occurrence” or claim:
  - (1) Reports all, or any part, of the “property damage” to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for damages because of the “property damage”; or
  - (3) Becomes aware by any other means that “property damage” has occurred or has begun to occur.

**2. Exclusions**

This insurance does not apply to:

**a. Expected or Intended Injury**

“Property damage” expected or intended from the standpoint of the insured.

**b. Contractual Liability**

“Property damage” for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

- c. Asbestos** – see Common Exclusions
- d. Fungi or Spores** – see Common Exclusions
- e. Nuclear** – see Common Exclusions
- f. Pollution** – see Common Exclusions
- g. Terrorism** – see Common Exclusions
- h. War Risks** – see Common Exclusions

**COVERAGE E. EMPLOYEE BENEFITS LIABILITY**

**1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages to any employee or former employee or the heirs, beneficiaries or legal representatives of either because of any act of negligence, error, mistake or omission of the insured or others for whom the insured is legally responsible in the “administration” of “employee benefit programs” of the insured. Damages arising out of the “administration” of “employee benefit programs” will be deemed to be caused by an “occurrence”. We will have the right and duty to defend the insured against any “action” seeking those damages. However, we will have no duty to defend the insured against any “action” seeking damages to which this insurance does not apply. We may, at our discretion, investigate any “occurrence” and settle any claim or “action” that may result. But:
  - (1) The amount we will pay for damages is limited as described in Limits Of Insurance;
  - (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Supplementary Payments – Coverages A, B, D and E.**
- b. This insurance applies to any act of negligence, error, mistake or omission which occurs:
  - (i) in the “coverage territory”;
  - (ii) during the period it is in effect, provided claim is made or action is brought during that period; or
  - (iii) prior to its effective date, if the insured first becomes aware thereof during the period of this insurance and claim is made or action is brought during such period.



## 2. Limits of Insurance

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

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

## 3. Deductible

Our obligation to pay damages on your behalf applies only to the amount of damages in excess of any deductible amount, if any, stated on the “schedule” applicable to the coverage.

## 4. Exclusions

This insurance does not apply to:

### a. Dishonest, Fraudulent, Criminal Or Malicious Act

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

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

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

### c. Failure To Perform A Contract

Damages arising out of failure of performance of contract by any insured.

### d. Insufficiency Of Funds

Damages arising out of any insufficiency of funds to meet any obligations under any plan included in the “employee benefit program”.

### e. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation

Any claim based upon:

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

### f. Workers’ Compensation And Similar Laws

Any claim arising out of your failure to comply with the mandatory provisions of any workers’ compensation, employment insurance, social security or disability benefits law or any similar law.

### g. Available Benefits

Any claim for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

### h. Taxes, Fines Or Penalties

Taxes, fines or penalties imposed by law.

### i. Employment-Related Practices

Damages arising out of wrongful termination of employment, discrimination or other employment-related practices.

### j. Fiduciary, Trustee or Fiscal Agent

Any claim out of the failure of the insured or any insurer, fiduciary, trustee or fiscal agent to perform any of their duties or obligations or to fulfill any of their guarantees with respect to:

- i. the payment of benefits under “employee benefit programs”; or
- ii. the providing, handling or investment of funds related thereto.

## 5. Additional Definitions

### a. “Employee Benefit Program”

means a program providing some or all of the following benefits to employees: group life insurance, group accident or health insurance, profit sharing plans, pension plans, employee stock subscription plans, travel, savings or vacation plans



and, except as respects the insurance afforded under the terms of this agreement to employees, will also include workers compensation insurance, employment insurance and disability benefits insurance.

**b. “Administration”**

The unqualified word “administration”, whenever used, will mean the following:

- i. counselling employees with respect to “employee benefit programs”;
- ii. interpretations relative to “employee benefit programs”;
- iii. record-keeping in connection with “employee benefit programs”;
- iv. enrolment, termination or cancellation of employees under “employee benefit programs”.

## COMMON EXCLUSIONS – COVERAGES A, B, C and D

This insurance does not apply to:

### 1. Asbestos

“Bodily injury” or “property damage” or “personal and advertising injury” related to or arising from any actual or alleged liability for any legal remedy of any kind whatsoever (including but not limited to damages, interest, mandatory or other injunctive relief, statutory orders or penalties, legal or other costs, or expenses of any kind) in respect of actual or threatened loss, damage, cost or expense directly or indirectly caused by, resulting from, in consequence of or in any way involving, asbestos or any materials containing asbestos in whatever form or quantity.

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

### 2. Fungi or Spores

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

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

This exclusion shall not apply to “bodily injury” or “property damage” which results directly from a “products-completed operations hazard” not otherwise excluded by this Form, subject to the following Fungi and Spores Liability Limit:

The Fungi and Spores Liability Limit shown on the “schedule” is the most we will pay in any one policy period.

The Fungi and Spores Liability Limit shall be included in the Products-Completed Operations Aggregate Limit under Coverage A, as stated in **Section III – Limits of Insurance**, and is not in addition to any other limits of insurance provided.

For the purpose of the following exception:

- 1. “Property damage” means physical injury to animals.
- 2. “Products-completed operations hazard” means “bodily injury” and “property damage” that arises out of “your product” provided the “bodily injury” or “property damage” occurs after you have relinquished physical possession of “your product”.

This exclusion does not apply to “bodily injury” or “property damage” included in the “products-completed operations hazard” arising directly or indirectly from “fungi” or “spores” that are found in or on, or are, “your product”, and you intend “your product” to be:

- i. applied topically to; or
- ii. ingested by; humans or animals.

### 3. Nuclear Energy Liability

- a. Liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof;
- b. “Bodily injury”, “property damage” or “personal and advertising injury” with respect to which an insured under this 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 contribute concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

**4. Pollution**

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":
  - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
    - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapour or soot from equipment used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
    - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your Policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
    - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
  - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    - (i) Any insured; or
    - (ii) Any person or organization for whom you may be legally responsible; or
  - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
    - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment or its parts, if such fuels, lubricants or other operating fluids escape from a permanent and integral mobile equipment part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
    - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapours from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
    - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
  - (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
  - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or



(b) Claim or “action” by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, “pollutants”.

However, this Section (2) does not apply to liability for damages because of “property damage” that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or “action” by or on behalf of a governmental authority.

## 5. Terrorism

“Bodily injury”, “property damage” or “personal and advertising injury” arising directly or indirectly, in whole or in part, out of “terrorism” or out of any activity or decision of a government agency or other entity to prevent, respond to or terminate “terrorism”. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the “bodily injury”, “property damage” or “personal and advertising injury”.

## 6. War Risks

“Bodily injury”, “property damage” or “personal and advertising injury” arising directly or indirectly, in whole or in part, out of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the “bodily injury”, “property damage” or “personal and advertising injury”.

## SUPPLEMENTARY PAYMENTS – COVERAGES A, B, D and E

1. We will pay, with respect to any claim we investigate or settle, or any “action” against an insured we defend:
  - a. All expenses we incur.
  - b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
  - c. All reasonable expenses you incur at our request to assist us in the investigation or defence of the claim or “action”, including actual loss of earnings up to \$1,000 a day because of time off from work.
  - d. All costs assessed or awarded against you in the “action”.
  - e. Any interest accruing after entry of judgment upon that part of the judgment which is within the applicable limit of insurance and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against an “action” and an indemnitee of the insured is also named as a party to the “action”, we will defend that indemnitee if all of the following conditions are met:
  - a. The “action” against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an “insured contract”;
  - b. This insurance applies to such liability assumed by the insured;
  - c. The obligation to defend, or the cost of the defence of, that indemnitee, has also been assumed by the insured in the same “insured contract”;
  - d. The allegations in the “action” and the information we know about the “occurrence” are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
  - e. The indemnitee and the insured ask us to conduct and control the defence of that indemnitee against such “action” and agree that we can assign the same counsel to defend the insured and the indemnitee; and
  - f. The indemnitee:
    - (1) Agrees in writing to:
      - (a) Cooperate with us in the investigation, settlement or defence of the “action”;
      - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the “action”;
      - (c) Notify any other insurer whose coverage is available to the indemnitee; and
      - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
    - (2) Provides us with written authorization to:
      - (a) Obtain records and other information related to the “action”; and
      - (b) Conduct and control the defence of the indemnitee in such “action”.

So long as the above conditions are met, legal fees incurred by us in the defence of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b. (2) of **Section I Coverage A – Bodily Injury and**



**Property Damage Liability**, such payments will not be deemed to be damages for “bodily injury” and “property damage” and will not reduce the limits of insurance.

Our obligation to defend an insured’s indemnitee and to pay for legal fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

## SECTION II - WHO IS AN INSURED

1. If you are designated on the Declarations as:
  - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - b. A partnership, limited liability partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d. An organization other than a partnership, limited liability partnership, joint venture or limited liability company, you are an insured. Your “executive officers” and directors are insureds, but only with respect to their duties as your officers or directors. Your shareholders are also insureds, but only with respect to their liability as shareholders.

If you are an organization other than a partnership, limited liability company or joint venture, any of your subsidiary companies or any company over which you exercise control and actively manage will qualify as an insured only if other valid and collectible insurance does not apply.

- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
    - a. Your “volunteer workers” only while performing duties related to the conduct of your business, or your employees, other than either your “executive officers” (if you are an organization other than a partnership, limited liability partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these employees or “volunteer workers” are insureds for:
      - (1) “Bodily injury” or “personal and advertising injury”:
        - (a) To you, to your partners or members (if you are a partnership, limited liability partnership or joint venture), to your members (if you are a limited liability company), to a co-employee while in the course of his or her employment or performing duties related to the conduct of your business, or to your other “volunteer workers” while performing duties related to the conduct of your business;
        - (b) To the spouse, child, parent, brother or sister of that co-employee or “volunteer worker” as a consequence of Paragraph (1) (a) above;
        - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above;
        - (d) Arising out of his or her providing or failing to provide professional health care services; or
        - (e) To any person who at the time of injury is entitled to benefits under any workers’ compensation or disability benefits law or a similar law.
      - (2) “Property damage” to property that is:
        - (a) Owned, occupied or used by,
        - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your employees, “volunteer workers”, any partner or member (if you are a partnership, limited liability partnership or joint venture), or any member (if you are a limited liability company).
    - b. Any person (other than your employee or “volunteer worker”), or any organization while acting as your real estate manager.
    - c. Any person or organization having proper temporary custody of your property if you die, but only:
      - (1) With respect to liability arising out of the maintenance or use of that property; and
      - (2) Until your legal representative has been appointed.
    - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Form.



- e. Your “unit” owners and any tenants, but only with respect to the conduct of the “condominium corporation” for liability arising out of the common property, excluding property designated for exclusive use.
- 3. Any organization you newly acquire or form, other than a partnership, limited liability partnership or joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
  - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - b. Coverage A and D does not apply to “bodily injury” or “property damage” that occurred before you acquired or formed the organization; and
  - c. Coverage B does not apply to “personal and advertising injury” arising out of an offence committed before you acquired or formed the organization.
- 4. Members of any insured company sponsored social or recreational activities, club or association.
- 5. a. Any person, firm or organization (hereinafter called Additional Insured) for whom you have contracted to provide liability insurance. Coverage under this provision is afforded as per the present Form’s terms, limits and conditions and only with respect to your premises, your properties or “your work”.
- b. Any person or organization (hereinafter called Additional Insured) with whom you agree in a written equipment lease or rental agreement to name as an insured is an insured with respect to liability arising out of the maintenance, operation, or use by you of the equipment leased to you by such person or organization, subject to the following additional exclusions:
 

The insurance provided under 5. a. and b. above does not apply to:

  - i. “Bodily injury”, “property damage”, or “personal and advertising injury” occurring after you cease to lease the equipment.
  - ii. “Bodily injury”, “property damage”, or “personal and advertising injury” arising out of the sole negligence of the Additional Insured.
  - iii. “Property damage” to property that is:
    - 1) Owned, used, or occupied by or rented to the Additional Insured; or
    - 2) In the care, custody, or control of the Additional Insured or over which the Additional Insured is for any purpose exercising physical control.

No person or organization is an insured with respect to the conduct of any current or past partnership, limited liability partnership, joint venture or limited liability company that is not shown as a Named Insured on the Declarations.

**SECTION III - LIMITS OF INSURANCE**

- 1. The Limits of Insurance shown on the “schedule” and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or “actions” brought; or
  - c. Persons or organizations making claims or bringing “actions”.
- 2. The General Aggregate Limit is the most we will pay for the sum of:
  - a. Damages under Coverage A, except damages because of “bodily injury” or “property damage” included in the “products-completed operations hazard”;
  - b. Damages under Coverage B; and
  - c. Medical expenses under Coverage C.
- 3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of “bodily injury” and “property damage” included in the “products-completed operations hazard”.
- 4. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage A; and
  - b. Medical expenses under Coverage C

because of all “bodily injury” and “property damage” arising out of any one “occurrence”.
- 5. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all “personal and advertising injury” sustained by any one person or organization.
- 6. The Tenants’ Legal Liability Limit is the most we will pay under Coverage D for damages because of “property damage” to any one premises.
- 7. Subject to 4. above, the Medical Payments Limit is the most we will pay under Coverage C for all medical expenses because of “bodily injury” sustained by any one person.



The Limits of Insurance of this Form apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown on the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

## 8. Deductible

1. Our obligation under Bodily Injury Liability, Property Damage Liability and Tenant's Legal Liability to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated on the "schedule" and the limits of insurance applicable to each "occurrence" for Bodily Injury Liability and Property Damage Liability and any one premises for Tenant's Legal Liability will be reduced by the amount of such deductible. The Aggregate Limit for such coverages will not be reduced by the application of such deductible amount.

2. The deductible amounts stated on the "schedule" apply as follows:

Under Coverage A, Bodily Injury Liability or Property Damage Liability respectively:

- a. To all damages because of "bodily injury" as a result of any one "occurrence";
- b. To all damages because of "property damage" as the result of any one "occurrence", regardless of the number of persons or organizations who sustain damages because of that "occurrence"; or
- c. Bodily Injury Liability and Property Damage Liability combined, to all damages because of the "bodily injury" and "property damage" as a result of any one "occurrence", regardless of the number of persons or organizations who sustain damages because of that "occurrence".

Under Coverage D, Tenant's Legal Liability:

To all damages because of "property damage" as the result of any one "occurrence", regardless of the number of persons or organizations who sustain damages because of that "occurrence".

3. The terms of this insurance, including those with respect to:
  - a. our right and duty to defend any "action" seeking those damages; and
  - b. your duties in the event of an "occurrence", claim or action, apply irrespective of the application of the deductible amount.
4. We may pay any part or all the deductible amount to effect settlement of any claim or "action" and, upon notification of the action taken, you will promptly reimburse us for such part of the deductible amount as has been paid by us.

## SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

All the **GENERAL PROVISIONS AND CONDITIONS** of the **General Provisions and Conditions Form** apply to this Form except those specifically stated to apply only to other forms. In addition, the following Provisions and Conditions apply to this Form. If any portion of these provisions and conditions are found to be invalid, unenforceable or contrary to statute, the remainder will remain in full force and effect.

