

PURPOSE OF THIS DOCUMENT Sample Only		CLIENT REF	PREVIOUS #:	POLICY #: Sample Only	PAGE 1
MANAGING BROKERAGE	Phoenix-Eastern Insurance Brokers Inc. 1029 Brock Road South Pickering, ON L1W 3T7	SUB-BROKER FIRM Not Applicable			
NAMED INSURED AND POSTAL ADDRESS	A Worthy Cause Organization 123 First St. Toronto, ON M1A 1A1	LOCATION #1 Same As Mailing	LOCATION #2 Not Applicable		
PERIOD OF INSURANCE 12:01 A.M. STANDARD TIME AT THE MAILING ADDRESS AS SHOWN ABOVE	FROM 01/01/2005	TO 01/01/2006	DESCRIPTION OF OPERATIONS Social support and assistance programs in support of worthy causes via revenue derived from donations and other various fundraising activities.		S.I.C. CODE 8643/8644
MORTGAGEE/ADDITIONAL LOSS PAYEE Not Applicable – Loss payable to the insured				APPLICABLE TO FORM NO. S20136	

INSURANCE IS PROVIDED ONLY FOR THOSE COVERAGE ITEMS FOR WHICH A SPECIFIC LIMIT OF INSURANCE IS SHOWN (SUBJECT TO ALL TERMS AND CONDITIONS CONTAINED IN THE FORMS INDICATED AND/OR OTHERWISE ATTACHED)


FORM #	ITEM DESCRIPTION	CO-INS. %	DEDUCTIBLE OR S.I.R.	LIMIT	PREMIUM
S20001	PROPERTY OF EVERY DESCRIPTION	90%	\$1,000	\$50,000	\$100
	PORTABLE COMPUTER EQUIPMENT (LOCKED VEHICLE WARRANTY APPLIES)	100%	\$1,000	\$10,000	\$500
S20124	Back Up of Sewers, Pumps, Septic Tanks or Drains			Included	Included
S20135	Replacement Cost			Included	Included
S10000	Additional Conditions				
S10002	Insuring Agreement, Miscellaneous Clauses & Statutory Conditions				
S10003	Property Occurrence Deductible Endorsement				
S52009	Data Exclusion				
S52100	Terrorism Exclusion				
S52101	Fungi & Fungal Derivatives Exclusion				
CAIP12/03	PROPERTY EXTENSIONS (aggregate limit unless otherwise shown)			\$100,000	Included
	Accounts Receivable			*	Included
	Arson Reward			*	Included
	Building By-Laws			*	Included
	Debris Removal Additional Amount			*	Included
	Extra Expense			\$10,000	Included
	Exterior Signs			*	Included
	Expediting Expenses			*	Included
	Fine Arts			\$10,000	Included
	Fire Department Service Charges/Fire Equipment Recharge			*	Included
	Glass			*	Included
	Land and Water Pollution Clean-up			\$10,000	Included
	Master Key			*	Included
	Newly Acquired Locations – Building and Contents			*	Included
	Off Premises Including Transit			\$10,000	Included
	Personal Property of Officers & Employees (each/aggregate)			\$1,000/\$25,000	Included
	Professional Fees			*	Included
	Valuable Papers			*	Included
S60000	COMPREHENSIVE DISHONESTY, DISAPPEARANCE AND DESTRUCTION		\$1,000		
	Employee Dishonesty (Form A)			\$2,500	Included
	Loss Inside/Loss Outside			\$2,500	Included
S61007	Limitation Endorsement (\$500 overnight restriction if no class II safe)				
	Money Orders & Counterfeit Paper Currency			\$2,500	Included
S61001	Depositor's & Credit Card Forgery			\$2,500	Included
S60001	Crime Standard Conditions				
S70000	COMMERCIAL GENERAL LIABILITY				
	A - Bodily Injury & Property Damage		\$1,000	\$1,000,000	\$400
	B – Personal Injury			\$1,000,000	Included
	C – Medical Payments			\$2,500	Included
	D – Tenant's Legal		\$1,000	\$250,000	Included
S70101	Advertising Liability			\$100,000	Included
S74102	Employee Benefits Liability (per incident/per aggregate)		\$1,000	\$1,000,000	Included
S70142	Volunteers as Additional Insured's				
S70127	Products & Completed Operations Exclusion				
S70146ns	Abuse/Molestation/Harassment Exclusion				
S72200	Terrorism Exclusion				
S74107	Data Exclusion				
S74109	Total Asbestos Exclusion				
S74108	Limited Fungi & Fungal Derivatives Coverage			\$250,000	Included
S71000	NON-OWNED AUTOMOBILE				
S71109	Excluding Long Term Leased Vehicle Endorsement (SEF#99)			\$1,000,000	Included
S72051	NON-PROFIT CORPORATION PROFESSIONAL INDEMNITY (D&O)		\$1,000	\$1,000,000	\$900
	Continuity Date: 01/01/2005				
S72137	Electronic Date Recognition Exclusion				
S72138	Data Exclusion				
S72141	Total Asbestos Exclusion				
S72139	Exclusion Endorsement – Fungi or Fungal Derivatives				

THIS POLICY CONTAINS CLAUSES WHICH MAY LIMIT THE AMOUNT PAYABLE

IN WITNESS WHEREOF THIS DOCUMENT HAS BEEN SIGNED
AS AUTHORIZED BY THE INSURER BY

DATE PREPARED:
01/01/2005

PREMIUM
(OR REFUND) \$1,900


PER: Ken Cunliffe, President

COMMERCIAL BUILDING, EQUIPMENT AND STOCK**1.A. PROPERTY INSURED**

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

"BUILDING"

"EQUIPMENT"

"STOCK"

"CONTENTS OF EVERY DESCRIPTION"

"PROPERTY OF EVERY DESCRIPTION"

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

1.B. This form also insures the following property but only those items for which an amount of insurance is specified in the "Declaration page".

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

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

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

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

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

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

2. DEDUCTIBLE

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

3. CO-INSURANCE

This clause applies separately to each item for which a co-insurance percentage is specified in the "Declarations Page" and only where the total loss exceeds the lesser of 2% of the applicable amount of insurance or \$5,000.

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

4. PERILS INSURED

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

5.A. EXCLUSIONS - PROPERTY EXCLUDED

This Form does not insure loss of or damage to:

- (a) Sewers, drains or watermains located beyond the outside bearing walls or foundations of the property insured, outside communication towers, antennae (including satellite receivers) and equipment attached thereto, street clocks, exterior signs, exterior glass or vitrolite and lettering or ornamentation thereon, but this exclusion does not apply to loss or damage caused directly by "Named Perils";
- (b) Property at locations which to the knowledge of the Insured, are vacant, unoccupied or shut down for more than thirty (30) consecutive days;
- (c) Electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing, unless fire or explosion as described in Clause 17(i) ensues and then only for such ensuing loss or damage;
- (d) Growing plants, trees, shrubs or flowers, all while in the open except as provided in the Extensions of Coverage Clause 6 (c);
- (e) Animals, fish or birds, but this exclusion does not apply to loss or damage caused directly by "Named Perils" or from theft or attempt thereof;
- (f) Money, bullion, platinum and other precious metals and alloys, securities, stamps, tickets and tokens, evidence of debt or title;
- (g) Automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property, but this exclusion shall not apply to watercraft, amphibious or air cushion vehicles held for sale, unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the "Premises" of the Insured;
- (h) Furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, precious and semi-precious stones and pre-recorded video tapes, but this exclusion does not apply to:
 - (i) The first one thousand dollars (\$1,000.) of any loss insured herein;
 - (ii) any loss or damage caused directly by "Named Perils";
- (i) property insured under the terms of any Marine Insurance, and property while waterborne, except while on a regular ferry or railway car transfer in connection with land transportation;
- (j) property on loan or on rental or sold by the Insured under conditional sale, instalment payment or other deferred payment plan, from the time of leaving the Insured's custody, but this exclusion does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at the risk of the Insured;
- (k) property in the custody of a sales representative outside the "Premises" of the Insured, unless an amount of insurance is shown in the "Declarations Page" pertaining to "Sales Representative";
- (l) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
- (m) (i) any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure;

- (ii) any boiler, including the piping and equipment connected thereto, which contains steam or water under steam pressure (except tanks having an internal diameter of 610 millimetres (24 inches) or less used for the storage of hot water for domestic use); caused directly or indirectly by explosion, rupture, bursting, cracking, burning out or bulging of such property while connected ready for use, but this exclusion does not apply to:
 - (1) manually portable gas cylinders;
 - (2) explosion of natural, coal or manufactured gas;
 - (3) explosion of gas or unconsumed fuel within a furnace or within the gas passages therefrom to the atmosphere.

5.B. PERILS EXCLUDED

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

- (a) by earthquake, except for ensuing loss or damage which results directly from fire, explosion, smoke or leakage from fire protective equipment, all as described in Clause 17 (i);
- (b) by flood, including waves, tides, tidal waves, tsunamis, or the rising of, the breaking out or the overflow of, any body of water, whether natural or man-made, but this exclusion does not apply to ensuing loss or damage which results directly from fire, explosion, smoke, leakage from fire protective equipment, all as described in Clause 17 (i) or leakage from a watermain;

Exclusions (a) and (b) do not apply to property in transit;

- (c) (i) by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings, therein, foundations, basement floors, sidewalks, sidewalk lights, or by the backing up of sewers, sumps, septic tanks or drains, unless concurrently and directly caused by a peril not otherwise excluded in Clause 5.B. hereof;
- (ii) by the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings unless through an aperture concurrently and directly caused by a peril not otherwise excluded in Clause 5.B. hereof;
- (d) by centrifugal force, mechanical or electrical breakdown or derangement in or on the "Premises", unless fire ensues and then only for the loss or damage caused directly by such ensuing fire;
- (e) by dampness or dryness of atmosphere, changes of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, contamination, pollution, change in colour or texture or finish, rust or corrosion, marring, scratching or crushing, but this exclusion does not apply to loss or damage caused directly by "Named Perils", rupture of pipes or breakage of apparatus not excluded under paragraph (m) of Clause 5.A. hereof, theft or attempt thereof or accident to transporting conveyance. Damage to pipes cause by freezing is insured provided such pipes are not excluded in paragraph (m) of Clause 5.A. hereof;
- (f) by smoke from agricultural smudging or industrial operations;
- (g) by rodents, insects or vermin, but this exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded in Clause 5.B. hereof;
- (h) by delay, loss of market, or loss of use or occupancy;
- (i) by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- (j) by any dishonest or criminal act on the part of the Insured or any other party of interest, employees or agents of the Insured, or any person to whom the property may be entrusted (bailees for hire excepted),

- but this exclusion does not apply to physical damage, caused directly by employees of the Insured, which results from a peril otherwise insured and not otherwise excluded under this form;
- (k) to "Buildings" by:
 - (i) snowslide, landslide, subsidence or other earth movement, except for ensuing loss or damage which results directly from fire, explosion, smoke or leakage from fire protective equipment, all as described in Clause 17 (i);
 - (ii) explosion (except with respect to explosion of natural, coal, or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire:
 - a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - b) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 - c) other vessels and apparatus and pipes connected therewith while under pressure, or while in use or in operation provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure but this exclusion does not apply to loss or damage resulting from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimetres (24 inches) or less used for the heating and storage of hot water for domestic use;
 - d) moving or rotating machinery or parts thereof;
 - e) any vessels and apparatus and pipes connected therewith while undergoing pressure test but this exclusion does not apply to other property insured hereunder that has been damaged by such explosion;
 - f) gas turbines;
 - (iii) settling, expansion, contraction, moving, shifting or cracking unless concurrently and directly caused by a peril not otherwise excluded in Clause 5.B. hereof;
- (l) proximately or remotely, arising in consequence of or contributed to by the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which by-law, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss.

NOR DOES THIS FORM INSURE:

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

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

6. EXTENSIONS OF COVERAGE

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

- (a) **Personal Property of Officers and Employees:** At the option of the Insured, "Equipment" also includes personal property of officers and employees of the Insured. The insurance on such property:
 - (i) shall not attach if it is insured by the owner unless the Insured is obliged to insure it or is liable for its loss or damage;
 - (ii) is, in any event, limited to a maximum recovery of one thousand dollars (\$1,000) in respect of any one officer or employee;
 - (iii) shall apply only to loss or damage occurring at a location specifically described in the "Declarations Page" or included in "Newly Acquired Location".
- (b) **"Building" Damage by Theft:** This Form is extended to insure damage (except by fire) to that part of a "Building" occupied by the Insured directly resulting from theft or any attempt thereat and from vandalism or "malicious acts" committed on the same occasion, provided the Insured is the owner of such "Building" or is liable for such damage and the "Building" is not otherwise insured hereunder. This extension of cover shall be limited to a maximum recovery of twenty-five hundred dollars (\$2,500.) in respect of any one loss. Glass and lettering or ornamentation thereon is excluded from this extension.
- (c) **Growing Plants, Trees, Shrubs or Flowers in the Open:** This Form is extended to insure loss or damage to growing plants, trees, shrubs or flowers in the open caused directly by "Named Perils", (with the exception of windstorm or hail as described in Clause 17 (i)) or from theft or attempt thereat. This extension of coverage shall be limited to a maximum recovery of five hundred dollars (\$500.) for each growing plant, tree, shrub or flower in the open, and to ten thousand dollars (\$10,000) altogether, including debris removal expense, in any one occurrence.