### 1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Form.

### 2. Duties In The Event Of Occurrence, Offence, Claim or Action

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offence which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offence took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offence.

- b. If a claim is made or "action" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "action" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "action" as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "action";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defence against the "action"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.



- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

**3. Legal Action Against Us**

No person or organization has a right under this Form:

- a. To join us as a party or otherwise bring us into an "action" asking for damages from an insured; or
- b. To sue us on this Policy unless all of its terms have been fully complied with.

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

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

**4. Other Insurance**

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A, B, C, D or E of this Form, our obligations are limited as follows:

**a. Primary Insurance**

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

**b. Excess Insurance**

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
  - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk, Garage Automobile Policy, or similar coverage for "your work";
  - (b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
  - (c) If the loss arises out of the maintenance or use of watercraft or "automobile" to the extent not subject to either Exclusion e. or f. of **Section I - Coverage A - Bodily Injury and Property Damage Liability**.
  - (d) That is a consolidated (wrap-up) insurance program in which you are involved.
- (2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations or "products-completed operations hazard" for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under Coverages A, B, D or E to defend the insured against any "action" if any other insurer has a duty to defend the insured against that "action". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

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

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown on the "schedule".

**c. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

**5. Premium Audit**

- a. We will compute all premiums for this Form in accordance with our rules and rates.
- b. Premium shown on the "schedule" as advance premium is a deposit premium only. Within a period of 90 days following the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than



the earned premium, we will return the excess to the first Named Insured subject to the retention of the minimum retained premium shown on the “schedule”.

- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.
- d. Earned additional reconciliation premiums and earned return reconciliation premiums of less than \$50 shall be waived.

**6. Separation Of Insureds, Cross Liability**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Form 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.

**7. Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Form, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring “action” or transfer those rights to us and help us enforce them.

**8. Transfer Of Your Rights and Duties Under This Form**

Your rights and duties under this Form may not be transferred without our written consent except in the case of death of an individual Named Insured. If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

**SECTION V – DEFINITIONS**

Wherever used in this Form:

- (1) “Action” means a civil proceeding in which damages because of:
  - a. “bodily injury” or “property damage”,
  - b. “personal and advertising injury”,
  - c. a negligent act, error, mistake or omission in the “administration” of “employee benefits programs”, or
  - d. an error, where applicable,
 to which this insurance applies are alleged. “Action” includes:
  - i. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
  - ii. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
- (2) “Advertisement” means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
- (3) “Automobile” means a land motor vehicle, trailer or semitrailer that is required by law to be insured under a contract evidenced by a motor vehicle liability policy, or any vehicle insured under such a contract, including any attached machinery or equipment.
- (4) “Bodily injury” means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
- (5) “Condominium corporation” 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.
- (6) “Coverage territory” means:
  - a. Canada and the United States of America (including its territories and possessions);
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or
  - c. All other parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in a. above;
    - (2) The activities of an insured person whose home is in the territory described in a. above, but is away for a short time on your business; or



- (3) “Personal and advertising injury” offences that take place through the Internet or similar electronic means of communication;
- provided the insured’s responsibility to pay damages is determined in an “action” on the merits, in the territory described in a. above or in a settlement we agree to.
- (7) “Electronic data” means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
- (8) “Executive officer” means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
- (9) “Fissionable substance” means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
- (10) “Fungi” includes but is not limited to, any form or type of wet or dry rot, 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.
- (11) “Grounding” means the withdrawal of one or more aircraft, missile, satellite or spacecraft from use or the imposition of speed, passenger or load restrictions on such aircraft, missile, satellite or spacecraft, by reason of the actual, alleged or suspected existence of any defect, fault or condition in such aircraft, missile, satellite or spacecraft or any part thereof:
- a. manufactured, assembled, processed, sold, handled, installed, distributed or disposed of by:
    - i. You;
    - ii. Others trading under your name; or
    - iii. A person or organization whose business assets you have acquired; or
  - b. manufactured, assembled or processed by any other person or organization:
    - i. according to your specifications, plans, suggestions, recommendations, orders or drawings; or
    - ii. with tools, machinery or other equipment furnished by you,

whether such withdrawn or restricted aircraft, missile, satellite or spacecraft are owned or operated by the same or different persons or organizations.
- (12) “Hostile fire” means one which becomes uncontrollable or breaks out from where it was intended to be.
- (13) “Impaired property” means tangible property, other than “your product” or “your work”, that cannot be used or is less useful because:
- a. It incorporates “your product” or “your work” that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;
- if such property can be restored to use by:
- i) The repair, replacement, adjustment or removal of “your product” or “your work”; or
  - ii) Your fulfilling the terms of the contract or agreement.
- (14) “Incidental medical malpractice injury” means “bodily injury” arising out of the rendering of or failure to render, during the policy period, the following services:
- i) medical, surgical, dental, x-ray or nursing services or treatment or the furnishing of food or beverages in connection therewith; or
  - ii) the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
- by any insured or any indemnitee causing the “incidental medical malpractice injury” who is not engaged in the business or occupation of providing any of the services described in i) and ii) above.
- (15) “Insured contract” means:
- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage to premises while rented to you or temporarily occupied by you with permission of the owner is not an “insured contract”;
  - b. A sidetrack agreement;
  - c. An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
  - d. Any other easement agreement;
  - e. An obligation, as required by ordinance or bylaw, to indemnify a municipality, except in connection with work for a municipality;



- f. An elevator maintenance agreement;
- g. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for damages because of “bodily injury” or “property damage” to a third person or organization, provided the “bodily injury” or “property damage” is caused, in whole or in part, by you or by those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph g. does not include that part of any contract or agreement:

- (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured’s rendering or failure to render “professional services”, including those listed in (1) above and supervisory, inspection, architectural or engineering activities

(16) “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”.

(17) “Nuclear energy hazard” means the radioactive, toxic, explosive, or other hazardous properties of “radioactive material”.

(18) “Nuclear facility” means:

- (i) any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
- (ii) any equipment or device designed or used for:
  - (a) separating the isotopes of plutonium, thorium and uranium or any one or more of them;
  - (b) processing or packaging waste;
- (iii) any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (iv) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste “radioactive material”;

and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.

(19) “Occurrence” means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

(20) “Personal and advertising injury” means injury, including consequential “bodily injury”, arising out of one or more of the following offences:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person’s or organization’s goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person’s right of privacy;
- f. The use of another’s advertising idea in your “advertisement”; or
- g. Infringing upon another’s copyright, trade dress or slogan in your “advertisement”.

(21) “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.



(22) “Products-completed operations hazard”:

- a. Includes all “bodily injury” and “property damage” occurring away from premises you own or rent and arising out of “your product” or “your work” except:
  - (1) Products that are still in your physical possession; or
  - (2) Work that has not yet been completed or abandoned. However, “your work” will be deemed completed at the earliest of the following times:
    - (a) When all of the work called for in your contract has been completed.
    - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
    - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
 Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
- b. Does not include “bodily injury” or “property damage” arising out of:
  - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle that is not owned or operated by you, and that condition was created by the “loading or unloading” of that vehicle by any insured; or
  - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.

(23) “Professional services” shall include but not be limited to:

- a. Medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection therewith;
- b. Any professional service or treatment conducive to health;
- c. Professional services of a pharmacist;
- d. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
- e. The handling or treatment of deceased human bodies including autopsies, organ donations or other procedures;
- f. Any cosmetic, body piercing, tonsorial, massage, physiotherapy, chiropody, hearing aid, optical or optometrical services or treatments;
- g. Any engineer, architect or surveyor services including:
  - i) The preparation or approval of maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications;
  - ii) Supervisory, inspection, architectural, design or engineering services;
- h. Accountant’s, advertiser’s, notary’s (Quebec), public notary’s, paralegal’s, lawyer’s, real estate broker’s or agent’s, insurance broker’s or insurance agent’s, travel agent’s, financial institution’s, or consultant’s professional advices or activities;
- i. Any computer programming or re-programming, consulting, advisory or related services; or
- j. Claim, investigation, adjustment, appraisal, survey or audit services.

(24) “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.

(25) “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.

(26) “Schedule” means Coverage Schedule of Commercial General Liability.

(27) “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”.

(28) “Terrorism” means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government or instilling fear in the public or a section of the public.



- (29) "Unit" means the unit as defined in the declaration, description or bylaws of the "condominium corporation" or provincial or territorial legislation relating to condominiums or divided co-ownerships. It refers to a strata lot in British Columbia and to a private portion in Quebec.
- (30) "Volunteer worker" means a person who is not your employee, and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
- (31) "Your product"
- a. Means:
    - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
      - (a) You;
      - (b) Others trading under your name; or
      - (c) A person or organization whose business or assets you have acquired; and
    - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
  - b. Includes
    - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
    - (2) The providing of or failure to provide warnings or instructions.
  - c. Does not include vending machines or other property rented to or located for the use of others but not sold.
- (32) "Your work"
- a. Means:
    - (1) Work or operations performed by you or on your behalf; and
    - (2) Materials, parts or equipment furnished in connection with such work or operations.
  - b. Includes:
    - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
    - (2) The providing of or failure to provide warnings or instructions.



## Extension – Employers’ Bodily Injury Liability Coverage Endorsement

This Endorsement is attached to, forms part of and modifies the insurance provided under the **Commercial General Liability Form**, and is subject to the definitions, exclusions, provisions and conditions of the **Commercial General Liability Form**.

### SECTION

#### 1. EMPLOYERS LIABILITY COVERAGE

This Endorsement modifies the following exclusions under the **Commercial General Liability Form, Section I – COVERAGE A, Part 2. Exclusions** but only with respect to claims or “actions” because of “bodily injury” to an employee of the insured arising out of and in the course of employment by the insured in the business described on the “schedule”:

- (a) the following exclusions are deleted in their entirety:
  - d. **Employer’s Liability**; and
  - e. **Automobile**;
- (b) exclusion **f. Aircraft or Watercraft** only applies to any employee while acting in their capacity as a member of any air crew.

#### 2. EXCLUSIONS

This indemnity provided by this Endorsement does not apply to:

- (a) “bodily injury” to an employee while employed in violation of the law with your actual knowledge or the actual knowledge of any of your executive officers.

This exclusion(s) applies:

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

All other terms and conditions remain unchanged.



## Extension - Voluntary Compensation Benefits Endorsement

This Endorsement is attached to, forms part of and modifies the insurance provided under the **Commercial General Liability Form**, and is subject to the definitions, exclusions, provisions, and conditions of the **Commercial General Liability Form**.

If the sequencing of any added clause in this Endorsement is in conflict with the sequencing of the respective clause of the **Commercial General Liability Form** and any endorsements attached thereto, then this Endorsement is changed to the next available sequencing.

### SECTION

#### 1. VOLUNTARY COMPENSATION BENEFITS COVERAGE

This Endorsement modifies insurance under the following **Commercial General Liability Form, Section I - COVERAGE A , Part 1**, by adding the following Insuring **Agreement f.:**

- f. If your employees are subject to any Employers Liability coverage that forms part of or has been attached to the **Commercial General Liability Form**, we agree to pay voluntarily the benefits set out in **Section 3. SCHEDULE OF BENEFITS** either to or on behalf of your employee on account of:

- (i) "bodily injury" accidentally suffered by such employee; and
- (ii) arising out of and in the course of his employment by you,

whether or not such "bodily injury" could give rise in accordance with **Section 3. SCHEDULE OF BENEFITS** to liability imposed by law upon you.

**Commercial General Liability Form, Section I - SUPPLEMENTARY PAYMENTS - COVERAGES A, B, D and E** do not apply to this Endorsement.

#### 2. PROVISIONS

Settlement under this Endorsement is subject to the following provisions:

- (a) If the injured employee or any person claiming by, through or under him or her refuses to accept the benefits as offered by **Section 3. SCHEDULE OF BENEFITS** then we are permitted, at any time and solely at our discretion and without notice, to withdraw such offer to pay the benefits, under which circumstances we will no longer be bound by the undertakings expressed in **Section 1. VOLUNTARY COMPENSATION BENEFITS COVERAGE**.

If any claim or demand is made upon, or any suit instituted against you for damages for such injuries, each claim, demand or suit is considered a refusal to accept such **Section 1. VOLUNTARY COMPENSATION BENEFITS COVERAGE** benefits and such refusal shall abrogate in its entirety our agreement to pay such benefits. In such event our obligation as expressed in the other parts of the **Commercial General Liability Form** are available to you and it remains our full and complete obligation as if this Endorsement had not been written.

- (b) The benefits contained per **Section 3. SCHEDULE OF BENEFITS** are not payable unless at the time of the accident the employee was engaged in duties coming within the scope of their employment by you.
- (c) A full legal release of all claims of such employee or any persons claiming by, through or under him or her, against you is executed and delivered and that any rights of such employee or person against anyone other than you be subrogated and assigned in full (excluding all services available under any *Hospital Insurance Act*) to us.
- (d) We are in no event liable for any claims arising from hernia, however caused.

Before we pay benefits per **Section 3. SCHEDULE OF BENEFITS** to the person(s) entitled them, they must:

- (i) release you and us, in writing, of all responsibility for the injury or death; and
- (ii) transfer to us their right to recover from others who may be responsible for the injury or death.



**3. SCHEDULE OF BENEFITS**

**(a) Loss of Life**

In the event of death resulting from such “bodily injury” within a period of 26 weeks after the date of the accident we will pay:

- (i) to the dependants of the employee who are wholly dependent upon him or her, an amount equal to 100 times the “weekly indemnity” in addition to the benefits provided under **Section 3. (b)** up to the date of death.
- (ii) the reasonable funeral expenses not exceeding, however, the sum of \$10,000.

**(b) Temporary Total Disability**

If such “bodily injury” shall within 14 days from the date of the accident totally and continuously disable the employee and prevent him or her from performing any and every duty pertaining to such disabled employee’s occupation or employment, we will pay “weekly indemnity” for the period of such disability, or for 26 weeks, whichever is the lesser period.

Provided however, that if the period of such disability is less than 6 weeks, no benefit under this section shall be payable for first 7 days of such disability.

**(c) Permanent Total Disability**

If within 26 weeks from the date of the accident and as a direct result of such “bodily injury” the employee is deemed to be permanently and totally disabled and prevented from performing any and every duty pertaining to any occupation or employment, by medical evidence satisfactory to us, we will pay, in addition to the benefits provided under **Section 4. (b)**, “weekly indemnity” for a further period of 100 weeks.

**(d) Dismemberment Benefits**

If such “bodily injury” within 26 weeks from the date of the accident result in any one or more of the incapacities listed in the Schedule of Incapacities below, we will pay “weekly indemnity” for the number of weeks shown opposite the incapacity in the Schedule of Incapacities in addition to the benefits payable under **Section 3. (b)**, but in no event shall it be payable in addition to the benefits provided by **Section 3. (a) and (c)**.

The total amount payable under this benefit (d) for one or more incapacities shall not exceed 100 times the “weekly indemnity”.