7. PERMISSION

Permission is hereby granted:

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

8. BREACH OF CONDITIONS

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

9. REINSTATEMENT

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

10. PROPERTY PROTECTION SYSTEMS

It is agreed that the Insured shall notify forthwith the Insurer of any interruption to, or flaw or defect, coming to the knowledge of the Insured, in any of the following systems installed at the Insureds "Premises".

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

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

11. PREMIUM ADJUSTMENT

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

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

12. VERIFICATION OF VALUES

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

13. VALUATIONS

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

- (a) on unsold "Stock" - the actual cash value of the property at the time any loss occurs, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;
- (b) on sold "Stock" - the selling price after allowance for discounts;
- (c) on property of others in the custody or control of the Insured for the purpose of performing work thereon - the amount for which the Insured is liable but in no event to exceed the actual cash value at the time and place of loss plus allowance for labour and materials expended to such time;
- (d) on tenant's Improvements and records - as defined in paragraphs (a) and (b) of Clause 14.;
- (e) on all other property insured under this Form and for which no more specific conditions have been set out - the actual cash value at the time the loss or damage occurs but in no event to exceed what it would then cost to repair or replace with material of like kind and quality.

14. SPECIAL BASIS OF SETTLEMENT

- (a) **Tenant's Improvement:** The liability of the Insurer shall be determined as follows:
 - (i) if repaired or replaced with due diligence and dispatch, the amount actually and necessarily expended but in no event exceeding the actual cash value of the tenant's improvements immediately prior to the time of destruction or damage;

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

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

15. PROPERTY OF OTHERS

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

16. LOCKED VEHICLE WARRANTY

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

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

17. DEFINITIONS

Wherever used in this Form:

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

- (iii) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
- (iv) any vessels and apparatus and pipes connected therewith while undergoing pressure tests, but this exclusion shall not apply to other property insured hereunder that has been damaged by such explosion;
- (v) gas turbines;

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

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

(C) IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE:

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

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

- (i) caused by land vehicles belonging to or under the control of the Insured or any of his employees;
- (ii) to aircraft, spacecraft or land vehicles causing the loss;

caused by any aircraft or spacecraft when being taxied or moved inside or outside of "Buildings";

(D) RIOT, VANDALISM OR MALICIOUS ACTS:

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

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

- (i) due to cessation of work or by interruption to process or business operations or by change(s) in temperature;

- (ii) due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under Clause 17 (i) (B);
- (iii) due to theft or attempt thereat.

(E) SMOKE:

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

(F) "LEAKAGE FROM FIRE PROTECTIVE EQUIPMENT"

The term "Leakage from fire protective equipment" means the leakage or discharge of water or other substance from within the equipment used for fire protection purposes for the "Premises" described in the "Declarations Page" or for adjoining "Premises" and loss or damage caused by the fall or breakage or freezing of such equipment.

(G) WINDSTORM OR HAIL:

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

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

CAIP PROPERTY EXTENSION ENDORSEMENT

APPLICABLE TO THE COMMERCIAL BUILDING, EQUIPMENT AND STOCK (BROAD FORM)

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

The following extensions of coverage shall:

- (i) not be considered for the purpose of determining the application of any Coinsurance clause;
- (ii) not apply if these extensions are more specifically insured under this Policy;
- (iii) increase the amount of insurance for this Policy by the amounts or limits stated in "Limits of Liability".

Limits of Liability: The Insurer shall be liable for up to one hundred thousand dollars (\$100,000.) for any one or more of the following extensions of coverage in any one occurrence.

1. **Building By-laws:** This Policy shall, and only as a result of a peril insured against, extend to indemnify the Insured, for:
 - (i) loss occasioned by the demolition of any undamaged portion of the building or structures; or
 - (ii) the cost of demolishing and clearing the site of any undamaged portion of the building or structures; or
 - (iii) any necessary increase in the cost of repairing, replacing, constructing or reconstructing the building, or structures, on the same site or on an adjacent site, of like height, floor area and style, and for like occupancy; arising from the enforcement of the minimum requirements of any by-law, regulation, ordinance or law which:
 - (a) regulates zoning or the demolition, repair or construction of damaged buildings or structures; and
 - (b) is in force at the time of such loss or damage.

This extension, however, does not insure against:

- (i) the enforcement of any by-law, regulation, ordinance or law which prohibits the Insured from rebuilding, or repairing on the same site or adjacent site or prohibits continuance of like occupancy;
- (ii) direct or indirect loss, damage, cost or expense, arising out of the clean-up, removal, containment, treatment, detoxification, decontamination, stabilization, neutralization, or remediation resulting from any actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release, or escape of "pollutants";
- (iii) direct or indirect loss, damage, cost or expense, for any testing, monitoring, evaluation or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

Definition

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

2. **Exterior Signs Including Street Clocks, Communication Towers, Antennae and Satellite Receivers:** This Policy is extended to cover the aforementioned property for accidental breakage on the "Premises" excluding loss or damage caused by wear and tear, latent defect, corrosion or rust, mechanical breakdown or during installation, repairing or dismantling.
3. **Fire Department Service Charges:** This Policy is extended to cover the Insured's liability assumed by contract or agreement, prior to the loss, for Fire Department Service Charges when the Fire Department is called to save or protect the insured property from a peril insured against.
4. **Fire Equipment Recharge:** This Policy is extended to cover for expenses actually incurred as a result of a peril insured to recharge a fire protection or fire fighting system
5. **Glass:** This Policy is extended to provide coverage for accidental breakage of all exterior glass and / or vitrolite including lettering, ornamentation or burglary alarm tape thereon provided the Insured is owner of the "Building" or is legally liable for such damage. This extension shall also include the expenses incurred for boarding up damaged openings or installing temporary plates.
6. **Debris Removal:** This policy is extended to provide additional debris removal expense coverage as outlined in the Insuring Agreement and Miscellaneous Clauses Form S10001.
7. **Valuable Papers and Records:** This policy is extended to cover the actual loss sustained by the Insured through direct physical loss or damage to Valuable Papers and Records. The term "Valuable Papers and Records" means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts, but excluding money and securities, electronic data control tapes or discs.

The insurance provided by this extension applies:

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

In addition to those exclusions found in the Commercial Building Equipment and Stock (Broad Form) the following also apply.

This extension does not insure:

- (i) to loss directly resulting from errors or omissions in processing or copying unless fire or explosion ensues and then only for the direct loss caused by such ensuing fire or explosion;
- (ii) to loss of property held as samples or for sale or for delivery after sale;

- (iii) to property which cannot be replaced with other of like kind and quality.

Basis of Settlement

The limit of the Insurer's liability for loss shall not exceed the actual cash value of the property at the time of loss, nor what it would cost to repair or replace the property with other of like kind and quality.

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

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

This extension insures:

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

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

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

In addition to those exclusions found in the Commercial Building Equipment and Stock (Broad Form) the following also apply.

This extension does not apply to:

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

Basis of Settlement

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

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

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

Inspection and Audit

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

Recoveries

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

- 9. Master Key:** This policy is extended to cover loss caused by the necessary replacement or re-adjustment of locks or keys that control all doors as the "Building" described on the "Declarations Page". This extension covers the cost of the replaced locks and keys including the labour cost for installation.

- 10. Expediting Expenses:** This policy is extended to cover the reasonable extra cost to make temporary repairs and to expedite the permanent repair or replacement of Property Insured, damaged by a peril insured, including overtime and the extra cost of express or other rapid means of transportation.

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

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

12. Arson Award: In the event of loss or damage by fire that results from an act of arson for which coverage is afforded under this Policy, the Insurer will re-imburse the Insured for rewards paid for information directly leading to convictions for that act of arson.

13. Inflation Protection

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

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

The following extensions of coverage are limited as stated or shown in the policy declarations:

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

and dispatch to repair, rebuild, or replace such part of the described building(s) or contents thereof as may be destroyed or damaged.

Definitions

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

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

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

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

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

The Insurer shall not be liable for:

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

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

2. Land and Water Pollution Clean Up

Indemnity Agreement

(a) The Insurer will indemnify the Insured for expenses incurred to "clean up" "pollutants" from land or water at the "premises" provided the spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "pollutants":

- (i) is occasioned by loss or damage to property insured at the "premises" for which insurance is afforded under the Commercial Building Equipment and Stock Broad Form;
- (ii) is sudden, unexpected and unintended from the standpoint of the Insured and
- (iii) first occurs during the policy period.

Limit of Insurance

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

No Automatic Reinstatement

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

Additional Exclusions

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

Additional Conditions

- (e) (i) **Reporting Period**
It is a condition precedent to recovery that all expenses insured by this extension of coverage must be incurred and reported to the Insured within 180 days of the spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "pollutants" for which "clean up" expenses are being claimed.
- (ii) **Other Insurance**
The insurance afforded by this extension of coverage shall apply as excess over any other valid and collectible insurance available to the Insured or any other interested party.

Definitions

- (f) Wherever used in this extension of coverage:
- (i) "Clean Up" means the removal, containment, treatment, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to the aforementioned processes.
 - (ii) "Premises" means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described on the "Declarations Page".
 - (iii) "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

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

Territorial Limits

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

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

This extension does not insure:

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

Packing Condition

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

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

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

- 5. Temporary Off Premises Coverage Including Transit:** This policy is extended to cover Equipment and Stock other than at the specified location including while in transit anywhere in Canada for loss in any one occurrence by a peril not otherwise excluded to property covered while temporarily away from the premises, not exceeding 30 consecutive days subject to the Locked Vehicle Warranty.

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

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

SEWER BACK-UP ENDORSEMENT

This insurance is hereby extended to include loss or damage caused directly by the peril of sewer back-up subject to the following conditions:

SEWER BACK-UP

For the purpose of this endorsement, sewer back-up shall mean water which backs up through sewers, sumps, septic tanks or drains.

DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by sewer back-up exceeds the amount of the deductible specified in the Declarations for Sewer Back-Up in any one occurrence.

EXCLUSIONS

This endorsement does not insure damage caused by:

- (a) continuous or repeated seepage or leakage;
- (b) occurring while the building is under construction or is vacant, even though permission may have been given for construction or vacancy.

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

REPLACEMENT COST ENDORSEMENT

APPLICABLE ONLY TO THE FORMS NOTED IN THE DECLARATIONS:
(SAME SITE OR ADJACENT SITE AMENDMENT)

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

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

ADDITIONAL CONDITIONS

NOTICE TO AUTHORITIES

- I. Where the loss is due to malicious acts, burglary, robbery, theft or attempt thereat, or is suspected to be so due, the Insured shall give immediate notice to the police or other authorities having jurisdiction.

NO BENEFIT TO BAILEE

- II. It is warranted by the Insured that this insurance shall in no wise enure directly or indirectly to the benefit of any carrier or other bailee.

PAIR AND SET

- III. In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are a part of a set, the measure of loss of or damage to such 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.

PARTS

- IV. 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.

SUE AND LABOUR

- V. It is the duty of the Insured in the event that any property insured hereunder is lost to take all reasonable steps in and about the recovery of such property. The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with the foregoing according to the respective interests of the parties.

BASIS OF SETTLEMENT

- VI. Unless otherwise provided, the Insurer is not liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality.

SUBROGATION

- VII. The Insurer, upon making any payment or assuming liability therefor under this Policy, shall be subrogated to all rights of recovery of the Insured against others and may bring action to enforce such rights. Notwithstanding the foregoing, all rights of subrogation are hereby waived against any corporation, firm, individual or other interest with respect to which insurance is provided by this Policy. Where the net amount recovered, after deducting the costs of recovery is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in the proportion in which the loss or damage has been borne by them respectively. Any release from liability entered into by the Insured prior to loss shall not affect the right of the Insured to recover.

INSURING AGREEMENT AND MISCELLANEOUS CLAUSES

APPLICABLE TO ALL PROPERTY AND BUSINESS INTERRUPTION COVERAGES OF THIS POLICY

1. INSURING AGREEMENT

The Insurer, in consideration of the payment of premium, in reliance upon the statements in the Declarations made a part of this Policy and subject to all the terms and conditions of this Policy and the Forms and endorsements attached, agrees with the Named Insured as follows:

In the event that any of the property insured be lost, destroyed or damaged by the Perils Insured, at any time while this Policy is in force, the Insurer will indemnify the Insured against the direct loss so caused to an amount not exceeding whichever is the least of:

- (a) the actual cash value of the property at the time of loss, destruction or damage;
- (b) the interest of the Insured in the property;
- (c) the limit of liability provided by the policy in respect of the property lost, destroyed or damaged.

Provided, however, that where the insurance applies to the property of more than one person or interest, the Insurer's total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the specified limit or limits of liability.

2. REMOVAL

If any of the insured property is necessarily removed from the location(s) specified herein to prevent loss, destruction or damage or further loss, destruction or damage thereto, that part of the insurance under this Policy that exceeds the amount of the Insurer's liability for any loss already incurred shall, for seven (7) days only, or for the unexpired term of the Policy if less than seven (7) days, insure the property removed and any property remaining in the location(s) specified herein in the proportions which the value of the property in each of the respective locations bears to the value of the property in them all.