**SCHEDULE OF INCAPACITIES**

LOSS OR TOTAL IRRECOVERABLE LOSS OF USE OF	NO. OF WEEKS
Arm, at or above elbow .....	100
Arm, below elbow or hand, at wrist .....	80
* Thumb;	
(a) at or above the second phalangeal joint .....	25
(b) below the second phalangeal joint, involving a portion of the second phalange.....	18
* Index finger;	
(a) at or above the second phalangeal joint .....	25
(b) at or above the third phalangeal joint.....	18
(c) below the third phalangeal joint, involving a portion of the third phalange .....	12
* Any other finger;	
(a) at or above the second phalangeal joint .....	15
(b) at or above the third phalangeal joint.....	8
(c) below the third phalangeal joint, involving a portion of the third phalange .....	5
Both eyes.....	100
One eye .....	50
Hearing of both ears.....	100



Hearing of one ear .....25

Leg, at or above knee ..... 100

Leg, below knee or foot at ankle..... 75

\* Great toe;

    (a) at or above the second phalangeal joint .....15

    (b) at or above the third phalangeal joint involving a portion of the second phalange ..... 8

\* Any other toe;

    (a) at or above the second phalangeal joint ..... 10

    (b) at or above the third phalangeal joint ..... 5

    (c) below the third phalangeal joint, involving a portion of the third phalange ..... 3

Note: For a combination of two or more of the incapacities marked with an \* the total amount payable under this section shall not exceed 80 times the “weekly indemnity”.

**(e) Medical, Surgical, Pharmaceutical and Hospital**

**(i) EXPENSES**

If such “bodily injury” necessitates medical or surgical treatment or confinement to hospital, we will pay in addition to all the other benefits provided by this Endorsement:

- (1) the cost of the necessary medical, surgical, pharmaceutical and hospital services (excluding all services available under any *Hospital Insurance Act*) incurred during a period not exceeding 26 weeks from the date of the accident, in accordance with the scale of charges provided by the *Workers’ Compensation Act* of the Province in which the accident occurred; and
- (2) the cost of supplying or the reasonable renewing of prosthetic or orthopaedic appliances for a period not exceeding 52 weeks from the date of the accident.

**(ii) SPECIAL CONDITION**

We have the right to:

- (i) examine the injured employee when and as often as may be reasonably required while the claim is pending; and
- (ii) request an autopsy in the case of death of the injured employee, subject to any law of the Province relating to autopsies.

**4. DEFINITION**

Wherever used in this Endorsement:

- (1) “Weekly indemnity” means two thirds of the employee’s weekly wage at the date of the accident, but not exceeding in any event the sum of \$1,000 per week.

All other terms and conditions remain unchanged.



## NON-OWNED AUTOMOBILE LIABILITY FORM

S.P.F. No. 6

### STANDARD NON-OWNED AUTOMOBILE POLICY

This Form expands your Policy's liability coverage to include non-ownership Automobile Liability Insurance described in this Form. All the **GENERAL PROVISIONS AND CONDITIONS** of the **General Provisions and Conditions Form** apply to this Form except those specifically stated to apply only to other Forms. If any portion of these provisions and conditions are found to be invalid, unenforceable or contrary to statute, the remainder will remain in full force and effect.

### INSURING AGREEMENT

Now, therefore, in consideration of the payment of the premium specified and of the statements contained in the application 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 workmen's 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
- (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 Item 7 of the application, 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.

\* Not applicable in the Province of Ontario.

### 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 resulting 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 section A of Item 7 of the application; and
- (6) not set up any defence 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 INSURED

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 Item 3 of the application, 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 your control in the business stated in Item 3 of the application, but will not include any automobile owned in whole or in part by or licensed in the same 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 Item 3 of the application 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 limits of liability under Section A.

### 6. PREMIUM ADJUSTMENT

The Advance Premium stated in Item 5 of the application 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 Item 6 of the application 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 application, 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 policy.

Applicable to the Province of Alberta:

### 7. LIMITATION OF ACTIONS

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

## 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.



S.P.F. No. 6 - STANDARD NON-OWNED AUTOMOBILE POLICY

Whereas an application has been made by the applicant (hereinafter called the Insured) to the Insurer for a contract of automobile insurance and the said application forms part of this contract of insurance and is as follows:

**Item APPLICATION**

1. Full Name of the Applicant: As stated on the Declarations  
 Postal Address  
 Applicant is (state whether individual, partnership, corporation, municipality or estate).

2. Policy Period from: As stated on the Declarations  
 (all times are local times at the applicant's address stated herein)

3. The automobiles in respect of which insurance is to be provided are those not owned in whole or in part by, nor licensed in the name of the applicant, used in the applicant's business of: As stated on the Declarations

4. The applicant's partners, officers, employees and agents as of the date of this application are as follows:

Location	Partners, officers and employees who regularly use automobiles not owned by the applicant in his business						All other partners, officers and employees			All applicant's agents		
	Class "A1" private passenger			Class "A2" commercial			Class "B"			Class "C"		
	Number	Rate	Premium	Number	Rate	Premium	Number	Rate	Premium	Number	Rate	Premium
			\$			\$			\$			\$
As known to insurer												

5. "Hired Automobiles" - The automobiles hired by the applicant are as follows:

Type of Automobile	Estimated cost of hire	Rates per \$100 of cost of hire	Advance Premium
			\$
As known to insurer			

The advance premium is subject to adjustment at the end of the policy period as provided in the policy.

6. "Automobiles Operated Under Contract" - on behalf of the applicant are as follows:

Type of Automobile and Description of use	Estimated contract cost	Rates per \$100 of contract cost	Advance Premium
			\$
As known to insurer			

The advance premium is subject to adjustment at the end of the policy period as provided in the policy.

7. This application is made for Insurance against the perils mentioned in this item and upon the terms and conditions of the Insurer's corresponding standard policy form and for the following specified limit.

Insuring Agreement	Perils	Limit	Combined Premiums
Section A Third Party Liability	Legal liability for bodily injury to or death of any person or damage to property of others not in the care, custody or control of the applicant.	\$ As stated on the Commercial General Liability Coverage Schedule, Non-Owned Automobile Section (exclusive of interest and costs) for loss or damage resulting from bodily injury to or the death of one or more persons, and for loss or damage to property, regardless of the number of claims arising from any one accident.	\$ Included
Endorsements	As stated on the Commercial General Liability Coverage Schedule, Non-Owned Automobile Section		\$
MINIMUM RETAINED PREMIUM \$		Total Premium	\$ Included

8. Has any insurer cancelled, declined or refused to renew or issue, automobile insurance to the applicant within three years preceding this application? If so, state name of insurer. As known to insurer

9. State particulars of all accidents or claims arising out of the use or operation in his business of non-owned automobiles by the applicant within the three years preceding this application. As known to insurer

Injury to persons	Damage to property of other

10. All the statements in this application are true and the applicant hereby applies for a contract of automobile insurance to be based on the truth of the said statements.

11. Where, (a) an applicant for a contract gives false particulars of the described automobile to be insured to the prejudice of the insurer, or knowingly misrepresents or fails to disclose in the application any fact required to be stated therein; or (b) the insured contravenes a term of the contract or commits a fraud; or (c) the insured wilfully makes a false statement in respect of a claim under the contract, a claim by the insured is invalid and the right of the insured to recover indemnity is forfeited.



## NON-OWNED AUTOMOBILE LIABILITY INCLUDED ENDORSEMENTS

### S.E.F. NO. 94

#### LEGAL LIABILITY FOR DAMAGE TO HIRED AUTOMOBILES ENDORSEMENT

In consideration of the premium stated herein, it is understood and agreed that the Standard Non-Owned Automobile Policy to which this endorsement is attached, is extended, subject always to the condition that the Insurer shall be liable under the subsection or subsections of the Insuring Agreement hereof for which a premium is stated and no other.

#### **Section B – Legal Liability for Damage to Hired Automobiles**

The Insurer agrees to indemnify the Insured against the liability imposed by law upon the Insured or assumed by him under any contract or agreement for loss or damage arising from the care, custody or control of “Hired Automobiles” as defined in such policy and resulting from loss or damage thereto, caused solely by:

#### **Subsection 1 – ALL PERILS – from all perils**

##### **Limits of Insurance**

We shall not be liable under this endorsement for any amount in excess of \$75,000 or as otherwise shown in the Commercial General Liability Coverage Schedule, Non-Owned Automobile Section (exclusive of interest and costs) for any one occurrence.

##### **Deductible Clause**

Each occurrence causing loss or damage covered except loss or damage caused by fire or lightning or theft of the entire automobile shall give rise to a separate claim in respect of which our liability shall be limited to the amount of loss or damage in excess of \$1,000 deductible, or as stated in the Commercial General Liability Coverage Schedule, Non-Owned Automobile Section.

##### **Two Or More Automobiles**

A motor vehicle and one or more trailers or semi-trailers attached thereto shall be held to be separate automobiles with respect to the limit of insurance, including the deductible provision, if any, under this Insuring Agreement.

##### **Exclusions**

We shall not be liable

1. for loss or damage to any automobile while personally driven by you if you are an individual; or
2. for loss or damage:
  - a. to tires or consisting of or caused by mechanical fracture or breakdown of any part of an automobile or by rusting, corrosion, wear and tear, freezing or explosion within the combustion chamber, unless the loss or damage is coincident with other loss or damage caused by fire, theft or malicious mischief; or
  - b. to any automobile while being used without the consent of the owner thereof; or
  - c. caused directly or indirectly by contamination by radioactive material; or
  - d. to contents of trailers or to rugs or robes; or
  - e. to tapes and equipment for use with a tape recorder when detached therefrom; or
  - f. caused directly or indirectly by bombardment, invasion, civil war, insurrection, rebellion, revolution, military or usurped power, or by the operation of armed forces while engaged in hostilities whether war be declared or not; or
  - g. for any amount in excess of the limit stated in the applicable subsection hereof and expenditures provided for in the Additional Agreements of the policy to which this endorsement is attached.

##### **Additional Agreement**

We further agree to pay general average, salvage and fire department charges and custom duties of Canada or of the United States of America for which you are legally liable.

### S.E.F. No. 96

#### CONTRACTUAL LIABILITY ENDORSEMENT

It is understood and agreed that exclusion (c) of the Insuring Agreement of the Standard Non-Owned Automobile Policy is amended to read as follows:

- c) For any liability assumed by any person insured by this policy voluntarily under any contract or agreement other than that part of any contract or agreement pertaining to your business under which you assume tort liability of another to pay damages because of bodily injury or property damage to a third person or organization, if the contract or agreement is made prior to the bodily injury or property damage. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

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



## S.E.F. No. 99

### EXCLUDING LONG TERM LEASED VEHICLE ENDORSEMENT

It is understood and agreed that Item 3 (Hired Automobiles Defined) of General Provisions and Definitions of the Standard Non-Owned Automobile Policy is amended to read as follows:

The term "Hired Automobiles" as used in this policy means (a) automobiles hired or leased from others with drivers or (b) hired or leased by the Named Insured from others without drivers for periods not exceeding 30 days, used under the control of the Insured in the business stated in Item 3 of the application but shall not include any automobile owned in whole or in part by or licenced in the name of the Insured or any partner, officer or employee of the Insured.

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

## Ontario Endorsement No. 98B

### REDUCTION OF COVERAGE FOR LESSEES OR DRIVERS OF LEASED VEHICLES ENDORSEMENT

#### **1. Purpose of this endorsement:**

This endorsement alters the coverage provided by the Standard Non-Owned Automobile Policy with respect to claims in Ontario for loss or damage arising directly or indirectly from the use or operation of a motor vehicle that is leased. This endorsement applies only to the business of the Insured based in Ontario and of the employees of the Insured situated in Ontario.

#### **2. How the policy coverage is changed:**

- i) We also agree to pay on behalf of every partner, officer or employee of the Insured who, in the business of the Insured stated in the application, leases an automobile for a period of not more than 30 days in their own name, all sums which such partner, officer or employee is legally obligated to pay as a result of liability imposed by law arising from the negligence of the driver of such leased automobile(s).
- ii) The insurance provided under this part with respect to leased automobiles is excess of the underlying coverage available to the Insured or to the partner, officer or employee of the Insured.
- iii) Underlying coverage available to the Insured or to the partner, officer or employee of the Insured includes any motor vehicle liability insurance that is required to respond to the liability of the driver or lessee of the leased automobile.

The terms leased, lease and lessee are used as equivalent to rented, rent and renter.

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



## CYBER RISK FORM

FIRST PARTY COVERAGES ARE LIMITED TO INCIDENTS THAT ARE FIRST DISCOVERED DURING THE POLICY PERIOD.

THIRD PARTY LIABILITY COVERAGES ARE LIMITED TO LIABILITY FOR CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD.

PLEASE READ ALL TERMS, CONDITIONS, LIMITATIONS AND OTHER PROVISIONS CAREFULLY. PAYMENT OF ANY "LOSS" REDUCES AND MAY EXHAUST THE LIMIT OF INSURANCE AVAILABLE UNDER THIS FORM.

### SECTION I – FIRST PARTY COVERAGES

#### 1. INSURING AGREEMENTS

Coverage is provided under the following Insuring Agreements as shown on the "schedule" for the applicable Insuring Agreement.

##### (a) INCIDENT RESPONSE EXPENSES

The Insurer will pay the following reasonable and necessary costs and expenses, approved in writing by the Insurer, incurred as the direct result of a "cyber incident" or "privacy incident" "discovered" during the "policy period":

- (i) to:
  - (1) provide breach coaching services, including but not limited to associated legal advice;
  - (2) conduct a forensic investigation (other than a Payment Card Industry (PCI) forensic investigation) to determine the cause of such "cyber incident" or "privacy incident";
  - (3) identify the affected "data assets" that were the subject of such "cyber incident" or "privacy incident";
  - (4) determine the affected persons whose "personal information" was the subject of such "cyber incident" or "privacy incident"; and
  - (5) contain and remove any malware on the "insured's computer system";
- (ii) to develop documents or materials to notify such affected persons and any governmental entity that requires reporting of any "cyber incident" or "privacy incident" and:
  - (1) comply with such notification or reporting requirements; or
  - (2) voluntarily notify such affected persons and such government entity;
- (iii) to provide call centre service for such affected persons;
- (iv) to procure identity restoration and credit monitoring services for the minimum time as required by applicable jurisdictional statute, rule, regulation or other law, for a minimum of 1 year, per each affected person; and
- (v) to plan, implement, execute and manage a reasonable and necessary public relations campaign to mitigate any actual or potential negative publicity resulting from such "cyber incident" or "privacy incident".

This Insuring Agreement does not include any "extortion expenses", "regulatory fines", "PCI assessments", or other fines, penalties or assessments.

The most the Insurer will pay under this Insuring Agreement is limited as described in SECTION V - LIMITS OF INSURANCE and AGGREGATE LIMIT.

##### (b) DATA RECOVERY EXPENSES AND BRICKING

###### (i) Data Recovery Expenses

The Insurer will pay the reasonable and necessary costs and expenses incurred as the direct result of a "cyber incident" "discovered" during the "policy period" to restore, repair or recreate the "insured's" "data assets" from electronic back-ups or written records, provided there are such electronic back-ups or written records and subject to the following:

If the "data assets" cannot be restored, repaired or recreated from electronic or written back-ups, then such costs or expenses shall be limited to the actual cost the "insured" incurs to reach this determination.