3. DEBRIS REMOVAL

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

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

The total amount payable under this extension shall not exceed 25% of the total amount payable for the direct physical loss to property insured plus the amount of the applicable deductible.

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

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

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

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

4. COMMON EXCLUSIONS – PROPERTY SECTION

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

- (a) by civil commotion, war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- (b) (1) by any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
(2) by contamination by radioactive material;
- (c) proximately or remotely, arising in consequence of or contributed to by enforcement of any by-law, regulation, ordinance, or law regulating zoning or the demolition, repair or construction of buildings or structures, which by-law, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss.

Nor does this Policy insure against:

- (d) (1) 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", but this exclusion does not apply:
 - (i) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is the direct result of a peril not otherwise excluded under this form;
 - (ii) to loss or damage caused directly by a peril not otherwise excluded under this form;
- (2) cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants"

5. DEFINITIONS

Wherever used in this Form:

- (a) "Clean up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants," including testing which is integral to the aforementioned processes.
- (b) "Declaration Page" means the Declaration Page applicable to this Form.
- (c) "Pollutants" means any solid, liquid, gaseous or thermal irritant, or contaminants including odour, vapour, fumes, acids, alkalis, chemicals and waste. "Waste" includes materials to be recycled, reconditioned or reclaimed.

STATUTORY CONDITIONS

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

MISREPRESENTATION

1. Where a 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 is void as to 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 Act (Canada) or change of title by succession, by operation of law, or by death.

MATERIAL CHANGE

4. A change material to the risk and within the control and knowledge of the Insured shall avoid the contract as the part affected by it, 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 shall, within fifteen (15) 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

5. (1) This contract may be terminated:
 - (a) by the Insurer giving to the Insured fifteen (15) days notice of termination by registered mail or five (5) days written notice of termination personally delivered;
 - (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 proportional premium for the expired time, but in no event shall the proportional 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 the 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 considered to be less than any minimum retained premium specified.
- (4) The refund may be made by money, postal or express company money order, or cheque payable at par.
- (5) The fifteen (15) days mentioned in clause (a) of sub-paragraph (1) of this condition start to run on the day following the receipt of the registered letter at the post office to which it is addressed.

REQUIREMENTS AFTER LOSS

6. (1) Upon the occurrence of any loss of or damage to the insured property, the Insured shall, where that loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11:
 - (a) immediately give notice of the loss or damage in writing to the Insurer;
 - (b) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration:
 - (i) giving a complete inventory of the 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 where 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 insurance 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 the loss;
 - (c) where required, give a complete inventory of undamaged property and showing in detail quantities, costs, actual cash value;
 - (d) where required and where 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 another contract.(2) The evidence furnished under clauses (c) and (d) of sub-paragraph (1) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

FRAUD

7. A fraud or a wilfully false statement in a statutory declaration in relation to 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 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 Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with steps taken by the Insured and required under sub-paragraph (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 appraisement 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 a 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 Contracts Act before there can be any recovery under this contract whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand for an appraisal is made in writing and until after proof of loss has been delivered.

WHEN LOSS PAYABLE

12. The loss shall be payable within sixty (60) 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 (30) days after receipt of the proofs of loss.
(2) In that event the Insurer shall start to repair, rebuild, or replace the property within forty-five (45) days after receipt of the proofs of loss, and shall after that time proceed with all due diligence to the completion of the property.

ACTION

14. Every action or proceeding against the Insurer for the recovery of a claim under or by virtue of this contract shall be absolutely barred unless commenced within one (1) year * next after the loss or damage occurs.

* two (2) years in the province of Manitoba, the Yukon Territory and Nunavut.

NOTICE

15. A 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. Written notice may be given to the Insured named in the contract by letter personally delivered to him or her or by registered mail addressed to him or her at his or her latest post office address as notified to the Insurer. In this condition, the expression "registered" means registered in or outside of Canada.

PROPERTY OCCURRENCE DEDUCTIBLE ENDORSEMENT

In the event of a claim under this policy, caused by an insured peril, the Insurer shall be liable only for the amount by which the adjusted claim exceeds the deductible amount stated in the Declarations.

Should any adjusted claim or occurrence give rise to the application of more than one deductible amount, then only the highest single deductible amount will be applied against the adjusted claim.

This deductible does not operate to reduce the applicable limits of liability.

All other terms and conditions of the policy remain unchanged.

DATA EXCLUSION

APPLICABLE TO ALL PROPERTY COVERAGES OF THIS POLICY

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

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

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

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

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

at the premises of the Insured, this exclusion shall not apply to such resulting loss or damage.

- b. If **“Data Problem”** is the direct result of
 - (i) **“Named Perils”** as defined in this endorsement; or
 - (ii) the following perils only if otherwise insured and not otherwise excluded:
 - (a) escape of water from any tank, apparatus or pipe;
 - (b) earthquake;
 - (c) flood;
 - (d) sewer back-upat the premises of the Insured, this exclusion shall not apply.

DEFINITIONS:

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

“Data Problem” means:

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

“Named Perils” means:

A. FIRE OR LIGHTNING

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

- (i) (a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
- (b) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
- (c) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion therefrom;
- (d) smelt dissolving tanks;
- (ii) other vessels and apparatus, and pipes connected therewith, while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders; moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
- (iii)

- (iv) any vessels and apparatus and pipes connected therewith while undergoing pressure tests, but this exclusion shall not apply to other property insured hereunder that has been damaged by such explosion;
- (v) gas turbines.

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

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

C. IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE:

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

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

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

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

E. LEAKAGE FROM FIRE PROTECTIVE

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

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

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

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

TERRORISM EXCLUSION

APPLICABLE TO ALL PROPERTY COVERAGES OF THIS POLICY

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto it is agreed that:

1. (a) this Policy does not insure loss or damage caused directly or indirectly, in whole or in part, by "Terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "Terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage;
- (b) however, if an act of "Terrorism" results in ensuing loss or damage to insured property, which results directly from fire or explosion as defined by Statute, exclusion 1(a) shall not apply to such ensuing loss or damage.

2. In no event shall item 1(b) be construed to give coverage for any delay, loss of market, or loss of use or occupancy, or any additional charges or expense.

"Terrorism" means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

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

FUNGI AND FUNGAL DERIVATIVES EXCLUSION
APPLICABLE TO ALL PROPERTY COVERAGES OF THIS POLICY

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, this Policy shall not insure:

- (a) loss or damage consisting of or caused directly or indirectly, in whole or in part, by any "fungi" or "spores" unless such "fungi" or "spores" are directly caused by or directly result from a peril otherwise insured and not otherwise excluded by this policy;
- (b) the cost or expense for any testing, monitoring, evaluating or assessing of "fungi", or "spores".

DEFINITIONS:

- (a) "Fungi" includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "Fungi" or "Spore(s)" or resultant mycotoxins, allergens, or pathogens.
- (b) "Spore(s)" includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".

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

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

IT IS HEREBY PROVIDED AND AGREED THAT:

**BREACH OF CONDITIONS BY MORTGAGOR OWNER
OR OCCUPANT**

1. This insurance and every documented renewal thereof - AS TO THE INTEREST OF THE MORTGAGEE ONLY THEREIN - is and shall 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 the property for purposes more hazardous than specified in the description of the risk;

PROVIDED ALWAYS that the Mortgagee shall notify forthwith the Insurer (if known) of any vacancy or non-occupancy extending beyond thirty (30) consecutive days, or of any transfer of interest or increased hazard THAT SHALL COME TO HIS KNOWLEDGE; and that every increase of hazard (not permitted by the policy) shall 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.

RIGHT OF SUBROGATION

2. Whenever the Insurer pays the Mortgagee any loss award under this policy and claims that - as to the Mortgagor or Owner - no liability therefor existed, it shall be legally subrogated to all rights of the Mortgagee against the Insured; but any subrogation shall be limited to the amount of such loss payment and shall be subordinate and subject to the basic right of the Mortgagee to recover the full amount of its mortgage equity in priority to the Insurer; or the Insurer may at its option pay the Mortgagee all amounts due or to become due or to become due under the mortgage or on the security thereof, and shall thereupon receive a full assignment and transfer of the mortgage together with all securities held as collateral to the mortgage debt.

OTHER INSURANCE

3. 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 shall be taken into account in determining the amount payable to the Mortgagee.

WHO MAY GIVE PROOF OF LOSS

4. In the absence of the Insured, or the inability, refusal or neglect of the Insured to give notice of loss or 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.

TERMINATION

5. **Excluding Province of Quebec** - The term of this mortgage clause coincides with the term of the policy;

PROVIDED ALWAYS that 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.

Province of Quebec - The term of this mortgage clause coincides with the term of the policy;

PROVIDED ALWAYS that the Insurer reserves the right to cancel the policy as provided by Articles 2477 and 2479 of the Civil Code of the Province of Quebec, but agrees that the Insurer will neither terminate nor alter the policy to the prejudice of the Mortgagee without 15 days' notice to the Mortgagee by registered letter.

FORECLOSURE

6. 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 shall 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 shall supersede any policy provisions in conflict therewith BUT ONLY AS TO THE INTEREST OF THE MORTGAGEE), loss under this policy is made payable to the Mortgagee.

COMPREHENSIVE DISHONESTY, DISAPPEARANCE, AND DESTRUCTION FORM

The Insurer agrees, subject to the Declarations made a part hereof, the General Agreements, Conditions and Limitations and other terms of this Form to pay the Insured for:

1. INSURING AGREEMENTS**I.A. Employee Dishonesty Coverage – Form A**

Loss of Money, Securities and other property which the Insured shall sustain resulting directly from one or more fraudulent or dishonest acts committed by an Employee, acting alone or in collusion with others, to an amount not exceeding in the aggregate the amount stated in the Limits of Liability applicable to this Insuring Agreement I.A., as indicated in the Declarations.

Should a deductible amount be stated in the Declarations as applying to the insurance under Insuring Agreement I.A, then the Insurer shall not be liable under said Insuring Agreement on account of loss through fraudulent or dishonest acts committed at any time, whether before or after this Form is effective, by any Employee or in which such Employee is concerned or implicated, unless the amount of such loss, after deducting the net amount of all reimbursement and recovery, including any cash deposit taken by the Insured, obtained or made by the Insured, other than from any bond or policy of insurance issued by a surety or insurance company and covering such loss, or by the Company on account thereof prior to payment by the Company of such loss, shall be in excess of the deductible amount stated in the Declarations, and then for such excess only, but in no event for more than the amount of insurance carried under Insuring Agreement I.A. on such loss.

I.B. Employee Dishonesty Coverage – Form B

Loss of Money, Securities and other property which the Insured shall sustain resulting directly from one or more fraudulent or dishonest acts committed by an Employee, acting alone or in collusion with others, the amount of insurance on each of the Employees being the amount stated in the Limits of Liability applicable to this Insuring Agreement I.B., as indicated in the Declarations.

Should a deductible amount be stated in the Declarations as applying to the insurance under Insuring Agreement I.B., then the Insurer shall not be liable under said Insuring Agreement on account of loss through fraudulent or dishonest acts committed at any time, whether before or after this Form is effective, by any Employee, unless the amount of such loss, after deducting the net amount of all reimbursement and recovery, including any cash deposit taken by the Insured, obtained or made by the Insured, other than from any bond or policy of insurance issued by a surety or insurance company and covering such loss, or by the Company on account thereof prior to payment by the Company of such loss, shall be in excess of the deductible amount stated in the Declarations, and then for such excess only, but in no event for more than the amount of insurance carried on such Employee under Insuring Agreement I.B.. If more than one Employee is concerned or implicated in such loss, such deductible amount shall apply to each Employee so concerned or implicated.

II. Loss Inside the Premises Coverage

- (a) Loss of Money and Securities by the actual destruction, disappearance or wrongful abstraction thereof within the Premises or within any Banking Premises or similar recognized places of safe deposit.
- (b) Loss of other property by Safe Burglary or Robbery within the Premises or attempt thereat, and loss of a locked cash

drawer, cash box or cash register by felonious entry into such container within the Premises or attempt thereat or by felonious abstraction of such container from within the Premises.

- (c) Damage to the Premises by such Safe Burglary, Robbery or felonious abstraction, or by or following burglarious entry into the Premises or attempt thereat, provided with respect to damage to the Premises the Insured is the owner thereof or is liable for such damage.

Insurance under this section shall be limited to the amount stated in the Limits of Liability applicable to this Insuring Agreement II as indicated in the Declarations.

Should a deductible amount be stated in the Declarations as applying to the insurance under Insuring Agreement II., then the Insurer shall not be liable under said Insuring Agreement on account of any loss, except to the extent such loss is in excess of the deductible amount stated in the Declarations, with the insurance then applying to such excess only, subject otherwise to the applicable limit of the Insurer's liability.

III. Loss Outside the Premises Coverage

- (a) Loss of Money and Securities by the actual destruction, disappearance or wrongful abstraction thereof outside the Premises while being conveyed by a Messenger or any armoured motor vehicle company or while within the living quarters in the home of any Messenger.
- (b) Loss of other property by Robbery outside the Premises or attempt thereat while such property is being conveyed by a Messenger or any armoured motor vehicle company or by theft while within the living quarters in the home of any Messenger.