This Insuring Agreement does not include "extortion expenses" nor any cost or expense incurred to research or engineer "data assets", including but not limited to trade secrets.



**(ii) Bricking**

The Insurer will pay the reasonable and necessary costs and expenses incurred to replace any hardware component of the “insured’s computer system” that has not suffered physical damage, but has been rendered non-functional or useless as the direct result of a “cyber incident” “discovered” during the “policy period”, provided that replacing such hardware component is more cost effective than the additional cost or expense that would be incurred under (i) above. The costs to replace such hardware component will be determined using the costs of identical or commercially equivalent items.

The most the Insurer will pay under this Insuring Agreement is limited as described in SECTION V - LIMITS OF INSURANCE and AGGREGATE LIMIT.

**(c) BUSINESS INTERRUPTION LOSS AND REPUTATIONAL HARM**

The Insurer will pay the “insured” for:

- (i) “business interruption loss” sustained during the “business interruption and reputational harm period of restoration” and directly resulting from a “cyber incident” “discovered” during the “policy period”; or
- (ii) “reputational harm loss” sustained during the “business interruption and reputational harm period of restoration” from “reputational harm” first made public during the “policy period” and directly resulting from a “cyber incident”, “privacy incident”, “extortion incident” or “regulatory proceeding”.

The most the Insurer will pay under this Insuring Agreement is limited as described in SECTION V - LIMITS OF INSURANCE and AGGREGATE LIMIT.

**(d) EXTORTION EXPENSES**

The Insurer will pay “extortion expenses” directly resulting from an “extortion incident” “discovered” during the “policy period”.

The most the Insurer will pay under this Insuring Agreement is limited as described in SECTION V - LIMITS OF INSURANCE and AGGREGATE LIMIT.

**(e) CYBER CRIME**

The Insurer will pay the “insured” for monetary loss as the direct result of:

- (i) **Computer Funds Transfer Fraud**  
 unauthorized electronic transfer of the “insured’s” “money” or “securities” from the “insured’s” bank or financial institution directly due to unauthorized access or unauthorized use of the “insured’s computer system” by a third party and such unauthorized electronic transfer is “discovered” during the “policy period”;
- (ii) **Fraudulent Instruction**  
 the “insured” having transferred their “money”, “securities” or “other property” based upon instructions purportedly issued or transmitted, including but not limited to as a result of social engineering, by the “insured”, the “insured’s” client or the “insured’s” vendor but which were in fact fraudulently transmitted, forged or altered by someone else without the “insured’s”, the “insured’s” client’s or the “insured’s” vendor’s knowledge or consent and “discovered” during the “policy period”.  
 As a condition precedent to coverage under this insuring agreement (ii), the “insured” must first verify such transfer instruction via a method other than the original method of request;
- (iii) **Invoice Manipulation Fraud**  
 the “insured’s” inability to collect payment due to the “insured’s” client or the “insured’s” vendor having transferred their “money”, “securities” or “other property” based upon instructions purportedly issued or transmitted by the “insured” to transfer such “money”, “securities” or “other property” to the “insured”, but which were in fact fraudulently transmitted, forged or altered by someone else without the “insured’s” knowledge or consent directly due to unauthorized access or unauthorized use of the “insured’s computer system” by a third party and “discovered” during the “policy period”; or
- (iv) **Telecommunications Fraud**  
 telephone, bandwidth and Software as a Service charges the “insured” incurs resulting from the unauthorized or fraudulent use of the “insured’s” telephone or communication system, bandwidth or Software as a Service by a third party and “discovered” during the “policy period”.

The most the Insurer will pay under this Insuring Agreement is limited as described in SECTION V - LIMITS OF INSURANCE and AGGREGATE LIMIT.



**2. COVERAGE EXTENSIONS**

Any cost or expense incurred under the following Coverage Extensions must be directly resultant from an applicable coverage under SECTION I – FIRST PARTY COVERAGES, item 1. INSURING AGREEMENT above or SECTION II – THIRD PARTY LIABILITY COVERAGES below.

The following Coverage Extensions are subject to the limits, aggregates, definitions, exclusions, provisions, and conditions of this Form.

**(a) Upgraded Data Assets**

If in the event of a “cyber incident” “discovered” during the “policy period” the “data assets” are determined to be vulnerable by the Insurer, the Insurer will pay the cost or expense to improve or update the compromised “data assets” to a level of security beyond that which existed just before the “cyber incident”.

Subject to the Cyber Risk Aggregate Limit, the most the Insurer will pay to improve or update “data assets” in any one “policy period” is whichever is the lesser of:

- (i) \$50,000, or as otherwise shown on the Coverage Features page of the Declarations; or
- (ii) 5% of the Cyber Risk Aggregate Limit.

**(b) Business Interruption Accountants Fees**

The Insurer will pay the “insured” the reasonable expenses the “insured” incurs solely at the Insurer’s request to pay the “insured’s” accountants and forensic auditors, who are not the “insured’s” employees, to produce and certify particulars or details or other proofs, information or evidence as may be required for the purpose of investigating or verifying the quantum of any “business interruption loss” or “reputational harm loss”, the liability for which is otherwise accepted by the Insurer, and reporting that such particulars or details are in accordance with the “insured’s” books of account and other business books or documents, resulting from a covered “cyber incident”, “privacy incident”, “extortion incident” or “reputational harm”.

Subject to the Cyber Risk Aggregate Limit, the most that the Insurer will pay is whichever is the lesser of:

- (i) \$50,000, or as otherwise shown on the Coverage Features page of the Declarations; or
- (ii) 10% of the total amount payable for “business interruption loss” or “reputational harm loss”, as applicable; for any one incident.

**SECTION II - THIRD PARTY LIABILITY COVERAGES**

**1. INSURING AGREEMENTS**

Coverage is provided under the following Insuring Agreements as shown on the “schedule” for the applicable Insuring Agreement.

**(a) CYBER AND PRIVACY LIABILITY**

The Insurer will pay on behalf of the “insured” all “loss” the “insured” is legally obligated to pay as a result of any “claim” first made against the “insured” during the “policy period”, or Extended Reporting Period, resulting from any “security wrongful act”, “cyber incident” or “privacy incident” which first occurs on or after the “retroactive date” and before the end of the “policy period”.

The most the Insurer will pay under this Insuring Agreement is limited as described in SECTION V - LIMITS OF INSURANCE and AGGREGATE LIMIT.

**(b) MEDIA LIABILITY**

The Insurer will pay on behalf of the “insured” all “loss” the “insured” is legally obligated to pay as a result of any “claim” first made against the “insured” during the “policy period”, or Extended Reporting Period, resulting from of any “media wrongful act” which first occurs on or after the “retroactive date” and before the end of the “policy period”.

The most the Insurer will pay under this Insuring Agreement is limited as described in SECTION V - LIMITS OF INSURANCE and AGGREGATE LIMIT.

**(c) REGULATORY PROCEEDING EXPENSES**

The Insurer will pay on behalf of the “insured” all “claim expenses” and “regulatory fines” the “insured” is legally obligated to pay as a result of any “claim” first made during the “policy period”, or Extended Reporting Period, resulting from any “cyber incident” or a “privacy incident” which first occurs on or after the “retroactive date” and before the end of the “policy period”.

The most the Insurer will pay under this Insuring Agreement is limited as described in SECTION V - LIMITS OF INSURANCE and AGGREGATE LIMIT.



**(d) PCI ASSESSMENTS**

The Insurer will pay:

- (i) on behalf of the “insured” all “claim expenses” and “PCI assessments” the “insured” is legally obligated to pay as a result of any “claim” first made during the “policy period”, or Extended Reporting Period, alleging non-compliance with or violations of the Payment Card Industry Data Security Standard (PCI-DSS), or a merchant service agreement in connection with such PCI-DSS resulting from any “cyber incident” or “privacy incident” which first occurs on or after “retroactive date” and before the end of the “policy period”; and
- (ii) the reasonable and necessary costs and expenses, approved in writing by the Insurer, to retain the services of third party forensic firms, including a PCI forensic investigator, to determine the cause and scope of such “cyber incident” or “privacy incident”.

**SECTION III - DUTY TO DEFEND AND SETTLEMENT**

1. The Insurer has the right to investigate and the right and duty to defend any “claim” for which insurance is provided under this Form, including the right to appoint counsel, even if the allegations are groundless, false or fraudulent.
2. The “insured” may not incur any “claim expenses” in or settle any such “claim”, or otherwise admit or assume any liability or obligation, without the Insurer’s prior written consent. The Insurer will not be liable for any “claim expenses”, settlement, liability or obligation to which it has not consented in writing.
3. The Insurer will not settle any “claim” without the prior written consent of the “insured”, which the “insured” will not withhold unreasonably.

If however, consent to any settlement recommended by the Insurer that is acceptable to the claimant is withheld and the “insured” elects to contest or continue to contest such “claim”, the Insurer’s liability will be limited to:

- (a) the amount of “damages” for which the “claim” could have been settled for if the Insurer’s recommendation was consented to; and
- (b) all “claim expenses” incurred up to the time the Insurer made such recommendation; plus
- (c) 80% of all subsequent covered “loss” in excess of such amount referenced in item (a) above, which amount will not exceed that portion of any applicable limits and aggregates that remain unexhausted by payment of “loss”. The remaining 20% of all subsequent covered “loss” will be borne by the “insured” uninsured and at their own risk.

However, this item 3. does not apply to any potential settlement that is within the Retention or Deductible.

**SECTION IV – EXCLUSIONS**

If any portion of each of the following exclusions is found to be invalid, unenforceable or contrary to statute, the remainder of such exclusion shall remain in full force and effect.

**1. Exclusions Applicable To All Insuring Agreements and Coverage Extensions**

This Form does not insure against any “loss”, “claim”, “regulatory fine”, “PCI assessment”, “wrongful act”, “regulatory proceeding”, “cyber incident”, “privacy incident”, “extortion incident”, “reputational harm”, unauthorized electronic transfer, fraudulent instruction, or unauthorized or fraudulent use of the “insured’s” telephone or communication system or bandwidth alleging, arising out of, or related to:

**(a) Prior Notice**

any fact, circumstance, situation, transaction, event, incident, act, error or omission which has been the subject of any notice of actual or potential “claim” given under any prior insurance policy;

**(b) Prior Knowledge**

any fact, circumstance, situation, transaction, event, incident, act, error or omission committed or occurring prior to the earliest of:

- (i) the first inception date of insurance provided by this Form;
- (ii) the effective date of any continuous renewal or replacement of this Form issued by the Insurer; or
- (iii) the “retroactive date”;

and which any “executive officer” knew or could have reasonably foreseen could give rise to a “claim” or any coverage under SECTION I – FIRST PARTY COVERAGES;

**(c) Prior or Pending Litigation**

any litigation or proceeding commenced prior to, or which were pending as of, the earlier of:

- (i) the first inception date of insurance provided by this Form; or
- (ii) the effective date of any continuous renewal or replacement of this Form issued by the Insurer;

or which arise from matters substantially the same as alleged or established in such litigation or proceeding;



**(d) Executive Officer Conduct**

any:

- (i) dishonest, fraudulent, criminal, or malicious act, error or omission, or any intentional or knowing violation of any law committed by an “executive officer”, acting alone or collusion with others; or
- (ii) gaining of any profit, remuneration, or financial or non-financial advantage by an “insured” to which the “insured” was not legally entitled;

however, the Insurer will pay “claim expenses” defend such “claim” until there is a final non-appealable adjudication, judgment, binding arbitration decision or conviction against such “insured”;

**(e) Contract**

any liability assumed under any contract, agreement, express warranty or guarantee, however, this exclusion shall not apply to:

- (i) the extent that the “insured” would have been liable in the absence of such contract, agreement, express warranty or guarantee;
- (ii) SECTION II – THIRD PARTY LIABILITY COVERAGE (d) PCI ASSESSMENTS as it relates to “PCI assessments”;
- (iii) any unintentional violation by an “insured” to comply with the “insured’s” privacy policy; or
- (iv) any obligation to maintain the confidentiality or security of:

- (1) “personal information”; or
- (2) confidential or proprietary corporate information;

in the “insured’s” care, custody or control, and protected under a non-disclosure agreement or similar contract, or which the “insured” is legally responsible to maintain in confidence;

**(f) Description**

any inaccurate, inadequate or incomplete description of the price of any good, product or service, cost savings, performance, investment or profit, including but not limited to the “insured’s” cost guarantees, cost representations, contract prices or cost estimates that were exceeded;

**(g) Updating Data Assets**

any cost or expense incurred to update, upgrade, modify, enhance, research, replace or otherwise improve any “data assets” or the “insured’s computer system” to a level of functionality or security beyond that which existed just before the “cyber incident”, “privacy incident”, “extortion incident” or loss event. This exclusion does not apply to SECTION I – FIRST PARTY COVERAGES 2. COVERAGE EXTENSION (a) Upgraded Data Assets;

**(h) Technology Products or Services**

the “insured’s” rendering of or failure to render “technology products or services” for others;

**(i) Wrongful Collection of Personal Information or Failure To Obtain Consent**

the:

- (i) wrongful or unlawful collection, use or retention of “personal information”; or
- (ii) failure to obtain adequate consent, whether express or implied;

where such information is being collected, used or retained by an “insured” with knowledge of any “executive officer”;

**(j) Salaries**

any remuneration, salaries, wages, fees, expenses, overhead or employee benefit expenses of any “insured”. This exclusion does not apply to overtime paid solely with respect to a “cyber incident”, “privacy incident” or “extortion incident”;

**(k) Cost To Comply**

any fee, cost or expense the “insured” incurs to comply with any law or regulation. This exclusion does not apply to costs or expenses as provided under SECTION I – FIRST PARTY COVERAGES 1. INSURING AGREEMENT (a) Incident Response Expenses;

**(l) Infrastructure Outage**

any electrical or mechanical malfunction, failure, disruption, interruption or outage of any gas, water, electricity, telephone, wireless communications, data transmission lines, cable, satellite, telecommunications, internet service, or other infrastructure or any component thereof, unless such infrastructure is under the “insured’s” operational control;



**(m) Seizure By Governmental Authority**

any seizure, quarantine, confiscation, expropriation, nationalization or destruction of the “insured’s” “data assets” or “insured’s computer system” by order of any governmental or public authority;

**(n) Natural Perils**

- (i) fire, lightning or explosion;
- (ii) hail or windstorm (including but not limited to hurricane, cyclone or tornado);
- (iii) the breaking out or overflow of any natural or artificial body of water, waves, any storm surge, seiche, tides, tidal waves, tsunamis, or the unusual and rapid accumulation, overflow or runoff of water or natural precipitation temporarily diffused over the surface of the ground;
- (iv) earthquake, volcanic activity, snowslide, landslide, subsidence or other earth movement;
- (v) “geomagnetic event”; or
- (vi) act of God or any other natural disaster.

This exclusion does not apply to SECTION I – FIRST PARTY COVERAGES 1. (a) Incident Response Expenses.

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 any “cyber incident”;

**(o) Pollution**

any:

- (i) actual, alleged or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants”, or the cost or expense of any resulting removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of “pollutants”, including testing which is integral to such processes;
- (ii) 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
- (iii) 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 demand 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”;

**(p) Fungi or Spores**

any actual, alleged or threatened contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any “fungi” or “spores” including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, clean up, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of “fungi” or “spores”;

**(q) Terrorism**

any “terrorism” or any action taken to hinder or defend against “terrorism”; including all amounts, costs or expenses of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to “terrorism”.

**(r) Nuclear**

- (i) any liability imposed by or arising from the *Nuclear Liability and Compensation Act* or any other nuclear liability act, law or statute, or any law amendatory thereof;
- (ii) or with respect to which an “insured” 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; or
- (iii) or resulting directly or indirectly from the radioactive, toxic, explosive, or other hazardous properties of “radioactive material” 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”; or
- (3) the possession, consumption, use, handling, disposal or transportation of any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission, or of other “radioactive material” used, distributed, handled or sold by an “insured”.

This exclusion applies regardless of any other contributing or aggravating cause or event that contribute concurrently or in any sequence to the “loss”, “claim” or SECTION I – FIRST PARTY COVERAGES incident;

**(s) Bodily Injury**

bodily injury, mental anguish, humiliation, emotional distress, sickness, disease or death of any natural person, however this exclusion will not apply for any “claim” for mental anguish, humiliation or emotional distress directly resulting from a “privacy incident” or “media event”;

**(t) Property Damage**

damage to, destruction of or loss of use of any tangible property whether or not such property is damaged or destroyed;

**(u) Fees or Chargebacks**

any:

- (i) credit card or bank chargebacks, forfeiture, sanction, tax or liquidated damages for reversing or preventing a payment transaction; or
- (ii) merchant service fees, interchange fees, discount fees or prospective service fees.

However this exclusion shall not apply to such items as a direct result from a “cyber incident” or “privacy incident”;

**(v) Market Value**

the economic or market value of “data assets”, including but not limited to trade secrets;

**(w) Intellectual Property**

any infringement, violation, infraction, misuse or abuse of copyright, patent, software code, trademark, service mark, trade name or patent rights or misappropriation of any trade secrets or other intellectual property rights. However, this exclusion shall not apply to infringement, in the “insured’s” advertisement placed on the Internet or on similar electronic means of communication, of copyright, trade dress or slogan;

**(x) Consequential Loss**

any indirect or consequential loss or damage of any kind. However, this exclusion shall not apply to coverage afforded under SECTION II – THIRD PARTY LIABILITY COVERAGES;

**(y) Violation of Anti-Spam Laws**

any actual or alleged violations of any federal, provincial, territorial, or state anti-spam legislation, regulation or ordinance, and amendments thereto.

However, this exclusion shall not apply to any “cyber incident”;

**(z) Insured versus Insured**

any “claim” brought by or on behalf of any “insured”, however, this exclusion shall not apply to any “claim” brought by any “insured” who is:

- (i) a customer or client of the “insured” for a “privacy incident” relating to the unauthorized disclosure of such “insured” customer’s or client’s “personal information”; or
- (ii) an “insured” for a “privacy incident” relating to the unauthorized disclosure of such “insured’s” “personal information”;

**(aa) Pension Benefits Standards, Antitrust, Securities and Racketeering**

any breach of any responsibility, duty, or obligation imposed under any regulation or ordinance, and amendments thereto, respecting:

- (i) any employee benefit or pension plan, including but not limited to breach of the responsibilities, obligations or duties imposed upon fiduciaries by any federal, provincial, territorial or state pension benefits legislation, regulation or ordinance or similar provisions of any federal, provincial, territorial, state or local statutory, civil or common law; or
- (ii) the *Securities Act of 1933* (U.S.), *Securities Exchange Act of 1934* (U.S.), *Securities Act* (Ontario) or any similar federal, provincial, territorial, state or local statutory, civil or common law legislation, regulation or ordinance relating to securities, securities transfer or personal property security;



- (iii) the *Competition Act*, the *Bank Act*, the *Sherman Antitrust Act* (U.S.), the *Clayton Antitrust Act* (U.S.), the *Robinson-Patman Act* (U.S.), or any other similar federal, state, provincial, territorial or municipal business corporation and company legislation, or legislation, regulation or ordinance involving or prohibiting any antitrust activity, price fixing, price discrimination, predatory pricing, monopoly or monopolization, restraint of trade, unfair competition, conspiracy, collusion, or unfair, false, deceptive or misleading trade or business practices or advertising, or any other similar federal, provincial, territorial, state or local statutory, civil or common law antitrust legislation, regulation or ordinance; or
- (iv) the *Criminal Code of Canada*, the part of the *Organized Crime Control Act of 1970* (U.S., which is commonly known as "*Racketeer Influenced And Corrupt Organizations Act*" or "RICO"), or any similar federal, provincial, territorial, state or local statutory, civil or common law legislation, regulation or ordinance.

Exclusions (i) and (iii) shall not apply to coverage afforded under SECTION I – FIRST PARTY COVERAGES (a) Incident Response Expenses, (b) Data Recovery and Bricking and (c) Business Interruption Loss and Reputational Harm.

Exclusion (ii) shall not apply to coverage afforded under SECTION I – FIRST PARTY COVERAGES (a) Incident Response Expenses and (b) Data Recovery and Bricking.

Exclusions (i) and (ii) shall not apply to coverage afforded under SECTION II – THIRD PARTY LIABILITY COVERAGE (a) Cyber and Privacy Liability and (c) Regulatory Proceeding Expenses, provided that no "executive officer" participated or colluded in the "security wrongful act".

Exclusion (iii) shall not apply to coverage afforded under SECTION II – THIRD PARTY LIABILITY COVERAGE (a) Cyber and Privacy Liability, (b) Media Liability and (c) Regulatory Proceeding Expenses provided that no "executive officer" participated or colluded in the "wrongful act".

Exclusion (iv) shall not apply to coverage afforded under SECTION I – FIRST PARTY COVERAGES (a) Incident Response Expenses and SECTION II – THIRD PARTY LIABILITY COVERAGE (a) Cyber and Privacy Liability, provided that no "executive officer" participated or colluded in the "security wrongful act";

**(bb) Licensing**

solely with respect to SECTION II – THIRD PARTY LIABILITY COVERAGES, any fee, profit, royalty, commission, charge, cost or expense incurred to obtain or maintain a license or right to use or promote the use of any property, data or information of any type, nature or kind, including but not limited to any "data assets" or publication or advertisement used by the "insured";

**(cc) Monetary Value**

solely with respect to SECTION II – THIRD PARTY LIABILITY COVERAGE (b) MEDIA LIABILITY, any monetary value of any discount, coupon, prize, award, redemption or other incentive; or

**(dd) War and Cyber Operation**

- (i) any "war", whether directly or indirectly;
- (ii) any "cyber operation" that is carried out as part of a "war", or the immediate preparation for a "war"; or
- (iii) any "cyber operation" that causes a "state" to become an "impacted state".

**SECTION V - LIMITS OF INSURANCE AND AGGREGATE LIMIT**

**(a) Insuring Agreements Limit of Insurance**

- (i) The Limit of Insurance shown on the "schedule" as applicable to each Insuring Agreement is the maximum the Insurer will pay for such Insuring Agreement for any:
  - (1) "loss", "regulatory fines" or "PCI assessments";
  - (2) costs, expenses, "business interruption loss", "reputational harm loss" or "extortion expenses"; and
  - (3) unauthorized electronic transfer, fraudulent instruction, or unauthorized or fraudulent use of the "insured's" telephone or communication system or bandwidth;

as applicable to such insuring agreement and regardless of the number of "insureds", "claims", demands or claimants.

Notwithstanding the foregoing, the maximum the Insurer will pay is subject to (b) Specified Insuring Agreements Aggregate Limits of Insurance and (c) Cyber Risk Aggregate below.
- (ii) Any two or more "cyber incidents", "privacy incidents", "extortion incidents", "claims" or "losses" that arise out of, are based on the same or related facts, circumstances, situations, transactions, acts, events or incidents, or related series of facts, circumstances, situations, transactions, acts, events or incidents will be considered a single incident, "claim" or "loss".



- (iii) If any Limit of Insurance is exhausted by payment(s) under such applicable Insuring Agreement, all obligations of the Insurer under such Insuring Agreement will be completely fulfilled and exhausted, including any duty to defend, and the Insurer will have no further obligations of any kind or nature whatsoever under such Insuring Agreement for the incident or “claim”.

**(b) Specified Insuring Agreements Aggregate Limits of Insurance**

- (i) The Limit of Insurance shown on the “schedule” as applicable to:
  - (1) SECTION I - FIRST PARTY COVERAGES 1.(d) Extortion Expenses is the maximum the Insurer will pay in any one “policy period” without regard to the number of “insureds”;
  - (2) SECTION I - FIRST PARTY COVERAGES 1.(e) Cyber Crime is the maximum the Insurer will pay in any one “policy period” without regard to the number of “insureds”; and
  - (3) SECTION II - THIRD PARTY LIABILITY COVERAGES 1.(d) PCI Assessments is the maximum the Insurer will pay for such Insuring Agreement in any one “policy period” without regard to the number of “insureds”, “claims” or claimants.

Notwithstanding the foregoing, the maximum the Insurer will pay is subject to (c) Cyber Risk Aggregate below.

- (ii) The Insurer’s payment(s) under such Insuring Agreements will reduce, and may exhaust, the Limit of Insurance applicable to each respective Insuring Agreement.
- (iii) If the Extortion Expenses Limit of Insurance, Cyber Crime Limit of Insurance or PCI Assessments Limit of Insurance is exhausted by payment(s) under such applicable Insuring Agreement(s), all obligations of the Insurer under such Insuring Agreement(s) will be completely fulfilled and exhausted and the Insurer will have no further obligations of any kind or nature whatsoever under such Insuring Agreement(s).

**(c) Cyber Risk Aggregate Limit**

- (i) The most the Insurer will pay under this Form in any one “policy period” and Extended Reporting Period or Runoff Period, as applicable, is the Cyber Risk Aggregate Limit as shown on the “schedule”.
- (ii) Any payment(s) under SECTION I - FIRST PARTY COVERAGES and SECTION II - THIRD PARTY LIABILITY COVERAGES will reduce, and may exhaust, the Cyber Risk Aggregate Limit.
- (iii) If the Cyber Risk Aggregate Limit is exhausted by the payment(s) under SECTION I - FIRST PARTY COVERAGES and SECTION II - THIRD PARTY LIABILITY COVERAGES, all obligations of the Insurer under this Form will be completely fulfilled and exhausted, including any duty to defend, and the Insurer will have no further obligations of any kind or nature whatsoever under this Form.
- (iv) The Cyber Risk Aggregate Limit applies separately to each consecutive “policy period” and to any remaining “policy period” of less than 12 months.

If the “policy period” is extended after issuance for an additional period of less than 12 months, the additional period will be deemed part of the last preceding “policy period” for purposes of determining the Limit of Insurance and the Cyber Risk Aggregate Limit.

A separate Cyber Risk Aggregate Limit does not apply to any Extended Reporting Period or Runoff Period.

**(d) Deductible, Waiting Periods and Co-Payments**

- (i) Subject to (ii) and (iii) below, the Insurer is liable under SECTION I - FIRST PARTY COVERAGES and SECTION II - THIRD PARTY LIABILITY COVERAGES for amounts which exceed the deductibles shown on the “schedule” for the applicable Insuring Agreement(s) in any one incident or “claim”.

Should any one incident of “claim” give rise to the application of more than one deductible amount under more than one Insuring Agreement, only the highest deductible will be applied unless it is to the “insured’s” advantage to apply the deductibles individually.

- (ii) Solely with respect to SECTION I - FIRST PARTY COVERAGES 1.(c) Business Interruption Loss and Reputational Harm, the Insurer’s liability for each interruption of business resulting from covered “business interruption loss” or “reputational harm loss”, as applicable begins only after the “waiting period” and the Insurer is liable only for that part of the “business interruption loss” or “reputational harm loss” in excess of the “waiting period”.
- (iii) Solely with respect to SECTION I - FIRST PARTY COVERAGES 1.(d) Extortion Expenses, this insurance does not cover a co-payment of 20% of the “extortion expenses”, and as a condition precedent to any rights under such Insuring Agreement, the “insured” is required to pay a 20% co-payment of any “extortion expenses”.

**(e) Conformity To Statute**

In jurisdictions where the Insurer is barred from including “claim expenses” in:

- (i) any Limit of Insurance or Cyber Risk Aggregate Limit, then such Limit of Insurance and Cyber Risk Aggregate Limit does not include “claim expenses” in determining the maximum the Insurer will pay and the Insurer’s payment of “claim expenses” will not reduce the applicable Limit of Insurance nor Cyber Risk Aggregate Limit; and



- (ii) the deductible, then such deductible amount does not apply to “claim expenses”.

**SECTION VI - VALUATIONS**

**(a) Business Interruption Loss and Reputational Harm Valuation**

“Business interruption loss” and “reputational harm loss” will be calculated based on the actual loss of net income the “insured” sustains during the “business interruption and reputational harm period of restoration”.

In determining the amount of net income covered, the Insurer will:

- (i) establish the amount of the “insured’s” net income before the “cyber incident”, “privacy incident”, “extortion incident” or “reputational harm”, as applicable to the coverage, occurred;
- (ii) establish the level of reasonably projected net income had no “cyber incident”, “privacy incident”, “extortion incident” or “reputational harm” occurred. This will consider the changes in the commercial environment during the “business interruption and reputational harm period of restoration” that would have affected the “insured’s” net income, but this will not include any net income that would likely have been earned as a result of an increase in the “insured’s” business operations due to favourable commercial environment conditions caused by the impact of the “cyber incident”, “privacy incident”, “extortion incident” or “reputational harm” on customers or other businesses; and
- (iii) consider expenses, including payroll expenses, that are required so that the “insured’s” business can return to operations with the same quality of service that existed just prior to the “cyber incident”, “privacy incident”, “extortion incident” or “reputational harm”.

**(b) Extra Expense Valuation**

The amount of incurred necessary extra expense will be determined based on the additional expenses incurred to minimize the “business interruption loss” and “reputational harm loss” and to continue operations during the “business interruption and reputational harm period of restoration” that are over and above the cost that the “insured” reasonably and necessarily would have incurred to conduct business had no “cyber incident”, “privacy incident” or “extortion incident” occurred, provided that such additional expenses are less than the “business interruption loss” and “reputational harm loss” thereby avoided.

These additional expenses do not include any costs or expenses covered under SECTION I – FIRST PARTY COVERAGES 1. INSURING AGREEMENT (a) Incident Response Expenses or (b) Data Recovery and Bricking.