Insurance under this section shall be limited to the amount stated in the Limits of Liability applicable to this Insuring Agreement III as indicated in the Declarations.

Should a deductible amount be stated in the Declarations as applying to the insurance under Insuring Agreement III., then the Insurer shall not be liable under said Insuring Agreement on account of any loss, except to the extent such loss is in excess of the deductible amount stated in the Declarations, with the insurance then applying to such excess only, subject otherwise to the applicable limit of the Insurer's liability.

IV. Money Orders and Counterfeit Paper Currency Coverage

Loss due to the acceptance in good faith in exchange for merchandise, Money or services, of any post office or express money order, issued or purporting to have been issued by any post office or express company, if such money order is not paid upon presentation, or due to the acceptance in good faith in the regular course of business of counterfeit Canadian or United States paper currency, but limited to the amount stated in the Limits of Liability applicable to this Insuring Agreement IV as indicated in the Declarations.

V. Depositors Forgery Coverage

Loss which the Insured or any bank which is included in the Insured's proof of loss and in which the Insured carries a chequing or savings account as their respective interests may appear, shall sustain through forgery or alteration of, on or in any cheque, draft, promissory note, bill of exchange, or similar written promise, order or direction to pay a sum

certain in money, made or drawn by or drawn upon the Insured, or made or drawn by one acting as agent of the Insured, or purporting to have been made or drawn as hereinbefore set forth, including:

- (a) any cheque or draft made or drawn in the name of the Insured, payable to a fictitious payee and endorsed in the name of such fictitious payee;
 - (b) any cheque or draft procured in a face to face transaction with the Insured, or with one acting as agent of the insured, by anyone impersonating another and made or drawn payable to the one so impersonated and endorsed by anyone other than the one so impersonated; and
 - (c) any payroll cheque, payroll draft or payroll order made or drawn by the Insured, payable to bearer as well as to a named payee and endorsed by anyone other than the named payee without authority from such payee;
- whether or not any endorsement mentioned in a., b., or c. be a forgery within the law of the place controlling the construction thereof, but limited to the amount stated in the Limits of Liability applicable to this Insuring Agreement V as indicated in the Declarations. Mechanically reproduced facsimile signatures are treated the same as hand-written signatures.

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

If the Insured or such bank shall refuse to pay any of the foregoing instruments made or drawn as hereinbefore set forth, alleging that such instruments are forged or altered, and such refusal shall result in suit being brought against the Insured or such bank to enforce such payment and the Insurer shall give its written consent to the defence of such suit, then any reasonable attorneys' fees, court costs, or similar legal expenses incurred and paid by the Insured or such bank in such defence shall be construed to be a loss under this Insuring Agreement and the liability of the Insurer for such loss shall be in addition to any other liability under this Insuring Agreement.

2. GENERAL AGREEMENTS

(a) Consolidation-merger

If, through consolidation or merger with, or purchase of assets of, some other concern, any persons shall become Employees or if the Insured shall thereby acquire the use and control of any additional Premises, the insurance afforded by this Form shall also apply as respects such Employees and Premises, provided the Insured shall give the Insurer written notice thereof within thirty days thereafter and shall pay the Insurer an additional premium computed pro rata from the date of such consolidation, merger or purchase to the end of the current premium period.

(b) Joint Insured

If more than one Insured is covered under this Form, the Insured first named shall act for itself and for every other Insured for all purposes of this Form. Knowledge possessed or discovery made by any Insured or by any partner or officer thereof shall, for the purposes of items 9, 10, and 17, constitute knowledge possessed or discovery made by every Insured. Cancellation of the insurance hereunder as respects any Employee as provided in item 17 shall apply to every Insured. If, prior to the cancellation or termination of

this Form, this Form or any Insuring Agreement hereof is cancelled or terminated as to any Insured, there shall be no liability for any loss sustained by such Insured unless discovered within one year from the date of such cancellation or termination or, as respects Insuring Agreement I.B., within two years therefrom. Payment by the Insurer to the Insured first named of any loss under this Form shall fully release the Insurer on account of such loss. If the Insured first named ceases for any reason to be covered under this Form, then the Insured next named shall thereafter be considered as the Insured first named for all purposes of this Form.

(c) Loss under prior bond or policy

If the coverage of an Insuring Agreement of this Form other than Insuring Agreement V, is substituted for any prior bond or policy of insurance carried by the Insured, or by any predecessor in interest of the Insured, which prior bond or policy is terminated, cancelled or allowed to expire as of the time of such substitution, the Insurer agrees that such Insuring Agreement applies to loss which is discovered as provided in item 3 of the Conditions and Limitations and which would have been recoverable by the Insured or such predecessor under such prior bond or policy except for the fact that the time within which to discover loss thereunder had expired; provided:

- (i) the insurance under this General Agreement 2. (c) shall be a part of and not in addition to the amount of insurance afforded by the applicable Insuring Agreement of this Form;
- (ii) such loss would have been covered under such Insuring Agreement had such Insuring Agreement with its agreements, conditions and limitations as of the time of such substitution been in force when the acts or events causing such loss were committed or occurred; and
- (iii) recovery under such Insuring Agreement on account of such loss shall in no event exceed the amount which would have been recoverable under such Insuring Agreement in the amount for which it is written as of the time of such substitution, had such Insuring Agreement been in force when such acts or events were committed or occurred, or the amount which would have been recoverable under such prior bond or policy had such prior bond or policy continued in force until the discovery of such loss, if the latter amount be smaller.

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

- 1) the coverage of Insuring Agreement V is substituted on or after the date hereof for such prior forgery coverage and the Insured or such predecessor, as the case may be, carried such prior forgery coverage on the office at which such loss was sustained continuously from the time such loss was sustained to the date the coverage of Insuring Agreement V was substituted therefor;
- 2) at the time of discovery of such loss, the period for discovery of loss under all such prior forgery insurance has expired; and

- 3) if the amount of insurance carried under Insuring Agreement V applicable to the office at which such loss is sustained is larger than the amount applicable to such office under such prior forgery insurance, and in force at the time such loss is sustained, then liability hereunder for such loss shall not exceed the smaller amount.

Notwithstanding any other Conditions described in this Form the following Conditions and Limitations shall apply in respect of insurance provided by this Form.

THE FOREGOING INSURING AGREEMENTS AND GENERAL AGREEMENTS ARE SUBJECT TO THE FOLLOWING CONDITIONS AND LIMITATIONS:

3. POLICY PERIOD, TERRITORY, DISCOVERY

Loss is covered under this Form only if discovered not later than one year from the end of the Policy Period except that under Insuring Agreement I.B. loss is covered only if discovered not later than two years from the end of the Policy Period.

Subject to General Agreement 2 (c):

- (a) This Form, except under Insuring Agreements I.A., I.B. and V, applies only to loss which occurs during the Policy Period within Canada, any of the States of the United States of America, its territories or possessions.
- (b) Insuring Agreements I.A. and I.B. apply only to loss sustained by the Insured through Fraudulent or Dishonest Acts committed during the Policy Period by any of the Employees engaged in the regular service of the Insured within the territory designated above or while such Employees are elsewhere for a limited period;
- (c) Insuring Agreement V applies only to loss sustained during the Policy Period.

4. EXCLUSIONS

This Form does not apply:

- (a) to loss due to any fraudulent, dishonest, or criminal act by any Insured or a partner therein, whether acting alone or in collusion with others;
- (b) under Insuring Agreements I.A. and I.B., to loss, or to that part of any loss, as the case may be, the proof of which, either as to its factual existence or as to its amount, is dependent upon an inventory computation or a profit and loss computation; provided, however, that this paragraph shall not apply to loss of Money, Securities or other property which the Insured can prove, through evidence wholly apart from such computations, is sustained by the Insured through any fraudulent or dishonest act or acts committed by any one or more of the Employees;
- (c) under Insuring Agreements II and III, to loss due to any fraudulent, dishonest or criminal act by an Employee, director, trustee or authorized representative of any Insured, while working or otherwise and whether acting alone or in collusion with others; provided, this exclusion does not apply to Safe Burglary or Robbery or attempt thereat;
- (d) under Insuring Agreements II and III, to loss due to war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- (e) under Insuring Agreements II and III, to loss (i) due to the giving or surrendering of Money or Securities in any exchange or purchase; (ii) due to accounting or arithmetical errors or omissions; or (iii) of manuscripts, books of account or records;

- (f) under Insuring Agreement II, to loss of Money contained in coin operated amusement devices or vending machines, unless the amount of Money deposited within the device or machine is recorded by a continuous recording instrument therein;
- (g) under Insuring Agreement II, to loss of Money, Securities and other property which has been transferred by any computer to a person or to a place outside the insured premises on the basis of unauthorized electronic instructions;
- (h) under Insuring Agreement II, to loss, other than to Money, Securities, a safe or vault, by fire whether or not such fire is caused by, contributed to by or arises out of the occurrence of a hazard insured against;
- (i) under Insuring Agreement III, to loss of insured property while in the custody of any armoured motor vehicle company, unless such loss is in excess of the amount recovered or received by the Insured under:
- (i) the Insured's contract with said armoured motor vehicle company;
- (ii) insurance carried by said armoured motor vehicle company for the benefit of users of its service; and
- (iii) all other insurance and indemnity in force in whatsoever form carried by or for the benefit of users of said armoured motor vehicle company's service, and then this Form shall cover only such excess;
- (j) under Insuring Agreement III, to loss due to the surrender of Money, Securities or other property away from the Premises as a result of the threat to do:
- (i) bodily harm to the Insured or any other person; or
- (ii) damage to the Premises or property owned by the Insured or held by the Insured in any capacity; provided, however, these exclusions do not apply:
- 1) to Insuring Agreements I.A. and I.B., if coverage is afforded thereunder, or
- 2) under Insuring Agreement III, to loss of Money, Securities or other property while being conveyed by a Messenger when there was no knowledge by the Insured of any such threat at the time the conveyance was initiated;
- (k) under any Insuring Agreement, to the defence of any legal proceeding brought against the Insured, or to fees, costs or expenses incurred or paid by the Insured in prosecuting or defending any legal proceeding whether or not such proceeding results or would result in a loss to the Insured covered by this Form, except as may be specifically stated to the contrary in this Form;
- (l) under any Insuring Agreement to:
- (i) loss of potential income, including but not limited to interest and dividends, not realized by the Insured because of a loss covered under this Form;
- (ii) all damages of any type for which the Insured is legally liable, except direct compensatory damages arising from a loss covered under this Form;
- (iii) all costs, fees and other expenses incurred by the Insured in establishing the existence of, or amount of loss covered under this Form.

5. DEFINITIONS

The following terms, as used in this Form, shall have the respective meanings stated in this Item:

- (a) "Fraudulent or Dishonest Acts" as used in this Insuring Agreement shall mean only Fraudulent or Dishonest Acts committed by an Employee with the manifest intent:
- (i) to cause the Insured to sustain such loss; and

- (ii) to obtain financial benefit for the Employee, or for any other person or organization intended by the Employee to receive such benefit, other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment.
- (b) **“Money”** means currency, coins, bank notes and bullion;
- (c) **“Securities”** means all negotiable and non-negotiable instruments or contracts representing either Money or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include Money.
- (d) **“Employee”** means any natural person (except a director or trustee of the Insured, if a corporation, who is not also an officer or employee thereof in some other capacity) while in the regular service of the Insured in the ordinary course of the Insured’s business during the Policy Period and whom the Insured compensates directly or indirectly by salary, wages or commissions and has the right to govern and direct in the performance of such service, but does not mean any broker, factor, commission merchant, consignee, contractor or other agent or representative of the same general character. As applied to loss under Insuring Agreements I.A. and I.B., the above words “while in the regular service of the Insured” shall include the first 30 days thereafter; subject however, to Items 17 and 18.
- (e) **“Premises”** means the interior of that portion of any building which occupied by the Insured in conducting its business.
- (f) **“Banking Premises”** means the interior of that portion of any building which is occupied by a banking institution in conducting its business.
- (g) **“Messenger”** means the Insured or a partner of the Insured or any Employee who is duly authorized by the Insured to have the care and custody of the insured property outside the Premises.
- (h) **“Custodian”** means the Insured or a partner of the Insured or any Employee who is duly authorized by the Insured to have the care and custody of the insured property within the Premises, excluding any person while acting as a watchman, porter or janitor.
- (i) **“Robbery”** means the taking of insured property:
 - by violence inflicted upon a Messenger or a Custodian; by putting him in fear of violence;
 - (i) by any other overt felonious act committed in his presence and of which he was actually cognizant, provided such other act is not committed by a partner or Employee of the Insured;
 - (ii) from the person in direct care and custody of a Messenger or Custodian who has been killed or rendered unconscious;
 - (iii) from within the Premises by means of compelling a Messenger or Custodian by violence or threat of violence while outside the Premises to admit a person into the Premises or to furnish him with means of ingress into the Premises; or
 - (iv) from a showcase or show window within the Premises while regularly open for business, by a person who has broken the glass thereof from outside the Premises.
- (j) **“Safe Burglary”** means the felonious abstraction of:
 - (i) a safe from within the premises; or
 - (ii) insured property from within a vault or safe the door of which is equipped with a combination or time lock, located within the Premises, by a person making felonious entry into such vault or such safe and any vault containing the safe, when all doors thereof are duly closed and locked by all combination locks or time locks thereon, provided

such entry shall be made by actual force and violence, of which force and violence there are visible marks made by tools, explosives, electricity or chemicals upon the exterior of:

- 1) all of said doors of such vault or such safe and any vault containing the safe, if entry is made through such doors; or
- 2) the top, bottom or walls of such vault or such safe and any vault containing the safe through which entry is made, if not made through such doors.