**(c) Valuation—CYBER CRIME**

- (i) As covered under SECTION I – FIRST PARTY COVERAGES 1.(e) Cyber Crime, the Insurer will value:
  - (1) “money” but only up to and including its face value. The Insurer may, at its option, pay for loss of “money” issued by any country other than Canada:
    - (a) at face value in the “money” issued by that country; or
    - (b) in the Canadian dollar equivalent determined by the rate of exchange on the day the loss was “discovered”.
  - (2) “securities” but only up to and including their value at the close of business on the day the loss of such “securities” was “discovered”. The Insurer may, at its option:
    - (a) pay the value of such “securities” or replace them in kind, in which event the “insured” must assign to the Insurer all the “insured’s” rights, title and interest in and to those “securities”; or
    - (b) pay the cost of any lost securities bond or lost document bond required in connection with issuing duplicates of the “securities”. However, the Insurer shall be liable only for the payment of so much of the cost of the bond as would be charged for bond having a penalty not exceeding the lesser of the:
      - i) value of the “securities” at the close of business on the day the loss was “discovered”; or
      - ii) the Limit of Insurance.
  - (3) “other property” for the replacement cost of such property without deduction for depreciation. However, the Insurer shall not pay more than the least of the following:
    - (a) the Limit of Insurance applicable to the lost or damaged property;
    - (b) the cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose; or
    - (c) the amount the “insured” actually spends that is necessary to repair or replace the lost or damaged property.

The Insurer shall not pay on a replacement cost basis for any loss:

- i) until the lost or damaged property is actually repaired or replaced; and



- ii) unless the replacement or repair is made as soon as reasonably possible after the loss or damage.  
If the lost or damaged property is not replaced or repaired, the Insurer shall pay on an actual cash value basis.
- (ii) The Insured may, at its option, pay for loss of or damage to property other than “money”:
  - (1) in the “money” of the country in which the loss or damage occurred; or
  - (2) in the Canadian dollar equivalent of the “money” of the country in which the loss or damage occurred determined by the rate of exchange on the day the loss or damage was “discovered”.
- (iii) Any property that the Insurer pays for or replaces becomes the Insurer’s property.

## SECTION VII - GENERAL PROVISIONS AND CONDITIONS

All the GENERAL PROVISIONS AND CONDITIONS of the General Provisions and Conditions Form apply to this Form except those specifically stated to apply only to other Forms. In addition, the following Provisions and Conditions apply to this Form. If any portion of these Provisions and Conditions are found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect.

### (a) Coverage Territory

The insurance afforded under this Form applies worldwide.

### (b) Warranties And Representations

By accepting this Form, the “insured” agrees that:

- (i) the statements in the Application and in all supplementary information provided are true, accurate and complete;
- (ii) the insurance provided under this Form has been issued in reliance upon the truth and accuracy of the representations made;
- (iii) the Application and all statements made and materials provided to the Insurer are deemed incorporated into and made a part of this Form; and
- (iv) in the event that any of the statements, representations or information in the Application and in all materials provided are not true and accurate, the insurance provided under this Form with respect to such Application or provision of other materials (whether or not the “executive officer” knew of such untruthful disclosure in the Application or provision of other materials) shall be void.

### (c) Change Of Control, Cessation of Operations, Runoff and Acquisitions

- (i) If during the “policy period” any of the following events occur:
    - (1) the acquisition of the Named Insured shown on the Declarations or any of its subsidiaries by any person or entity or affiliated group of persons or entities of more than 50% of the “insured’s” issued and outstanding voting shares;
    - (2) the “insured” ceases operations;
    - (3) the acquisition, divestiture or sale of more than 50% of the “insured’s” assets or liabilities (as reflected in the “insured’s” most recent financial statements) by or to any person or entity or affiliated group of persons or entities; or
    - (4) the “insured’s” merger with or consolidation into any other entity such that the “insured” is not the surviving entity;
- then:
- (a) such insurance as existed under this Form before the change of control will continue in full force and effect for any “wrongful act”, “regulatory proceeding”, “cyber incident”, “privacy incident”, “extortion incident”, unauthorized electronic transfer, fraudulent instruction or unauthorized or fraudulent use of the “insured’s” telephone or communication system or bandwidth occurring before the closing of such change of control, but insurance provided under this Form will cease with respect to any such “wrongful act”, “regulatory proceeding”, “cyber incident”, “privacy incident”, “extortion incident”, unauthorized electronic transfer, fraudulent instruction or unauthorized or fraudulent use of the “insured’s” telephone or communication system or bandwidth occurring after the closing of such change of control;
  - (b) the “insured” will not have the right to an Extended Reporting Period;
  - (c) the full annual premium for the “policy period” will be deemed fully earned immediately upon the closing of such change of control;
  - (d) the insurance provided by this Form will not apply to any “wrongful act” committed by any subsidiary after the date the Named Insured shown on the Declarations ceases to own more than 50% of outstanding voting shares; and



- (e) the “insured” has the right to a Runoff Period, provided that the “insured” must give written notice to the Insurer of any change of control as soon as practicable, together with such information as the Insurer may require.

**Runoff Period**

Solely with respect to the coverages described below and due to the change in control or cessation of operations, the “insured” shall have the right, upon the payment of additional premium of 150% of the last annual premium, to a 24 month Runoff Period. There shall be no right to a Runoff Period unless a written request for this Runoff Period, together with payment of the additional premium, is received by the Insurer within 90 days after the effective date of the closing of such change of control.

Solely with respect to SECTION II – THIRD PARTY LIABILITY COVERAGES, during this Runoff Period, the “insured” is entitled to insurance under this Form, subject to all terms, conditions and other provisions hereof, if the “insured” provides the Insurer with written notice of a “claim” first made against an “insured” during the “policy period” or Runoff Period for any “wrongful act”, “cyber incident” or “privacy incident” which first occurs on or after the “retroactive date” and before the effective date of such change of control.

The additional premium for the Runoff Period shall be fully earned at the inception of the Runoff Period and will run concurrently with the Automatic Extended Reporting Period.

The Runoff Period, once effected, is not cancellable.

- (ii) If during the “policy period” any of the following events occurs:

- (1) (a) the acquisition of all or substantially all the assets of another entity by the “insured”;
  - (b) a merger or consolidation with another entity such that the “insured” is the surviving entity; or
  - (c) the acquisition of a subsidiary which the “insured” owns more than 50% of outstanding voting shares; or

- (2) a change material to the risk and within the control and knowledge of the “insured”;

then insurance provided by this Form will cease after 90 days of such acquisition or change unless:

- (a) the “insured” provides written notice of any of the above acquisition(s) or change(s) to the Insurer;
- (b) the “insured” provides the Insurer with any requested additional information;
- (c) the “insured” accepts any special terms, conditions and exclusions and pays any additional premium; and
- (d) the Insurer specifically agrees in writing to provide such coverage.

Notwithstanding the foregoing, the insurance provided by this Form shall continue until the expiry of the “policy period” provided:

- (i) such other entity’s or subsidiary’s annual consolidated revenues does not exceed 15% of the “insured’s” annual consolidated revenues as set forth in the “insured’s” most recent audited financial statements;
- (ii) such other entity has substantially similar business operations; and
- (iii) prior to the effective date of such acquisition or change, no “executive officer” of the acquired entity reasonably believes or could reasonably have foreseen that a “claim” would be made or “cyber incident”, “privacy incident”, “extortion incident”, unauthorized electronic transfer, fraudulent instruction or unauthorized or fraudulent use of the “insured’s” telephone or communication system or bandwidth had occurred.

**(d) Bankruptcy**

Bankruptcy or insolvency of the “insured” or the “insured’s” estate will not relieve the Insurer of its obligations under this Form.

**(e) Insured’s Duty**

- (i) In the event of any “cyber incident”, “privacy incident” or “extortion incident” affecting the “insured’s computer system”, it is the “insured’s” duty to take all reasonable steps to protect all of the “insured’s computer system(s)” and “personal information” from further unauthorized access, unauthorized use, “cyber incident”, “privacy incident” or “extortion incident”.

In the event that the “insured” shall fail to comply with such duty, any further costs or expenses arising from such “cyber incident”, “privacy incident” or “extortion incident” or “claim(s)” that could have been prevented if the “insured” would have exercised such required duty shall be rendered invalid.



- (ii) As a condition precedent to any rights under SECTION I - FIRST PARTY COVERAGES 1.(c) Business Interruption Loss and Reputational Harm, the "insured" must resume operations and stop all extra expenses, as valued in SECTION VI VALUATION (b), as soon as possible and to whatever extent is possible, as long as this will not increase the "business interruption loss".
- (iii) Upon notice of any "claim" or in the event of any "cyber incident", "privacy incident" or "extortion incident", or upon the Insurer's request, the "insured" must notify the applicable governmental entity(ies) in its official capacity concerning a "cyber incident", "privacy incident" or "extortion incident" as soon as practicable.

**(f) Notice of Claim and Cooperation**

- (i) The "insured's" duty to report any "cyber incident", "privacy incident", "extortion incident", "regulatory proceeding" or "wrongful act" commences on the earliest date it is "discovered", and as a condition precedent to any rights under SECTION I - FIRST PARTY COVERAGES and SECTION II - THIRD PARTY LIABILITY COVERAGES, the "insured" must:
  - (1) provide to the Insurer written notice of the particulars of such incident, act or proceeding, including all facts, events and dates, related to any actual or alleged incident, act or proceeding, and the identity of each person allegedly involved in or affected by such incident, act or proceeding, as soon as practicable, but in no event later than 90 days after the expiration date of the "policy period";
  - (2) allow the Insurer to submit any "insured" to examination under oath at such times as may be reasonably required, fully inspect the "insured's" books, records and any other matters relating to such incident, act or proceeding, and permit extracts and copies of such documents to be made by the Insurer;
  - (3) provide the Insurer with a detailed, sworn proof of loss as soon as practicable, but in no event later than 90 days after the end of the "policy period";
  - (4) provide the Insurer with copies of any demands, notices, summonses or legal papers received in connection with any "claim" or proceeding as soon as practicable;
  - (5) assist and cooperate with the Insurer and the Insurer's authorized representative in the investigation and settlement of such matter and defence against any "claim" or proceeding, and upon the Insurer's request, attend hearing and trials and assist in settlements, securing and giving of evidence, obtaining the attendance of witnesses and the conduct of suits in connection with such "claim" or proceeding;
  - (6) assist, upon the Insurer's request, in the enforcement of any right of contribution or indemnity against any person or organization that may be liable to the "insured"; and
  - (7) agree not to take any action or inaction that may prejudice the Insurer's position or the "insured's" or Insurer's potential or actual rights of recovery.
- (ii) As a condition precedent to any insurance under SECTION II - THIRD PARTY LIABILITY COVERAGES, the "insured" must provide the Insurer with written notice of any "claim" first made against any "insured" during the "policy period" or any time during the Extended Reporting Period or Runoff Period, if applicable.  
A "claim" shall be deemed made against an "insured" solely when an "executive officer" first becomes aware of such "claim".
- (iii) If, during the "policy period", any "executive officer" becomes aware of any fact or circumstance which could reasonably be expected to give rise to a "claim" and the "insured" provides written notice of such fact or circumstance to the Insurer, then any "claim" which may subsequently be made against any "insured" arising out of such fact or circumstance shall, for the purpose of this Form, be treated as a "claim" made during the "policy period" in which such notice was given.

**(g) Other Insurance**

If an "insured" is entitled to coverage under one or more valid and collectible bonds or other policies of insurance, then the insurance provided by this Form will apply as excess insurance over, and will not contribute with, any other such valid and collectible bond or insurance, including any such bond or insurance where there is a duty to defend, and regardless of whether any SECTION I - FIRST PARTY COVERAGES and SECTION II - THIRD PARTY LIABILITY COVERAGES incident, "loss" or other amount is recoverable under such other bond or insurance, unless such other bond or insurance is specifically written as excess over insurance provided under this Form, and includes the policy number hereof. This Form will not be subject to the terms, conditions or other provisions of any other bond or insurance.

**(h) Insurance Under More Than One Form Or Endorsement (Pyramiding Of Limits)**

Unless specified otherwise, if this Form or any other form or Coverage Extension or policy issued to the "insured" by the Insurer applies to the same SECTION I - FIRST PARTY COVERAGES or SECTION II - THIRD PARTY LIABILITY COVERAGES, or related facts, circumstances, situations, transactions, events or incidents, the aggregate maximum limit of insurance under all the forms and Coverage Extensions or policies shall not exceed the highest limit of insurance under any one form, Coverage Extension, policy or "policy period", whether the limits of insurance or aggregate limits have been exhausted or not.



## (i) Dispute Resolution

This Form shall be governed by and interpreted pursuant to the law of the Province or Territory where the first Named Insured shown on the Declarations has its principal address as shown on the Declarations, and the laws of Canada applicable therein.

In the event any dispute arises in connection with this Form that cannot be resolved, the Insurer and the “insured” shall have the right to commence a judicial proceeding or, if the parties agree, a binding domestic arbitration, to resolve such dispute. Such judicial proceeding or binding arbitration shall be submitted to the exclusive jurisdiction of the Courts of the Province or Territory of where the first Named Insured shown on the Declarations has such principal address, unless the “insured” and the Insurer both agree to a different Canadian jurisdiction.

Each party will bear its own legal fees and expenses. The parties shall split the costs and expenses of any arbitration, equally.

## (j) 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 Form, 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 legal action or transfer those rights to the Insurer and help the Insurer enforce them.

## (k) Subrogation and Recovery

(i) The Insurer, upon making any payment or assuming liability for payment under this Form, will be subrogated to all the “insured’s” rights of recovery against others and may bring action to enforce such rights. Following any “cyber incident”, “privacy incident”, “extortion incident” or “claim”, the “insured” will not take any action or inaction that harms or prejudices the “insured’s” or the Insurer’s rights of recovery against others.

All rights of subrogation with respect to insurance provided by this Form are waived against any corporation, firm, individual or other interest for whom insurance is provided by this Form.

(ii) Any release from liability entered into by the “insured” prior to loss will not affect the “insured’s” right to recover.

(iii) Where the net amount recovered, after deducting the costs of recovery, is not sufficient to provide a complete indemnity under SECTION I – FIRST PARTY COVERAGES or SECTION II – THIRD PARTY LIABILITY COVERAGES, that amount will be divided between the Insurer and the “insured” in the proportion in which such SECTION I – FIRST PARTY COVERAGES or “claim” has been borne by each party respectively.

## (l) Legal Action Against The Insurer

(i) No person or organization has a right under this Form:

- (1) to join the Insurer as a party or otherwise bring the Insurer into any suit or civil proceeding asking for “damages” from an “insured”; or
- (2) to sue the Insurer on this Form 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 “damages” that are not payable under the terms of this Form or that are in excess of the Cyber Risk Aggregate Limit or 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 the 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.

(ii) The “insured” will not bring a legal action against the Insurer, until the Insurer’s obligation to pay has been determined either by judgment against the “insured” after a trial and appeal or by written agreement between the claimant, the “insured” and the Insurer. Such legal action commenced by or on behalf of the “insured” must be brought in a Canadian court.

## (m) Transfer Of The Insured’s Rights And Duties

The “insured’s” rights and duties under this Form may not be transferred without the Insurer’s written consent except in the case of change of title by succession by operation of law or by death.

## (n) Loss Payable Clause

Indemnity provided under SECTION I – FIRST PARTY COVERAGES, if any, will be adjusted with and payable to the first “insured” shown on the “schedule” unless another payee is specifically named.

## (o) Joint Insured

If more than one “insured” is named on the Declarations, the first “insured” shown on the Declarations will act for itself and for every other “insured” shown on the Declaration for all purposes of this Form. If the first “insured” shown on the Declarations ceases to be covered, then the next “insured” shown on the Declaration will become the first “insured”.



**(p) Sanctions Clause**

This Form does not provide any payment or coverage under SECTION I - FIRST PARTY COVERAGES and SECTION II - THIRD PARTY LIABILITY COVERAGES, to the extent that the provision of such payment or cover would be in violation of any sanction, prohibition or restriction of Canada as defined in the *United Nations Act*, the *Special Economic Measures Act*, or any similar act, law or statute, or any amending law.

**(q) Attribution of a Cyber Operation to a State**

Notwithstanding the Insurer's burden of proof, which shall remain unchanged by this clause, in determining attribution of a "cyber operation" to a "state", the "insured" and Insurer will consider such objectively reasonable evidence that is available to them. This may include formal or official attribution by the government of the "state" in which the "computer system" affected by the "cyber operation" is physically located to another "state" or those acting at its direction or under its control.

**SECTION VIII - EXTENDED REPORTING PERIOD**

Solely with respect to SECTION I - FIRST PARTY COVERAGE 1.(a) Incident Response Expenses and all SECTION II - THIRD PARTY LIABILITY COVERAGES, if such coverage(s) is cancelled, terminated or non-renewed, for any reason other than non-payment of premium, change of control or cessation of operation, the "insured" shall have the right to an Extended Reporting Period.

The Extended Reporting Period will not increase or reinstate the Cyber Risk Aggregate Limit or any Limit of Insurance.

**1. Automatic Extended Reporting Period**

Solely with respect to SECTION II - THIRD PARTY LIABILITY COVERAGES, the Insurer shall extend insurance provided by this Form to provide the "insured" with an additional 90 days following the effective date of such cancellation, termination or non-renewal to report to the Insurer in writing any "claim" first made against the "insured" during the "policy period" or Automatic Extended Reporting Period for any "wrongful act", "cyber incident" or "privacy incident" which first occurs on or after the "retroactive date" and before the effective date of such cancellation, termination or non-renewal.

**2. Optional Extended Reporting Period**

The "insured" shall have the right, upon the payment of an additional premium of 100% of the last annual premium, to a 12 month Optional Extended Reporting Period. There shall be no right to an Optional Extended Reporting Period unless a written request for such, together with payment of the additional premium, is received by the Insurer within 60 days after the effective date of such cancellation, termination or non-renewal.

Solely with respect to SECTION II - THIRD PARTY LIABILITY COVERAGES, during this Optional Extended Reporting Period, the "insured" shall be entitled to insurance under this Form, subject to all terms, conditions and other provisions hereof, if the "insured" provides the Insurer with written notice of a "claim" first made against an "insured" during the "policy period" or Optional Extended Reporting Period for any "wrongful act", "cyber incident" or "privacy incident" which first occurs on or after the "retroactive date" and before the effective date of such cancellation, termination or non-renewal.

The additional premium for the Optional Extended Reporting Period shall be fully earned at the inception of the Optional Extended Reporting Period.

The Optional Extended Reporting Period, once effected, is not cancellable and will run concurrently with the Automatic Extended Reporting Period.

**SECTION IX - DEFINITIONS**

Wherever used in this Form:

**(1) "Business interruption and reputational harm period of restoration" means:**

**(i) with respect to "business interruption loss", the period of time that:**

- (1) begins with the date and time that a "cyber incident", "privacy incident" or "extortion incident" is "discovered", and after application of the "waiting period"; and
- (2) ends the shorter of the following periods:
  - (a) the time required to resume business operations as normal as possible had no "cyber incident", "privacy incident" or "extortion incident" had occurred; or
  - (b) 120 consecutive days, or any other number of consecutive days as shown on the "schedule" as the Business Interruption and Reputational Harm Period of Restoration, from the time that such "cyber incident", "privacy incident" or "extortion incident" was "discovered"; or

**(ii) with respect to "reputational harm loss", the period of time that:**

- (1) begins with the date and time when "reputational harm" is first made public, and after application of the "waiting period"; and



- (2) ends the shorter of the following periods:
  - (a) the time required to reach the level of reasonably projected net income had no “reputational harm” occurred; or
  - (b) 120 consecutive days, or any other number of consecutive days as shown on the “schedule” as the Business Interruption and Reputational Harm Period of Restoration, from the time that such “reputational harm” was first made public.

The maximum period of time for (i) and (ii) above is 120 days combined.

If the “insured” does not plan to resume operations, “business interruption and reputational harm period of restoration”:

- (1) with respect to “business interruption loss”, ends the earlier of:
  - (a) the date and time the “insured’s computer system” would have been restored to substantially the level of operation that had existed immediately prior to the “cyber incident”, “privacy incident” or “extortion incident”; or
  - (b) 60 consecutive days from the time that such “cyber incident”, “privacy incident” or “extortion incident” was “discovered”; or
- (2) with respect to “reputational harm loss”, ends 30 consecutive days from the time that such “reputational harm” was first made public.

If necessary, the “business interruption and reputational harm period of restoration” will extend beyond the “policy period”, but the time limitations described above will still apply.

- (2) “Business interruption loss” means the loss of net income and incurred necessary extra expense, as valued in SECTION VI – VALUATIONS, items (a) and (b) respectively, directly resulting from an interruption or degradation of the “insured’s computer system” arising from a “cyber incident” or “extortion incident”, including any voluntary shut down of the “insured’s computer system” but only to the extent necessary to limit covered loss during an active or ongoing “cyber incident” or “extortion incident”.
- (3) “Cash cards” means cards designed to store a cash value by electronic means as a mode of payment and without direct access to a bank or other account. “Cash cards” does not include electronic currency (including but not limited to e-currency, digital currency, virtual currency or crypto currency) or non-fungible tokens.
- (4) “Claim” means any:
  - (i) written demand for “damages” or non-monetary or injunctive relief;
  - (ii) civil proceeding for “damages” or non-monetary or injunctive relief, commenced by the service of a notice of action or complaint, statement of claim or similar originating process, including appeal thereof;
  - (iii) solely with respect to SECTION II – THIRD PARTY LIABILITY COVERAGE 1.(c) Regulatory Proceeding Expenses, “regulatory proceeding”, including any appeal thereof;
  - (iv) solely with respect to SECTION II – THIRD PARTY LIABILITY COVERAGE 1.(d) PCI Assessments, “PCI assessments”, including any appeal thereof; or
  - (v) arbitration or other alternative dispute resolution proceeding for “damages” or non-monetary or injunctive relief, commenced by the “insured’s” receipt of a request or demand for such proceeding, including any appeal thereof; against an “insured”.
- (5) “Claim expenses” means the reasonable and necessary costs, charges, fees and expenses incurred in the investigation, adjustment, negotiation, arbitration, defence or appeal of a “claim” insured by this Form, with the Insurer’s written consent. “Claim expenses” also includes:
  - (i) the reasonable expenses the “insured” incurs at the Insurer’s request to assist in the investigation or defence of a “claim”, including actual loss of earnings up to \$1,000 a day because of time off from work;
  - (ii) the premium for bonds to release attachments with respect to matters defended by the Insurer, but the Insurer will have no obligation to apply for or furnish any such bonds; and
  - (iii) costs taxed against an “insured” in any “claim” defended by the Insurer unless such costs are assessed as a sanction against an “insured”.

“Claim expenses” do not include:

  - (1) salaries or other compensation paid to any “insured”, except for overtime pay directly related to such “cyber incident”, “privacy incident” or “extortion incident”;
  - (2) forensic investigation fees and expenses with respect to “regulatory fines”; or
  - (3) PCI forensic investigator fees and expenses with respect to “PCI assessments”.



- (6) “Computer system” means any computer, hardware, firmware, software, electronic device, or communication or control system (whether or not mobile or portable), including but not limited to any:
- (i) microcontroller or microprocessor;
  - (ii) server, cloud or networking equipment;
  - (iii) peripheral computer equipment, input, output or data storage device; or
  - (iv) application, program, process or code.
- (7) “Cyber incident” means the:
- (i) unauthorized access to or unauthorized use of;
  - (ii) theft of;
  - (iii) transmission of malicious code into; or
  - (iv) denial of service attack upon;
- the “insured’s computer system”.
- (8) “Cyber operation” means the use of a “computer system” by, at the direction of, or under the control of a “state” to:
- (i) disrupt, deny access to, or degrade functionality of a “computer system”; or
  - (ii) copy, remove, manipulate, deny access to, or destroy information in a “computer system”.
- (9) “Damages” means:
- (i) monetary damages which an “insured” is legally obligated to pay as a result of a judgment, award or settlement;
  - (ii) pre-judgment interest; and
  - (iii) post-judgment interest accruing against the “insured” after entry of judgment upon that part of the judgment which is within the applicable Cyber Risk Aggregate Limit or Limit of Insurance, as applicable, shown on the “schedule”.
- “Damages” do not include any:
- (1) penalties, forfeitures, sanctions, taxes or liquidated damages;
  - (2) fines, except “PCI assessments” and “regulatory fines” but only as covered under their applicable SECTION II - THIRD PARTY LIABILITY COVERAGES, Part 1. INSURING AGREEMENT;
  - (3) exemplary, multiple or punitive damages except “PCI assessments”;
  - (4) any matter deemed uninsurable under the law pursuant to which this Form shall be construed;
  - (5) cost of complying with any order for, grant of or agreement to provide non-monetary or injunctive relief;
  - (6) consideration owed for royalties, restitution, disgorgement or return of any payment, charges or fees; or
  - (7) cost or expense to correct or reperform services, or for the reprint, recall or removal of any text, representations of information or concepts, audio, video and images or similar matter by or on behalf of the “insured”.
- (10) “Data assets” means the “insured’s” text, representations of information or concepts, audio, video and images or similar matter, including but not limited to “personal information”, that exists on the “insured’s computer system” and that is subject to scheduled back-up procedures and security protections as stated in the Application, if applicable, and that are necessary for use by the “insured” in the ordinary course of the business operations of the Named Insured shown on the Declarations. “Data assets” also includes firmware and software stored on the “insured’s computer system”.
- “Data assets” do not include:
- (i) computer hardware;
  - (ii) electronic currency (including but not limited to e-currency, digital currency, virtual currency or crypto currency) or non-fungible tokens; or
  - (iii) “money”, “cash cards”, “securities”, funds, credit, bond, financial instruments or equity instruments.
- (11) “Discover”, “discovers”, “discovered” or “discovery” means the earliest date on which any “executive officer” first becomes aware of or could reasonably have foreseen facts that would cause a reasonable person to assume that any SECTION I - FIRST PARTY COVERAGES incident has been or will be incurred, regardless of when the act or acts causing or contributing to such SECTION I - FIRST PARTY COVERAGES incident occurred, even though the exact amount or details of such SECTION I - FIRST PARTY COVERAGES incident may not then be known.



Any two or more such facts based upon, arising out of or in any way involving or resulting from, either directly or indirectly, in whole or in part, in consequence of, or in any way involving the same, similar or related acts, errors, omissions, facts, circumstances, situations, transactions, decisions, acts, events or incidents will be considered to have contributed, caused, resulted in and be the basis for a single event or incident.

- (12) “Essential service” means a service that is essential for the maintenance of vital functions of a “state” including, but not limited to, financial institutions and associated financial market infrastructure, health services or utility services.
- (13) “Executive officer” means:
  - (i) a member of the board of directors, board of trustees, board of managers, board of governors, officer, partner, principal, risk manager or in-house legal counsel, of the “insured”, or a functional equivalent thereof but only with respect to their capacity as such and while acting within the scope of their duties for the benefit of the “insured”;
  - (ii) the lawful spouse or domestic partner of any natural person identified in (i) above, but solely in such spouse’s or domestic partner’s capacity as the spouse or domestic partner and solely for any “wrongful act” of such person identified in (i) above; and
  - (iii) the estates, heirs, legal representatives or assigns of any natural person identified in (i) above who is deceased, incapacitated, insolvent or bankrupt, but only to the extent such natural person would otherwise be provided coverage under this Form.
- (14) “Extortion expenses” means reasonable costs, fees, “money”, electronic currency (including but not limited to e-currency, digital currency, virtual currency or crypto currency), non-fungible tokens or “securities” paid by the “insured” to a third party whom the “insured” reasonably believes to be responsible for an “extortion incident”, provided that:
  - (i) the applicable governmental authority(s) does not prohibit, object to or recommend against the payment of such “extortion expenses”;
  - (ii) such “extortion expenses” are paid to terminate the “extortion incident”; and
  - (iii) the Insurer’s prior written consent is obtained before such “extortion expenses” are paid.
- (15) “Extortion incident” means a credible threat or connected series of credible threats against the “insured” where there is an intention to sell, disclose, encrypt or improperly use any “personal information”, or “data assets” residing within the “insured’s computer system”, or cause a “cyber incident”.
- (16) “Fungi” includes, but is not limited to, any form or type of wet or dry rot, 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.
- (17) “Geomagnetic event” means natural or artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
  - (i) electrical or electronic wire, device, appliance, system or network; or
  - (ii) device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this definition, electrical, magnetic or electromagnetic energy includes but is not limited to:

  - (1) a) disturbance to any electric field, magnetic field or electromagnetic field; or
  - b) microwave or radio emission or burst;

created by any solar storm, including but not limited to, solar flare, coronal mass ejection, geomagnetic storm, solar particle event, solar proton event, prompt proton event or energetic particle storm;

  - (2) electrical current, including arcing;
  - (3) electrical charge produced or conducted by a magnetic or electromagnetic field;
  - (4) electromagnetic pulse; or
  - (5) electromagnetic waves or microwaves;

but does not include lightning.
- (18) “Impacted state” means any “state” where a “cyber operation” has had a major detrimental impact on:
  - (i) the functioning of that “state” due to disruption to the availability, integrity or delivery of an “essential service” in that “state”; or
  - (ii) the security or defence of that “state”.
- (19) “Information technology vendor” means a business the “insured” does not own, operate or control, but that is responsible for the processing, maintenance, protection, or storage of the “insured’s” “data assets” pursuant to a written contract which was executed before the “wrongful act” or SECTION I – FIRST PARTY COVERAGES incident occurred.