- (k) **“Loss”** except under Insuring Agreements I.A., I.B. and V, include damage.

6. LOSS CAUSED BY UNIDENTIFIABLE EMPLOYEES

If a loss is alleged to have been caused by the Fraudulent or Dishonest Acts of any one or more of the Employees and the Insured shall be unable to designate the specific Employee or Employees causing such loss, the Insured shall nevertheless have the benefit of Insuring Agreement I.A. or I.B. subject to the provisions of item 4(b) of this Form, provided that the evidence submitted reasonably proves that the loss was in fact due to the Fraudulent Dishonest Acts of one or more of the said Employees, and provided, further, that the aggregate liability of the Insurer for any such loss shall not exceed the Limit of Liability applicable to Insuring Agreements I.A. or I.B.

7. OWNERSHIP OF PROPERTY; INTERESTS COVERED

The insured property may be owned by the Insured, or held by the Insured in any capacity whether or not the Insured is liable for the loss thereof, or may be property as respects which the Insured is legally liable; provided, Insuring Agreements II, III, and IV apply only to the interest of the Insured in such property, including the Insured’s liability to others, and do not apply to the interest of any other person or organization in any of the said property unless included in the Insured’s proof of loss, in which event the third paragraph of Item 10 is applicable to them.

8. BOOKS AND RECORDS

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

9. PRIOR FRAUD, DISHONESTY OR CANCELLATION

The coverage of Insuring Agreements I.A. and I.B shall not apply to any Employee from and after the time that the Insured or any partner or officer thereof not in collusion with such Employee shall have knowledge or information that such Employee has committed any Fraudulent or Dishonest act in the service of the Insured or otherwise, whether such act be committed before or after the date of employment by the Insured.

If, prior to the issuance of this Form, any fidelity insurance in favour of the Insured or any predecessor in interest of the Insured and covering one or more of the Insured’s Employees shall have been cancelled as to any of such Employees by reason of the giving of written notice of cancellation by the Insurer issuing such fidelity insurance, whether the Insurer or not, and if such Employees shall not have been reinstated under the coverage of said fidelity insurance or superseding fidelity insurance, the Insurer shall not be liable on account of such Employees unless the Insurer shall agree in writing to include such Employees within the coverage of Insuring Agreements I.

10. LOSS – NOTICE – PROOF – ACTION AGAINST COMPANY

Upon knowledge or discovery of loss or of an occurrence which may give rise to a claim for loss, the Insured shall:

- (a) give notice thereof as soon as practicable to the Insurer or any of its authorized agents and, except under Insuring Agreements I.A., I.B., and V, also to the police if the loss is due to a violation of law;
- (b) file detailed proof of loss, duly sworn to, with the Insurer within four months after the discovery of the loss.

The Insured shall give the Insurer notice of any loss of the kind covered by Insuring Agreement I, whether or not the Insurer is liable therefore or for any part thereof, and upon the request of the Insurer shall file with it a brief statement giving the particulars concerning such loss.

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

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

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

11. VALUATION PAYMENT REPLACEMENT

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

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

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

12. RECOVERIES

- (a) Any recoveries, less the cost of obtaining them, made after settlement of loss insured by this policy will be distributed as follows:

- (1) to the Insured, until the Insured is reimbursed for any loss that they have sustained that exceeds the Limit of Insurance and the deductible amount, if any;
- (2) then to the Insurer, until they are reimbursed for the settlement made;
- (3) then to the Insured, until they are reimbursed for that part of the loss equal to the deductible amount, if any.
- (b) Recoveries do not include recovery:
 - (1) from insurance, suretyship, reinsurance, security or indemnity taken for the Insurer's benefit; or
 - (2) of original "securities" after duplicates of them have been issued.
- (c) The Insured is entitled to the recovered property upon reimbursing the Insurer for the amount of indemnity paid to the Insured for such property. Whoever recovers such property will immediately notify the other party in writing.

13. LIMITS OF LIABILITY

Payment of loss under Insuring Agreements I.A., I.B., or V shall not reduce the Insurer's liability for other losses under the applicable Insuring Agreement whenever sustained. The Insurer's total liability (i) under Insuring Agreement I.A., for any loss caused by any Employee or in which such Employee is concerned or implicated or (ii) under Insuring Agreement I.B., as to each Employee or (iii) under Insuring Agreement V, for any loss by forgery or alteration committed by any person or in which such person is concerned or implicated, whether such forgery or alteration involves one or more instruments, is limited to the applicable amount of insurance specified in the Limits of Liability or endorsement amendatory thereto. The liability of the Insurer for loss sustained by any or all of the Insureds shall not exceed the amount for which the Insurer would be liable had all such loss been sustained by any one of the Insureds.

Except under Insuring Agreements I.A., I.B., and V, the applicable limit of liability stated in the Limits of Liability is the total limit of the Insurer's liability with respect to all loss of property of one or more persons or organizations arising out of any one occurrence. Any loss caused by any person or in which such person is concerned or implicated, or any loss incidental to an actual or attempted burglary or Robbery, shall be deemed to arise out of one occurrence.

Regardless of the number of years this Form shall continue in force and the number of premiums which shall be payable or paid, the limit of the Insurer's liability as specified in the Limits of Liability shall not be cumulative from year to year or period to period.

The Limits of Liability as expressed in the Form are in Canadian currency.

14. LIMIT OF LIABILITY UNDER THIS RIDER AND PRIOR INSURANCE

This Item shall apply only to Insuring Agreements I.A., I.B. and V.

With respect to loss caused by any person (whether one of the Employees or not) or in which such person is concerned or implicated or which is chargeable to any Employee as provided in Item 6 and which occurs partly during the Policy Period and partly during the period of other bonds or policies issued by the Insurer to the Insured or to any predecessor in interest of the Insured and terminated or cancelled or allowed to expire and in which the period for discovery has not expired at the time any such loss thereunder is discovered, the total liability of the Insurer under this Form and under such other bonds or policies shall not exceed, in

the aggregate, the amount carried under the applicable Insuring Agreement of this Form on such loss or the amount available to the Insured under such other bonds or policies, as limited by the terms and conditions thereof, for any such loss, if the latter amount be the larger.

15. OTHER INSURANCE

Except in the province of Quebec, if there is available to the Insured any other insurance or indemnity covering any loss covered by Insuring Agreements I.A., I.B., or V, the Insurer shall be liable hereunder only for that part of such loss which is in excess of the amount recoverable or recovered from such other insurance or indemnity, except that if such other insurance or indemnity is a bond or policy of fidelity insurance, any loss covered under both such fidelity insurance and Insuring Agreement V shall first be paid under Insuring Agreement V. Any loss covered under any of Insuring Agreements I.A., I.B. and V shall first be paid under Insuring Agreement V and the excess, if any, shall be paid under Insuring Agreement I.A. or I.B. If this Form is governed by the law of Quebec, each of the Insurers under its respective contract is liable to the Insured for its rateable proportion of loss. The Insurer waives any right of contribution which it may have against any forgery insurance carried by any depository bank which is indemnified under Insuring Agreement V.

Under any other Insuring Agreement, if there is any other valid and collectible insurance which would apply in the absence of such Insuring Agreement, the insurance under this Form shall apply only as excess insurance over such other insurance, except in the province of Quebec where each of the Insurers under its respective contract is liable to the Insured for its rateable proportion of the loss, provided the insurance shall not apply:

- (a) to property which is separately described and enumerated and specifically insured in whole or in part by any other insurance; or
- (b) to property otherwise insured unless such property is owned by the Insured.

16. SUBROGATION

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

17. CANCELLATION AS TO ANY EMPLOYEE

Insuring Agreements I.A. and I.B. shall be deemed cancelled as to any Employee:

- (a) immediately upon discovery by the Insured, or by any partner or officer thereof not in collusion with such Employee, of any Fraudulent or Dishonest act on the part of such Employee; or
- (b) except in the province of Quebec at 12:01 am., standard time as aforesaid, upon the effective date specified in a written notice mailed to the Insured. Such date shall be not less than fifteen days after the date of mailing. The mailing by the Insurer of notice as aforesaid to the Insured at the address shown in this Form shall be sufficient proof of notice. Delivery of such written notice by the Insurer shall be equivalent to mailing. In the province of Quebec, cancellation shall be made by endorsement only.

18. CANCELLATION OF FORM OR INSURING AGREEMENT

- (a) The Insured may cancel this policy by mailing or delivering to the Insurer advance written notice of cancellation.

- (b) The Insurer may cancel this policy by mailing or delivering to the Insured written notice of cancellation at least:

- (1) 15 days before the effective date of cancellation if the Insurer cancels for non-payment of premium; or
- (2) 30 days before the effective date of cancellation if the Insurer cancels for any other reason.

Except in Quebec, if notice is mailed, cancellation takes effect 15 or 30 days after the receipt of the letter by the post office to which it is addressed, depending upon the reason for cancellation as shown in (b) (1) or (2) above. Proof of mailing will be sufficient proof of notice. In Quebec, cancellation takes effect either 15 or 30 days after receipt of the notice at the Insured's last known address depending upon the reason for cancellation.

Delivery by the Insurer shall be equivalent to mailing.

- (c) The Insurer will mail or deliver their notice to the Insured's last mailing address known to the Insurer.
- (d) The policy period will end on the date cancellation takes effect.
- (e) If this policy is cancelled, the Insurer will send the Insured any premium refund due. If the Insurer cancels, the refund will be pro rata. If the Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if the Insurer has not made a refund.

19. ASSIGNMENT

The Insurer will not be liable to anyone other than the Insured unless the Insurer has been advised of a change of interest and consented to it. However, if the Insured dies, or is declared insolvent or bankrupt, this policy will insure the Insured's legal representative.

20. CHANGES

This policy contains all the agreements between the Insured and the Insurer concerning the insurance provided by this policy. The Insured may request changes to this policy however, such changes will be effective only upon the Insurer's consent as evidenced by their issuing an endorsement which will form part of this policy.

21. ALARM SYSTEM AND PROTECTIVE SERVICES

If for reasons beyond the Insured's control, the alarm system or any other protective service or equipment described in the Declarations is not maintained, the insurance under this Form shall apply only in the reduced amount which the premium for this Form would have purchased in the absence of such protection, in accordance with the Insurer's manual; except that the full amount of insurance under this Form shall apply if the Insured, until such time as the alarm system described in the Declarations has been restored to proper working condition, provides at least one watchman within the premises at all times when such premises are not open for business, and such watchman is in addition to any number of watchmen specified in the Declarations.

The Insured, upon receipt of advice that alarm signals from the alarm system will be disregarded by police, shall give immediate notice thereof to the Insurer; the Insurer may suspend the Form by written notice. A pro rata refund will be allowed for the period of suspension.

22. REINSTATEMENT

The occurrence of a loss covered by this Form shall reduce the amount of insurance but, unless notice is given to the Insurer to the contrary as soon as practicable, the insurance shall be automatically reinstated as of the time of the loss as to acts committed or events occurring thereafter, and additional premium, on a pro rata basis, shall on demand become payable therefor.

23. CLAIM PROCEDURE FOR PROPERTY OF PERSONS OTHER THAN THE INSURED

In the event of a claim for loss involving property not owned by the Insured, the Insurer may adjust such loss or damage either with the Insured or with the owner of such property and payment of such loss or damage to the Insured or owner shall constitute full satisfaction of the claim. If legal proceedings are taken against the Insured to recover for such loss or damage, the Insured shall immediately notify the Insurer in writing and the Insurer may conduct and control the defence in the name and on behalf of the Insured.

24. ACCEPTANCE

By acceptance of this Form, the Insured agrees that:

- (a) the Insured has no similar coverage on the subject matter of this Form;
- (b) the Insured has not sustained, nor received indemnity for, any loss or damage insured hereby within the last three (3) years;
- (c) no similar coverage applied for or carried by the Insured has been declined or cancelled by any Insurer within the last three (3) years;

and these statements are his or her agreements and representations, that this Form is issued in the reliance upon the truth of such representations and that this Form embodies all agreements existing between the Insured and the Insurer or any of its agents relating to this insurance.

The conditions, limitations, and other terms expressed in the Insuring Agreements, Exclusions, Definitions, and General Agreements shall prevail whenever they conflict with the Crime Standard Conditions contained in the policy.

**LIMITATION ENDORSEMENT
(Class II Safe)**

APPLICABLE TO THE COMPREHENSIVE DISHONESTY, DISAPPEARANCE AND DESTRUCTION FORM:

With respect to Insuring Agreement II, it is agreed that the Insurer's liability for loss of Money or Securities, that are not kept in a locked "Class II" or better safe, from within the Premises when the Insured's Premises are not open for business, as a result of any person or persons making felonious entry into said Premises, shall be limited to the amount indicated in the

Declarations for this particular Limitation Endorsement notwithstanding any other limit of liability indicated elsewhere in the Declarations.

A "Class II" safe is any money safe with a 1½" steel door, excluding boltwork, a 1" steel body and a combination lock , or any safe with a UL or ULC listing of TL-15.

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

CREDIT CARD FORGERY COVERAGE

APPLICABLE TO THE COMPREHENSIVE DISHONESTY, DISAPPEARANCE AND DESTRUCTION FORM:

It is agreed that Section V – Depositors Forgery Coverage is deleted and replaced by the following:

V. Depositors Forgery Coverage

Loss which the Insured or any bank which is included in the Insured's proof of loss and in which the Insured carries a chequing or savings account as their respective interests may appear, shall sustain through forgery or alteration of, on or in any cheque, credit or charge card receipt, draft, promissory note, bill of exchange, or similar written promise, order or direction to pay a sum certain in money, made or drawn by or drawn upon the Insured, or made or drawn by one acting as agent of the Insured, or purporting to have been made or drawn as hereinbefore set forth, including:

- (a) any cheque or draft made or drawn in the name of the Insured, payable to a fictitious payee and endorsed in the name of such fictitious payee;
- (b) any cheque or draft procured in a face to face transaction with the Insured, or with one acting as agent of the Insured, by anyone impersonating another and made or drawn payable to the one so impersonated and endorsed by anyone other than the one so impersonated; and
- (c) any payroll cheque, payroll draft or payroll order made or drawn by the Insured, payable to bearer as well as to a named payee and endorsed by anyone other than the named payee without authority from such payee;
- (d) any written instrument required in conjunction with any credit or charge card issued to the Insured or to any partner, officer or employee of the Insured; provided, however, that the Insured shall fully comply with the provisions, conditions and other terms under which said credit or charge card shall have been issued;

whether or not any endorsement mentioned in (a), (b), (c), or (d) be a forgery within the law of the place controlling the construction thereof. Mechanically reproduced facsimile signatures are treated the same as hand-written signatures.

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

If the Insured or such bank shall refuse to pay any of the foregoing instruments made or drawn as hereinbefore set forth, alleging that such instruments are forged or altered, and such refusal shall result in suit being brought against the Insured or such bank to enforce such payment and the Insurer shall give its written consent to the defence of such suit, then any reasonable attorneys' fees, court costs, or similar legal expenses incurred and paid by the Insured or such bank in such defence shall be construed to be a loss under this Insuring Agreement and the liability of the Insurer for such loss shall be in addition to any other liability under this Insuring Agreement.

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

CRIME STANDARD CONDITIONS

All of the Crime Standard Conditions set forth hereunder apply with respect to all of the perils insured under Burglary and Robbery riders and / or endorsements attached to this policy except as these Crime Standard conditions may be modified or supplemented by the riders and / or endorsements attached.

1. Representations:

By accepting this policy, the Insured agrees:

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

2. Ownership of Property Insured:

The property covered hereby may be owned by the Insured or held by the Insured in any capacity, whether or not the Insured is liable for such loss or damage as is covered hereby, provided that the Insurer shall not be liable for such damage to the premises unless the Insured is the owner thereof or is liable for such damage thereto.

3. Alarm Systems and Protective Systems:

If for reasons beyond the insured's control, the alarm system or any other protective service or equipment described in the Declarations is not maintained, the insurance under this policy shall apply only in the reduced amount which the premium for this policy would have purchased in the absence of such protection, in accordance with the Insurer's manual; except that the full amount of insurance under this policy shall apply if the Insured, until such time as the alarm system described in the Declarations has been restored to proper working condition, provides at least one watchman within the premises at all times when such premises are not open for business, and such watchman is in addition to any number of watchmen specified in the Declarations.

The Insured, upon receipt of advice that alarm signals from the alarm system will be disregarded by police, shall give immediate notice thereof to the Insurer; the Insurer may suspend the policy by written notice. A pro rata refund will be allowed for the period of suspension.

4. Inspection:

The Insurer shall be permitted to inspect the premises at any reasonable time.

5. War Risk Exclusion:

This policy does not insure against loss or damage caused by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power.

6. Reinstatement:

The occurrence of a loss covered by this policy shall reduce the amount of insurance but, unless notice is given to the Insurer to the contrary as soon as practicable, the insurance shall be automatically reinstated as of the time of the loss as to acts committed or events occurring thereafter, and additional premium, on a pro rata basis, shall on demand become payable therefor.

7. Proof of Loss and Prosecution:

Proof of loss under oath on forms provided by the Insurer, in such detail as required by the insurer, particulars of the interest of the Insured and of all others in the property in respect of which the indemnity is claimed, of the encumbrances thereon and of all other insurance whether valid or not, shall be furnished to the Insurer within sixty days from the date of the discovery of such loss.

The Insured, upon request of the Insurer, shall render every assistance to facilitate the investigation and adjustment of any claim, exhibiting for that purpose any and all records, papers and vouchers bearing in any way upon the claim made and submitting themselves and their associates in interest and also, so far as possible, the insured's employees to examination and interrogation under oath by any representative of the Insurer if required.

In the event of loss for which claim is made, the Insured shall, if the Insurer so requests in writing, take legal action at the Insurer's expense to secure the arrest and prosecution of the offenders and the recovery of the property.

8. Valuation of Property Insured:

In no case shall the Insurer be liable in respect of loss or damage to

- (a) property, other than securities and property held by the Insured as a pledge or as collateral for an advance or loan, for more than the actual cash value thereof determined after due allowance for depreciation at the time the loss or damage was discovered by the Insured;
- (b) securities, if insured by this policy, for more than the cost of an equivalent amount of securities of the same issue purchased by or at the instance of the Insurer; provided, however, that if prior to such purchase by or at the instance of the Insurer, the Insured shall be compelled, by the demands of a third party or by market rules, to assume the cost of an equivalent amount of securities of the same issue, and shall notify the insurer, in writing, of such compulsion, such cost shall be taken as the value of such securities. If the securities cannot be replaced and the value cannot be established, it may be determined by agreement or by arbitration;
- (c) property held by the Insured as a pledge or as collateral for an advance or loan, for more than the value of the property as determined and recorded by the insured when making the advance or loan. In the absence of such record the Insurer's liability shall be limited to the unpaid portion of the advance or loan plus accrued interest at legal rates.

9. Procedure in Event of claim for Property of Persons Other Than the Insured:

In the event of a claim for loss involving property not owned by the Insured, the Insurer may adjust such loss or damage either with the Insured or with the owner of such property and payment of such loss or damage to the Insured or owner shall constitute full satisfaction of the claim. If legal proceedings are taken against the Insured to recover for such loss or damage, the Insured shall immediately notify the Insurer in writing and the Insurer may immediately notify the Insurer in writing and the Insurer may conduct and control the defence in the name and on behalf of the Insured.

10. Provision for Insurer to Repair or Replace:

The Insurer may elect to repair any damaged property or replace any lost or damaged property with other of like quality and value or pay for the same in money.

11. Other Insurance:

Where there is any other valid insurance providing indemnity for loss for which this policy provides indemnity, the insurer shall be liable only for its rateable proportion of such loss.

12. Subrogation:

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

13. Cancellation

- (a) The Insured may cancel this policy by mailing or delivering to the Insurer advance written notice of cancellation.
- (b) The Insurer may cancel this policy by mailing or delivering to the Insured written notice of cancellation at least:
 - (1) 15 days before the effective date of cancellation if the insurer cancels for non-payment of premium; or
 - (2) 30 days before the effective date of cancellation if the Insurer cancels for any other reason.

Except in Quebec, if notice is mailed, cancellation takes effect 15 or 30 days after the receipt of the letter by the post office to which it is addressed, depending upon the reason for cancellation as shown in (b)(1) or (2) above. Proof of mailing will be sufficient proof of notice. In Quebec, cancellation takes effect either 15 or 30 days after receipt of the notice at the Insured=s last known address depending upon the reason for cancellation. Delivery by the Insurer shall be equivalent to mailing.

- (c) The Insurer will mail or deliver their notice to the Insured=s last mailing address known to the Insurer.
- (d) The policy period will end on the date cancellation takes effect.
- (e) If this policy is cancelled, the Insurer will send the Insured any premium refund due. If the Insurer cancels, the refund will be pro rata. If the Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if the Insurer has not made a refund.

14. Change of Interest

The Insurer will not be liable to anyone other than the Insured unless the Insurer has been advised of a change of interest and consented to it. However, if the Insured dies, or is declared insolvent or bankrupt, this policy will insure the Insured=s legal representative.

15. Changes

This policy contains all the agreements between the Insured and the Insurer concerning the insurance provided by this policy. the Insured may request changes to this policy however, such changes will be effective only upon the insurer=s consent as evidenced by their issuing an endorsement which will form part of this policy.

16. Duties in the Event of Loss

After the Insured discovers a loss or a situation that may result in loss of or damage to insured property the Insured must:

- (a) notify the Insurer as soon as possible;
- (b) submit to examination under oath at the Insurer=s request and give the Insurer a signed statement of their answers;
- (c) give the insurer a detailed, sworn proof of loss within 120 days;
- (d) co-operate with the Insurer in the investigation and settlement of any claim;
- (f) give immediate notice to the public police, or other peace authorities having jurisdiction, of any loss due to violation of law;
- (g) if Asecurities= are insured under this policy, take all reasonable measures to prevent their negotiation, sale or conversion.

17. Legal Action Against the Insurer

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

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

18. Recoveries

- (a) Any recoveries, less the cost of obtaining them, made after settlement of loss insured by this policy will be distributed as follows:
 - (1) to the Insured, until the Insured is reimbursed for any loss that they have sustained that exceeds the Limit of Insurance and the deductible amount, if any;
 - (2) then to the Insurer, until they are reimbursed for the settlement made;
 - (3) then to the Insured, until they are reimbursed for that part of the loss equal to the deductible amount, if any.
- (b) Recoveries do not include recovery:
 - (1) from insurance, suretyship, reinsurance, security or indemnity taken for the Insurer=s benefit; or
 - (2) of original Asecurities= after duplicates of them have been issued.
- (c) The Insured is entitled to the recovered property upon reimbursing the insurer for the amount of indemnity paid to the Insured for such property. Whoever recovers such property will immediately notify the other party in writing.

GENERAL DEFINITIONS

"**BANKING PREMISES**" means the interior of that portion of any building occupied by a banking institution of similar safe depository.

"**BURGLARY**" (except as used in a Stock Burglary Rider) means the unlawful taking of insured property from within the "premises" by a person unlawfully entering or leaving the "premises" as evidenced by marks of forcible entry or exit. In the event that insurance is provided by a Stock Burglary Rider, "burglary" shall mean the unlawful taking of insured property from within the "premises", showcases or show windows, by a person unlawfully entering or leaving the "premises", showcases or show windows as evidenced by marks of forcible entry or exit from the "premises", showcases or show windows.

"**CUSTODIAN**" means the Insured or the Insured's partner or any employee authorized by the Insured to have the care and custody of insured property, excluding any person while acting as a "guard", janitor, porter, or "watchman".

"EQUIPMENT" means:

- (1) all contents usual to the Insured's business including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances, other than building or "stock";
- (2) similar property belonging to others which the Insured is under obligation to keep insured or for which the Insured is legally liable.

"GUARD" means any able-bodied person who accompanies a "custodian" at the Insured's direction, but who is not a driver of a public conveyance.

"JEWELLERY" means jewellery, watches, gems, pearls, precious or semi-precious stones and articles containing one or more gems, pearls, or precious or semi-precious stones.

"KIDNAPPING" means the compelling of a "custodian" outside the "premises", by violence or threat of violence, to admit a person or to furnish such person with the means of entry into the "premises" while closed for business, resulting in unlawful taking by such person of insured property from within the "premises", provided such loss shall occur before the "premises" are next open for business.

"MONEY" means currency and coins in current use and having a face value.

"OCCURRENCE" means any act or series of related acts involving one or more persons which results in a loss insured by this policy.

"PREMISES" means the interior of that portion of any building the Insured can occupy in conducting their business at the address designated in the Declarations but shall not include (1) showcases or show windows not opening directly into the interior of the premises, or (2) public entrances, halls or stairways.

If insurance is provided by an Inside/Outside Robbery Rider, or a Money and Securities Rider, the definition of "premises" is

extended to include the space immediately surrounding such building occupied by the Insured in conducting their business but shall not include (1) showcases or show windows not opening directly into the interior of the premises, or (2) public entrances, halls or stairways.

If insurance is provided by a Church Theft Rider, the definition of "premises" is extended to include: the rectory, parish-house, parsonage, manse, or residence occupied by a duly constituted financial or administrative officer of the Insured's; that portion of any other building which is owned by or leased to the Insured and used for the religious, educational, recreational or social activities of the Insured's congregation; and the grounds and out-buildings incidental above.

If insurance is provided by a Damage to Building by Burglary or Robbery Rider the definition of "premises" is extended to include the building and permanent fittings and fixtures attached thereto and forming part thereof.

"PROPERTY" means any property usual to the Insured's business other than "money" and "securities", that has intrinsic value but does not include the Insured's motor vehicles, trailers or semi-trailers or equipment and accessories attached to them or any property that is excluded under any rider.