- (20) “Insured” means:
- (i) the Named Insured shown on the Declarations, and their subsidiary(ies), subject to SECTION VII – GENERAL PROVISIONS AND CONDITIONS (c) Change Of Control, Cessation of Operations, Runoff and Acquisitions;
  - (ii) any past, present or future “executive officer”;
  - (iii) the trustee or debtor in possession as it relates to bankruptcy; or
  - (iv) any of the following past, present or future natural persons but only with respect to their capacity as such and while acting within the scope of their duties for the benefit of the Named Insured shown on the Declarations:
    - (1) employee or volunteer; or
    - (2) independent contractor pursuant to a previously executed written contract.
- (21) “Insured’s computer system” means a “computer system”:
- (i) owned, leased, operated or controlled by:
    - (1) the Named Insured shown on the Declarations;
    - (2) any employee or volunteer who is an “insured”; or
    - (3) any independent contractor who is an “insured”, but only with respect to the “insured’s” “data assets”; or
  - (ii) operated on behalf of the Named Insured shown on the Declarations by an “information technology vendor”.
- (22) “Loss” means “damages” and “claim expenses”.
- (23) “Media event” means any information or content created or published:
- (i) by the “insured” or on the “insured’s” behalf; and
  - (ii) for the sole benefit of the “insured”;
- that results in:
- (1) the libel or slander of a person or organization or disparagement of a person’s or organization’s goods, products or services;
  - (2) violation of the rights of privacy of a person, including false light, intrusion upon seclusion and public disclosure of private facts;
  - (3) plagiarism, piracy, misstatement, false advertising or unauthorized use of titles, formats, performances, style, characters, plots or other protected material;
  - (4) violation or infraction by any “insured” of copyright, software code, trademark, service mark or trade name or unfair competition by any “insured” based upon actual or alleged violation or infraction of such copyright, software code, trademark, service mark or trade name;
  - (5) infringing upon another’s copyright, domain name, trade dress or slogan; or
  - (6) unauthorized deep linking or framing.
- (24) “Media wrongful act” means any actual or alleged act, error, omission, neglect or breach of duty by an “insured” or a “information technology vendor” that directly results in a “media event”.
- (25) “Money” means:
- (i) currency, coins and bank-notes in current use and having a face value;
  - (ii) “cash cards”; and
  - (iii) travellers cheques, registered cheques and money orders.
- “Money” does not include electronic currency (including but not limited to e-currency, digital currency, virtual currency or crypto currency) or non-fungible tokens.
- (26) “Nuclear facility” means:
- (i) any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
  - (ii) any equipment or device designed or used for:
    - (a) separating the isotopes of plutonium, thorium and uranium or any one or more of them; or
    - (b) processing or packaging waste;



- (iii) any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the “insured” at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
- (iv) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste “radioactive material”;

and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.

- (27) “Other property” means any tangible property other than:
  - (i) “money”, “securities” or electronic currency (including but not limited to e-currency, digital currency, virtual currency or crypto currency) or non-fungible tokens;
  - (ii) representations of information or concepts, in any form; or
  - (iii) any automobile, truck, trailer, recreational vehicle, motorcycle, all-terrain vehicle, snowmobile, watercraft, farm machinery, farm machinery accessories, construction equipment or construction equipment machinery.
- (28) “PCI assessments” means any fines, penalties and card brand assessments, including but not limited to card reissuance costs, chargebacks, fraud recoveries, operational reimbursements, non-cooperation costs and case management fees for which the “insured” is contractually obligated which enables the “insured” to accept payment by credit card, debit card or “cash card”.
- (29) “Personal information” means information about an identifiable individual not otherwise deemed to be publicly available by regulation.
- (30) “Policy period” means the period of time between the inception date shown on the Declarations, and the effective date of termination, expiration or cancellation of this Form.
- (31) “Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, odour, vapour, soot, fumes, acids, alkalis, chemicals, asbestos, waste and noise. Waste includes materials to be recycled, reconditioned or reclaimed.
- (32) “Privacy incident” means the:
  - (i) actual or suspected access to, disclosure of, or unauthorized use of “personal information”, while in the care, custody or control of any “insured”, “information technology vendor” or any other contractor pursuant to a written contract that handles, manages, stores or destroys such “personal information” on behalf of the “insured”; or
  - (ii) breach of any “privacy regulation” by the “insured”.
- (33) “Privacy regulation” means any federal, provincial, territorial or state statute, rule, regulation, or other law requiring the “insured”:
  - (i) to limit or control the collection, use, destruction, disclosure or retention of, or access to, “personal information” in the “insured’s” possession or under the “insured’s” control; or
  - (ii) to notify affected persons of any “privacy incident” in the prescribed manner.
- (34) “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.
- (35) “Regulatory fines” means any civil monetary fine or penalty awarded for any breach of any “privacy regulation”.
- (36) “Regulatory proceeding” means any investigation of, or action, administrative or adjudicative proceeding, against the “insured” by a governmental entity in its official capacity concerning a “cyber incident” or “privacy incident” including an appeal thereof with the Insurer’s consent.
- (37) “Reputational harm” means any negative publicity or public perception about the “insured” that has an adverse impact on the “insured’s” reputation.
- (38) “Reputational harm loss” means the loss of net income, as valued in SECTION VI – VALUATIONS, item (a), directly and solely resulting from “reputational harm”.
- (39) “Retroactive date” means the Retroactive Date shown on the “schedule” for the applicable Insuring Agreement.
- (40) “Schedule” means the Cyber Risk section of the Professional Liability Coverage Schedule.
- (41) “Securities” means all negotiable and non-negotiable instruments or contracts which represent “money” or other property and includes:
  - (i) tickets, stamps (whether represented by actual stamps or unused value in a postal meter) in current use; and



- (ii) evidences of debt issued in connection with credit cards or charge cards.  
“Securities” does not include “money”, electronic currency (including but not limited to e-currency, digital currency, virtual currency or crypto currency) or non-fungible tokens.
- (42) “Security wrongful act” means any actual or alleged act, error, omission, neglect or breach of duty by an “insured” or an “information technology vendor” which directly results in:
  - (i) a “cyber incident” or “privacy incident”;
  - (ii) the interruption, suspension, failure, degradation or delay in the performance of the “insured’s computer system”;
  - (iii) the:
    - (1) unauthorized access to; or
    - (2) theft, alteration, copying, corruption, destruction or deletion of; “data assets” from the “insured’s computer system”;
  - (iv) the denial of any authorized third party from gaining access to the “insured’s computer system”;
  - (v) the participation by the “insured’s computer system” in a denial of service attack directed against a third party’s “computer system”; or
  - (vi) the transmission of malicious code from the “insured’s computer system” to a third party’s “computer system”.
- (43) “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”.
- (44) “State” means any sovereign state.
- (45) “Technology products or services” means any “computer system” products or services provided by the “insured” to any third party.
- (46) “Terrorism” means:
  - (i) any act certified an act of terrorism pursuant to the Canadian *Anti-terrorism Act, Terrorism Risk Insurance Act of 2002* (U.S.) or otherwise declared an act of terrorism by any government; or
  - (ii) any act committed by any person or group of persons designated by any government as a terrorist or terrorist group or any act committed by any person or group of persons acting on behalf of or in connection with any organization designated by any government as a terrorist organization.
- (47) “Waiting period” means the number of consecutive hours, as shown on the “schedule” as the Business Interruption Loss Waiting Period, following a “cyber incident”, “privacy incident”, “extortion incident” or “reputational harm”, as applicable to the coverage, before the Insurer is obligated to pay “business interruption loss” or “reputational harm loss”, as applicable, covered under SECTION I - FIRST PARTY COVERAGES (c) Business Interruption Loss and Reputational Harm. The “waiting period” incepts immediately upon “discovery” of such “cyber incident”, “privacy incident”, “extortion incident” or “reputational harm”, as applicable.
- (48) “War” means armed conflict involving physical force:
  - (i) by a “state” against another “state”; or
  - (ii) as part of a civil war, rebellion, revolution, insurrection, military action or usurpation of power; whether war be declared or not.
- (49) “Wrongful act” means any:
  - (i) “security wrongful act”; and
  - (ii) “media wrongful act”.



## Legal Assist Services

On a day-to-day basis, your business may encounter numerous situations in which you must contend with various laws and regulations. By staying well-informed, you may save yourself the trouble of costly legal proceedings and unnecessary hassles.

Legal Assist Services (provided by ARAG Legal Solutions Inc.) are offered to eligible customers to provide you with the legal answers you need to operate your business.

- **Legal Helpline** - ARAG will provide you access to a Legal Helpline through which you can receive confidential general legal assistance and information over the phone relating to any legal problem affecting your business to help determine your legal rights and options under the laws of the applicable province or territory and the federal laws of Canada. The Legal Helpline is available 24 hours a day, 7 days a week. Calls to this service may be recorded. The lawyer cannot provide case specific research or review documents. The helpline cannot provide information in respect of a dispute with ARAG, the broker, or whomever you purchased of this service from. ARAG will not accept responsibility if the helpline service is unavailable for reasons ARAG cannot control.
- **Legal Document Review** - A lawyer will review a simple legal document you have received and provide you with an annotated copy of the document with the lawyer's notes to assist you in understanding the general impacts this may have for you. You must submit the entire document for the lawyer to review, up to 8 pages single sided, and a readable font. This service is not intended to review documents which you have drafted. If a document forms part of an existing claim under a legal expense insurance policy, then it is not eligible for this review. This service cannot review any documents which are a part of any ongoing litigation or procedure. **Please note:** Legal Document Review service can be accessed a total of twelve (12) times per year.
- **Simple Legal Letter Drafting** - A lawyer will draft a simple legal letter for you to send. This service is intended to assist you with drafting simple documents, such as: demand letters, complaint letters, a travel consent letter for a child, a resignation letter, or a warning letter to an employee. This service is not intended for complex legal documents, such as: wills, power of attorney documents, contracts, employment termination letters, loan agreements, documents related to the lease of a property, or cohabitation or separation agreements. This service cannot be used to draft letters if the issue is part of any ongoing litigation or procedure. **Please note:** Simple Legal Letter Drafting service can be accessed a total of twelve (12) times per year.
- **Legal Document Centre** - You have access to current legal documents, all of which have been drafted by lawyers, and are in the form of guided, customizable templates. One account is available per policyholder. To create an account please first visit: [documentcentre.arag.ca](http://documentcentre.arag.ca). Then under Step 1: Create an Account, please enter the Customer Code iqTzP1VUYU.

### Please call 1-866-845-3445

- **For general legal assistance on any matter**
- **To submit a legal document for review**
- **To request a simple legal letter to be drafted**

**To create a document centre account, please visit: [documentcentre.arag.ca](http://documentcentre.arag.ca) and enter Customer Code iqTzP1VUYU**

### What We Do

Legal Assist Services provides you with legal information and practical solutions for business matters that affect you.

### What Does it Cost

There is no additional cost. It's automatically included with your policy.

You have access to a lawyer, saving you time and money!

### Benefits

Legal Assist Services can help you with a wide variety of legal issues that can affect your business – like offering information and assistance on how to protect a new product idea or helping you navigate contract legalese.



# Cyber Risk

## Privacy breach and Cyber Risk

Privacy breaches are emerging as a common threat for all businesses, making it more important than ever for companies to take proactive steps to safeguard their customers' information. Yet, many Canadian companies have no guidelines in place should a privacy breach occur. That's why we have partnered with Cyberscout to provide you with privacy breach support services as part of our comprehensive Cyber Risk coverage. In addition to insurance protection, Cyber Risk also offers pre and post breach services to help minimize the occurrence of a privacy breach and provide expert assistance should one occur.

Our new Cyber Risk coverage is the right solution to help safeguard your customers. If a breach does occur, you have the peace of mind knowing you have the coverage needed to pay for certain response expenses and the confidence that support services are available to help you quickly restore your customers' trust and business reputation.

## Additional Support

For more information on how you can protect your business from cyber crime, visit [www.nbins.breachresponse.ca](http://www.nbins.breachresponse.ca), where you will find additional tools and guidance. To access the site, please use the following login details

USERNAME: NBINS\_CYBER

PASSWORD: CyberRisk123

## Privacy Breach Support Services from Cyberscout for Cyber Risk coverage holders include:

- Incident Response Plan
- Crisis Management
- Notification Assistance
- Media Relations Consulting

## Cyberscout can also provide the following additional services:

- Toll free number to Cyberscout's Resolution Center
- Call handling
- Assistance placing fraud alerts
- Fraud resolution services
- Investigative and forensic services

These additional services are not part of the Cyber Risk coverage, and may be purchased directly from Cyberscout in the unfortunate case you suffer a data breach.

In the first instance, please contact **1.833.258.4395** where a cyber claims expert will be able to provide you with further guidance

\* The information in this brochure is only an outline of the coverage available, and is subject to the terms, conditions and exclusions of your policy. Please refer to your policy wording for complete details.



# Privacy Notice

The Northbridge group of companies is committed to protecting your personal information. This Privacy Notice applies to all of the member companies of Northbridge, which includes Northbridge Financial Corporation, Northbridge General Insurance Corporation, Northbridge Personal Insurance Corporation, Federated Insurance Company of Canada, Zenith Insurance Company and Northbridge Surety Ltd..

When you request an insurance product or service from us, you consent to allow us to collect, use and disclose your personal information for the following purposes:

- Offering and providing products and services to meet your needs;
- Establishing and maintaining communications with you;
- Verifying personal information you provide in your application;
- Assessing and underwriting risks on a prudent basis;
- Performing safety assessments;
- Determining insurance product prices;
- Investigating and settling claims;
- Detecting and preventing fraud or other illegal activities;
- Analyzing business results and compiling statistics;
- Conducting market research;
- Reporting to regulatory or industry entities; and
- Acting as required or authorized by law.

You may withdraw your consent, but doing so may limit our ability to provide you with the requested product or service.

Where permitted by law, you may be given the option to give your express consent to us to access your credit information from a credit reporting agency. We will use this information for the purpose of assessing risk, providing you with a quote, and determining your eligibility for a premium discount. We may continue to retrieve your current credit score from time to time, unless you withdraw your consent for us to do so.

As part of maintaining our relationship with you, we may share your personal information within the Northbridge group of companies and with third parties, but only for the purposes identified above, and in accordance with this Privacy Policy. Where personal information is shared with third parties, it is done on the basis that they will maintain the confidentiality of the information. If we discover that third parties are improperly handling your personal information, we will take appropriate action to protect your personal information.

We may use service providers located outside of Canada to collect, use, disclose or store personal information. Where we do so, we will contractually require such third party to employ the appropriate security safeguards to protect your personal information, subject to the law in the third party jurisdiction. While the personal information is in another jurisdiction it may be accessed by the courts, law enforcement and national security authorities of that jurisdiction. The jurisdictions where personal information may be collected, used, disclosed and stored include the United States of America.

You can obtain a copy of our Privacy Policy by visiting our website at [www.nbfc.com](http://www.nbfc.com) or by contacting your broker or agent. You may request access to your personal information that we have on file in order to verify its accuracy and completeness by sending a written request to our Privacy Officer. If you have any questions or complaints regarding our Privacy Policy or procedures, please contact our Privacy Officer:

If we are unable to resolve your privacy concern to your satisfaction, you have the right to contact your privacy regulator. Our Privacy Officer will provide you with this contact information upon request.

**By Mail:**

Northbridge Financial Corporation  
 105 Adelaide Street West, 7th Floor  
 Toronto, Ontario  
 M5H 1P9  
 Attention: Privacy Officer

**By E-mail:**

[privacy@nbfc.com](mailto:privacy@nbfc.com)

**By Phone:**

416.350.4445  
 1.800.268.9680 Ext. 4445