"ROBBERY" means the taking of insured property from a "custodian" by a person or persons who have:

- (1) caused or threatened to cause the "custodian" bodily harm; or
- (2) committed an overt unlawful act witnessed by the "custodian"; or
- (3) taken such property from a "custodian" who has been killed or rendered unconscious.

"ROBBERY OF A WATCHMAN" means the unlawful taking of insured property by violence or threat of violence inflicted upon a "watchman" and while such a "watchman" is on duty within the "premises".

"SAFE BURGLARY" means:

- (1) the unlawful taking of insured property from a vault or safe, which has a combination lock and is located within the "premises", by a person making unlawful entry into the vault or the safe and a vault which contains the safe, provided that:
 - (a) all doors of the vault, safe, or vault and safe are closed and locked by a combination lock; and
 - (b) the unlawful entry was forcible and is evidenced by visible marks on the exterior of the vault or safe and any vault containing the safe; or
- (2) the unlawful taking of the safe from the "premises".
In the event that insurance is provided by a Safe Burglary Rider, the definition of "safe burglary" is restricted to any safe or vault described in the Declarations.

"SECURITIES" means all negotiable and non-negotiable instruments or contracts representing "money" or other property, and includes revenue and other stamps in current use, tokens, and tickets but does not include "money".

"STOCK" means:

- (1) merchandise of every description usual to the Insured's business but does not include motor vehicles, trailers or semi-trailers or equipment and accessories attached to them;
- (2) packing, wrapping and advertising materials; and
- (3) similar property belonging to others which the Insured is under obligation to keep insured or for which the Insured is legally liable; but does not include "securities".

"WATCHMAN" means any person employed exclusively by the Insured to have care and custody of insured property inside the "premises", while the "premises" are closed for business, and who has no other duties.

COMMERCIAL GENERAL LIABILITY - OCCURRENCE BASIS

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

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.

SECTION I – COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

This insurance applies only when an Each Occurrence Limit is indicated in the Declarations.

1. Insuring Agreement.

- (a) The Insurer will pay those sums that the Insured becomes legally obligated to pay as compensatory damages because of "bodily injury" or "property damage" to which this insurance applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS -COVERAGES A, B AND D. This insurance applies only to "bodily injury" and "property damage" which occurs during the policy period. The "bodily injury" or "property damage" must be caused by an "occurrence". The "occurrence" must take place in the "coverage territory". The Insurer will have the right and duty to defend any "action" seeking those compensatory damages but:
- (1) The amount the Insurer will pay for compensatory damages is limited as described in SECTION III -LIMITS OF INSURANCE.
 - (2) The Insurer may investigate and settle any claim or "action" at our discretion; and
 - (3) The Insurer's right and duty to defend end when the Insurer has used up the applicable limit of insurance in the payment of judgements or settlements under Coverages A, B or D or Medical Expenses under Coverage C.
- (b) Compensatory damages because of "bodily injury" include compensatory damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".
- (c) "Property damage" that is loss of use of tangible property that is not physically injured shall be deemed to occur at the time of the "occurrence" that caused it.

2. Exclusions.

This insurance does not apply to:

- (a) "Bodily injury" or "property damage" expected or intended from the standpoint of the Insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.
- (b) "Bodily injury" or "property damage" for which the Insured is obligated to pay compensatory damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for compensatory damages:
 - (1) Assumed in a contract or agreement that is an "insured contract"; or
 - (2) That the Insured would have in the absence of the contract or agreement.
- (c) Any obligation of the Insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.
- (d) "Bodily injury" to an employee of the Insured arising out of and in the course of employment by the Insured.

This exclusion applies:

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

This exclusion does not apply:

- (i) To liability assumed by the Insured under an "insured contract"; or
 - (ii) To employees on whose behalf contributions are made by or required to be made by the insured under the provisions of any workers compensation law.
- (e) (1) "Bodily injury" or "property damage" arising out of the ownership, use, operation or entrustment to others by or on behalf of any Insured of:
- (i) Any "automobile";
 - (ii) Any motorized snow vehicle or its trailers;
 - (iii) 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; or
 - (iv) Any vehicle which if it were to be insured would be required by law to be insured under a contract evidenced by a motor vehicle liability policy, or any vehicle insured under such a contract, but this exclusion does not apply to the ownership, use, operation or entrustment to others of machinery, apparatus or equipment mounted on or attached to any vehicle while at the site of the use or operation of such equipment.
- (2) "Bodily injury" or "property damage" with respect to which any motor vehicle liability policy is in effect or would be in effect but for its termination upon exhaustion of its limit of liability or is required by law to be in effect.

This Exclusion (e) does not apply to "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 workers' compensation law.

- (f) "Bodily injury" or "property damage" arising out of the ownership, maintenance, use, operation, loading or unloading, or entrustment to others, by or on behalf of any Insured of any watercraft.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises the Named Insured owns or rents;
 - (2) A watercraft the Named Insured does not own that is:
 - (i) Less than 8 metres long; and
 - (ii) 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 workers' compensation law.
- (g) (1) "Bodily injury" or "property damage" arising out of the ownership, maintenance, use, operation, loading or unloading, or the entrustment to others, by or on behalf of any Insured of:
- (i) Any aircraft; or
 - (ii) Any air cushion vehicle.
- (2) "Bodily injury" or "property damage" arising out of the ownership, existence, use, operation or entrustment to others by or on behalf of any insured of any premises for the purpose of an airport or aircraft landing area and all operations necessary or incidental thereto.

- (h) "Property damage" to:
- (1) Property owned or occupied by or rented to the Insured;
 - (2) Premises the Insured sells, gives away or abandons, if the "property damage" arises out of any part of those premises;
 - (3) Property loaned to the Insured;
 - (4) Personal property in the Insured's care, custody or control;
 - (5) That particular part of real property on which the Insured or any contractor or subcontractor working directly or indirectly on the Insured's behalf is performing operations, if the "property damage" arises out of those operations; or
 - (6) That particular part of any property that must be restored, repaired or replaced because "the Named Insured's work" was incorrectly performed on it.

Paragraph (2) of this exclusion does not apply if the premises are "the Named Insured's work" and were never occupied, rented or held for rental by the Insured. Paragraphs (3),(4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement. Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard"

- (i) "Property damage" to "the Named Insured's product" arising out of it or any part of it.
- (j) "Property damage" to "the Named Insured's work" arising out of it or any part of it and included in the "products-completed operations hazard". This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on the Insured's behalf by a subcontractor.
- (k) "Property damage" to "impaired property" or property that has not been physically injured, arising out of:
 - (1) A defect, deficiency, inadequacy or dangerous condition in "the Named Insured's product" or "the Named Insured's work"; or
 - (2) A delay or failure by the Insured or anyone acting on the Insured's behalf to perform a contract or agreement in accordance with its terms.

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

- (l) Any loss, cost or expense incurred by the Insured or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:
 - (1) "The Named Insured's product";
 - (2) "The Named Insured's work"; or
 - (3) "Impaired property";
 if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.
- (m) "Property damage" arising out of:
 - (1) The use of explosives for blasting;
 - (2) Vibration from pile driving or caisson work; or
 - (3) The removal or weakening of support of any property, building or land whether such support be natural or otherwise.

This exclusion does not apply to "property damage": Arising out of work performed on behalf of the "Named Insured" by any contractor or sub-contractor; Included within the "products-completed operations hazard"; or For which liability is assumed by the Insured under an "insured contract" as defined in SECTION V – DEFINITIONS, Item 6, sections (a), (b), (c), (d), (e) and (f) only.

- (n) Pollution Liability -See Common Exclusions.
- (o) Nuclear Liability -See Common Exclusions.

- (p) War Risks -See Common Exclusions.
- (q) Professional Liability -See Common Exclusions.

COVERAGE B. PERSONAL INJURY LIABILITY

This insurance applies only when a Personal Injury Limit is indicated on the Declarations page.

1. Insuring Agreement.

- (a) The Insurer will pay those sums that the insured becomes legally obligated to pay as compensatory damages because of "personal injury" to which this insurance applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS -COVERAGES A, B AND D. The Insurer will have the right and duty to defend any "action" seeking those compensatory damages but:
 - (1) The amount the Insurer will pay for compensatory damages is limited as described in SECTION III -LIMITS OF INSURANCE;
 - (2) The Insurer may investigate and settle any claim or "action" at our discretion; and
 - (3) The Insurer's right and duty to defend end when the Insurer have used up the applicable limit of insurance in the payment of judgements or settlements under Coverages A, B or D or medical expenses under Coverage C.
- (b) This insurance applies to "personal injury" only if caused by an offence:
 - (1) Committed in the "coverage territory" during the policy period; and
 - (2) Arising out of the conduct of the Named Insured's business, excluding advertising, publishing, broadcasting or telecasting done by or for the Named Insured.

2. Exclusions.

This insurance does not apply to "Personal Injury":

- (1) Arising out of oral or written publication of material, if done by or at the direction of the Insured with knowledge of its falsity.
- (2) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.
- (3) Arising out of the wilful violation of a penal statute or ordinance committed by or with the consent of the Insured.
- (4) For which the Insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for compensatory damages that the Insured would have in the absence of the contract or agreement.
- (5) Sustained by any person a result of an offence directly or indirectly related to the employment of such person by the Named Insured.
- (6) Arising out of Professional Liability – See Common Exclusions.

COVERAGE C. MEDICAL PAYMENTS

This insurance applies only when a Medical Expense Limit is indicated in the Declarations. The limit of insurance is \$2500.

1. Insuring Agreement.

- (a) The Insurer will pay medical expenses as described below for "bodily injury" caused by an accident:
 - (1) On premises the Named Insured owns or rents;
 - (2) On ways next to premises the Named Insured owns or rents; or

- (3) Because of the Named Insured's operations; provided that:
- (i) The accident takes place in the "coverage territory" and during the policy period;
 - (ii) The expenses are incurred and reported to the Insurer within one (1) year of the date of the accident; and
 - (iii) The injured person submits to examination, at the Insurer's expense, by physicians of the Insurer's choice as often as the Insurer reasonably requires.

(b) The Insurer will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. The Insurer will pay reasonable expenses for:

- (1) First aid at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions.

The Insurer will not pay expenses for "bodily injury":

- (a) To any Insured.
- (b) To a person hired to do work for or on behalf of any Insured or a tenant of any insured.
- (c) To a person injured on that part of premises the Named Insured owns or rents that the person normally occupies.
- (d) To a person, whether or not an employee of any Insured, who at the time of injury is entitled to benefits under any workers compensation or disability benefits law or a similar law.
- (e) To a person injured while taking part in athletics.
- (f) The payment of which is prohibited by law.
- (g) Included within the "products-completed operations hazard".
- (h) Excluded under Coverage A.

COVERAGE D. TENANTS' LEGAL LIABILITY

This insurance applies only when a Tenants' Legal Liability Limit is indicated in the Declarations.

1. Insuring Agreement.

The Insurer will pay those sums that the Insured becomes legally obligated to pay as compensatory damages because of "property damage" to which this insurance applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS -COVERAGES A,B AND D. This insurance applies only to "property damage" to structures or portions thereof including fixtures permanently attached thereto rented to the Named Insured or occupied by the Named Insured. This insurance applies only to "property damage" which occurs during the policy period. The "property damage" must be caused by an "occurrence". The "occurrence" must take place in the "coverage territory". The Insurer will have the right and duty to defend any "action" seeking those compensatory damages but:

- (a) The amount the Insurer will pay for compensatory damages is limited as described in SECTION III -LIMITS OF INSURANCE;
- (b) The Insurer may investigate and settle any claim or "action" at the Insurer's discretion; and
- (c) The Insurer's right and duty to defend end when the Insurer has used up the applicable limit of insurance in the payment of judgements or settlements under Coverages A, B, D or Medical Expenses under Coverage C.

2. Exclusions.

This insurance does not apply to:

- (a) "Property damage" expected or intended from the standpoint of the Insured.
- (b) "Property damage" for which the Insured is obligated to pay by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for compensatory damages that the Insured would have in the absence of the contract or agreement.
- (c) "Property damage" for wear and tear, gradual deterioration, normal upkeep, latent defect, or inherent vice.
- (d) "Property damage" for the cost of making good:
 - (i) faulty or improper material;
 - (ii) faulty or improper workmanship;
 - (iii) faulty or improper design;
 provided, however, to the extent otherwise insured and not otherwise excluded under this policy, resultant "property damage" to the property is insured.
- (e) Pollution Liability -See Common Exclusions.
- (f) Nuclear Energy Liability -See Common Exclusions.
- (g) War Risks -See Common Exclusions.
- (h) Professional Liability -See Common Exclusions.

COMMON EXCLUSIONS – COVERAGES A, C AND D

This insurance does not apply to:

1. Nuclear Energy Liability

- (a) to liability imposed by or arising under the Nuclear Liability Act; nor
- (b) to bodily injury or property damage with respect to which an Insured under this policy is also insured under a contract of nuclear energy liability insurance (whether the Insured is unnamed in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other Insurer or group or pool of Insurers or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; nor
- (c) to bodily injury or property damage resulting directly or indirectly from the nuclear energy hazard arising from:
 - (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; and
 - (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 usable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an Insured.

As used in this policy:

- (a) The term "nuclear energy hazard" means the radioactive, toxic, explosive, or other hazardous properties of radioactive material;
- (b) The term "radioactive material" means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances that the Atomic Energy Control Board may, by regulation, designate as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy;

- (c) The term "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
 - (1) separating the isotopes of plutonium, thorium and uranium or any one or more of them,
 - (2) processing or utilizing spent fuel, or
 - (3) handling, 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.
- (d) The term "fissionable substance" means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.

2. War Risks

"Bodily injury" or "property damage" due to war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power.

COMMON EXCLUSIONS – COVERAGES A, B, C AND D

This insurance does not apply to:

1. Pollution Liability

- (a) "Bodily injury" or "property damage" or "personal injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, release or escape of pollutants:
- (1) At or from premises, site or location which is, or was at any time, owned, managed, rented to others or occupied by an Insured, or rented to an Insured
 - (2) At or from any premises, site or location which is, or was at any time, used by or for an Insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (3) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for an Insured or any person or organization for whom the Insured may be legally responsible; or
 - (4) At or from any premises, site or location on which an Insured or any contractors or sub-contractors working directly or indirectly on behalf of an Insured are performing operations:
 - (i) if the pollutants are brought on or to the premises, site or location in connection with such operations; or
 - (ii) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effect of pollutants.

- (b) Any loss, cost or expense arising out of any governmental direction or request that an Insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.
- (c) Fines, penalties, punitive or exemplary damages arising directly or indirectly out of the discharge, dispersal, release or escape of any pollutants.

Sub paragraphs (1) and (4) (i) of paragraph (a). of this exclusion do not apply to "bodily injury" or "property damage" caused by heat, smoke or fumes from a hostile fire.

As used in this exclusion, a "hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

2. Professional Liability

- (a) "Bodily injury" (other than Incidental Medical Malpractice Injury) or "property damage" or "personal injury" due to the rendering of or failure to render any professional service which shall include but not be limited to
- (1) medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection therewith;
 - (2) any service or treatment conducive to health or of a professional nature;
 - (3) any service including opinions or counselling;
 - (4) the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
 - (5) the handling of deceased human bodies or performing autopsies thereon;
 - (6) any cosmetic, ear piercing, tonsorial, massage, physiotherapy, chiropody, hearing aid, optical or optometrical service or treatments;
 - (7) the preparation or approval of maps, drawings, plans, opinions, reports, surveys, change orders, designs or specifications;
 - (8) supervisory, inspection, architectural or engineering services;
 - (9) accountant's, lawyer's, real estate broker's or agent's, insurance broker's or agent's, travel agent's, financial institution's, or consultant's professional advices or activities;
 - (10) any computer hardware or software servicing, programming or re-programming, data entry or data processing, consulting, advisory or related services; or
 - (11) any services meant to address any Electronic data recognition issues.
- (b) Incidental Medical Malpractice Injury means "bodily injury" arising out of the rendering of or failure to render, during the policy period, the following services
- (1) medical surgical, dental, x-ray or nursing services or treatment or the furnishing of food or beverages in connection therewith; or
 - (2) 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 (1) and (2) above.

SUPPLEMENTARY PAYMENTS – COVERAGES A, B AND D

The Insurer will pay, with respect to any claim or "action" the Insurer defends:

- (a) All expenses the Insurer incurs.
- (b) The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. The Insurer does not have to furnish these bonds.
- (c) All reasonable expenses incurred by the Insured at the Insurer's request to assist the Insurer in the investigation or defence of the claim or "action", including actual loss of earnings up to \$100 a day because of time off from work.
- (d) All costs taxed against the Insured in the "action" and any interest accruing after entry of judgement upon that part of the judgement which is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

SECTION II – WHO IS AN INSURED

1. If the Named Insured is designated in the Declarations as:
 - (a) An individual, the Named Insured and the Named Insured's spouse are Insureds, but only with respect to the conduct of a business of which the Named Insured is the sole owner.
 - (b) A partnership or joint venture, the Named Insured is an Insured. The Named Insured's members, the Named Insured's partners, and their spouses are also Insureds, but only with respect to the conduct of the Named Insured's business.
 - (c) An organization other than a partnership or joint venture, the Named Insured is an Insured. The Named Insured's executive officers and directors are Insureds, but only with respect to their duties as the Named Insured's officers or directors. The Named Insured's stockholders are also Insureds, but only with respect to their liability as stockholders.
2. Each of the following is also an Insured:
 - (a) The Named Insured's employees, other than the Named Insured's executive officers, but only for acts within the scope of their employment by the Named Insured but this insurance shall not apply to the liability of an employee of the Named Insured for:
 - (1) "Bodily injury" or "personal injury" to the Named Insured or to a co-employee while in the course of his or her employment; or
 - (2) "Bodily injury" or "personal injury" 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; or
 - (3) "Bodily injury" or "personal injury" arising out of his or her providing or failing to provide professional health care services; or
 - (4) "Property damage" to property owned, occupied or used by or rented or loaned to, in the care, custody or control of or over which physical control is being exercised for any purpose by that employee, any of the Named Insured's other employees, the Named Insured or any of the Named Insured's partners or members (if the Named Insured is a partnership or joint venture).
 - (b) Any person (other than the Named Insured's employee), or any organization while acting as the named Insured's real estate manager.
 - (c) Any person or organization having proper temporary custody of the Named Insured's property if the Named Insured dies, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until the Named Insured's legal representative has been appointed.

- (d) The Named Insured's legal representative if the Named Insured dies, but only with respect to duties as such. That representative will have all the Named Insured's rights and duties under this policy.

3. Any organization the Named Insured newly acquires or forms, other than a partnership or joint venture, and over which the Named Insured maintains ownership or majority interest, will be deemed to be 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 the Named Insured acquires or forms the organization or the end of the policy period, whichever is earlier;
 - (b) Coverages A and D do not apply to "bodily injury" or "property damage" that occurred before the Named Insured acquired or formed the organization; and
 - (c) coverage B does not apply to "personal injury" arising out of an offence committed before the Named Insured acquired or formed the organization.

No person or organization is an Insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations or added by endorsement hereon.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance stated in the Declarations and the rules below fix the most the Insurer will pay regardless of the number of:
 - (a) Insureds;
 - (b) Claims made or "actions" brought; or
 - (c) Persons or organizations making claims or bringing "actions".
2. The Aggregate Limit is the most the Insurer will pay under Coverage A for the sum of all compensatory damages arising out of the "products-completed operations hazard" in any one period of twelve months terminating on an anniversary of the inception date of the policy.
3. Subject to 2. above, the Each Occurrence Limit is the most the Insurer will pay for the sum of:
 - (a) Compensatory damages under Coverage A and Coverage D; and
 - (b) Medical expenses under Coverage C; because of all "bodily injury" and "property damage" arising out of any one "occurrence".
4.
 - (a) If a deductible amount is shown in the Declarations, then subject to 3. above, the Insurer's obligation under Coverage A to pay as compensatory damages because of "bodily injury" or "property damage" applies only to the amount of compensatory damages in excess of the deductible amount stated in the Declarations. The limits of insurance applicable to each "occurrence" for "bodily injury" and "property damage" liability will be reduced by the amount of such deductible. The Aggregate Limit for such coverages shall not be reduced by the application of such deductible amounts.
 - (b) The deductible amount applies to all compensatory damages because of "property damage" sustained by any one person or organization as the result of any one "occurrence".
 - (c) The deductible amount in the Declarations specifies a deductible on a "per claim" or "per occurrence" basis. In the event of a "per claim" deductible, if more than one claim arises out of the same "occurrence", then the deductible amount shall be applied to each claim separately. In the event of a "per occurrence"

deductible, then the deductible amount shall be applied once to each "occurrence" regardless of the number of claimants involved.

- (d) If a reimbursement amount is shown in the Declarations, then subject to 3. above, the Insurer's obligation under Coverage A. to pay as compensatory damages because of "bodily injury" or "property damage" and as supplementary payments applies only to the amount of compensatory damages and supplementary payments in excess of the reimbursement amount stated in the Declarations. The limits of insurance applicable to each "occurrence" for "bodily injury" and "property damage" liability will be reduced by the amount of such deductible. The Aggregate Limit for such coverages shall not be reduced by the application of such deductible amounts.
- (e) The Insured shall reimburse the Insurer up to the reimbursement amount shown in the Declarations with respect to all claims, legal fees and adjusting expenses combined in any one "occurrence," and the Insurer shall be liable only for loss, damage or expense in excess of that amount.
5. The Personal Injury Limit is the most the Insurer will pay under Coverage B for the sum of all compensatory damages because of all "personal injury" sustained by any one person or organization.
6. Subject to 3. above, the Medical Expense Limit is the most the Insurer will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.
7. Subject to 3. above, the Tenants' Legal Liability Limit is the most the Insurer will pay under Coverage D for compensatory damages because of "property damage" to any one premises.
- (a) The Insurer's obligation under Coverage D, to pay as compensatory damages because of "property damage" applies only to the amount of compensatory damages in excess of the deductible amount stated in the Declarations. The limit of insurance applicable to any one premises for Tenants' Legal Liability will be reduced by the amount of such deductible. The Aggregate Limit for such coverage shall not be reduced by the application of such deductible amount.
- (b) The deductible amount applies to all compensatory damages because of "property damage" as the result of any one "occurrence".
8. The terms of this insurance, including those with respect to:
- (a) the Insurer's right and duty to defend any "action" seeking those damages; and
- (b) the duties of an Insured in the event of an "occurrence", claim or "action" apply irrespective of the application of the deductible amount.
9. The Insurer may pay any part or all of the deductible amount to effect settlement of any claim or "action" and, upon notification of the action taken, the Named Insured shall promptly reimburse the Insurer for such part of the deductible amount as has been paid by the Insurer.
10. All compensatory damages arising out of one lot of goods or products prepared or acquired by the Named Insured, or by another trading under his name, shall be considered as arising out of one "occurrence" as regards "bodily injury" and "property damage".

The limits of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in

the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy.

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

2. Canadian Currency Clause.

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

3. Cancellation.

(a) The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to the Insurer advance written notice of cancellation.

(b) The Insurer may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- (1) Fifteen (15) days before the effective date of cancellation if the Insurer cancels for non-payment of premium; or
- (2) Thirty (30) days before the effective date of cancellation if the Insurer cancels for any other reason.

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

In Quebec, the Insurer's notice of cancellation takes effect either fifteen (15) or thirty (30) days after receipt of the notice at the last known address of the first Named Insured, depending upon the reason for cancellation.

- (c) The Insurer will mail or deliver the Insurer's notice to the first Named Insured's last mailing address known to the Insurer.
- (d) The policy period will end on the effective date of cancellation.
- (e) If this policy is cancelled, the Insurer will send the first Named Insured any premium refund due. If the Insurer cancels, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if the Insurer has not made or offered a refund.
- (f) If notice is mailed, proof of mailing will be sufficient proof of notice.

4. Changes.

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

5. Duties in the Event of Occurrence, Claim or Action.

(a) The Named Insured must ensure that the Insurer is notified promptly of an "occurrence" which may result in a claim. Notice should include:

- (1) How, when and where the "occurrence" took place; and
- (2) The names and addresses of any injured persons and of witnesses.

- (b) If a claim is made or "action" is brought against any Insured, the Named Insured must ensure that the Insurer receives prompt written notice of the claim or "action".
- (c) The Named Insured and any other involved Insured must:
 - (1) Immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with the claim or "action";
 - (2) Authorize the Insurer to obtain records and other information;
 - (3) Cooperate with the Insurer in the investigation, settlement or defence of the claim or "action"; and
 - (4) Assist the Insurer, upon the Insurer's 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 Insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without the Insurer's consent.

6. Examination of The Named Insured's Books and Records.

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

7. Inspections and Surveys.

The Insurer has the right but is not obligated to:

- (a) Make inspections and surveys at any time;
- (b) Give the Named Insured reports on the conditions the Insurer finds; and
- (c) Recommend any changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. The Insurer does not make safety inspections. The Insurer does not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And the Insurer does not warrant that conditions:

- (1) Are safe or healthful; or
- (2) Comply with laws, regulations, codes or standards.

This condition applies not only to the Insurer, but also to any rating, advisory, rate service or similar organization which makes insurance inspections surveys, reports or recommendations.

8. Legal Action Against the Insurer.

No person or organization has a right under this policy:

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

A person or organization may sue the Insurer to recover on an agreed settlement or on a final judgement against an Insured obtained after an actual trial; but the Insurer will not be liable for compensatory damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by the Insurer, the Insured and the claimant or the claimant's legal representative. Every "action" or proceeding against the Insurer shall be commenced within one year next after the date of such judgement or agreed settlement and not afterwards. If this policy is governed by the law of Quebec every "action" or proceeding against the Insurer shall be commenced within three years from the time the right of action arises.

9. Other Insurance.

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

- (a) **Primary Insurance**
This insurance is primary except when (b) below applies. If this insurance is primary, the Insurer's obligations are not affected unless any of the other insurance is also primary. Then, the Insurer will share with all that other insurance by the method described in (c) below.
- (b) **Excess Insurance**
This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (1) That is Property Insurance such as, but not limited to, Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "the Named Insured's work" or for premises rented to the Named Insured; or
 - (2) If the loss arises out of the maintenance or use of watercraft to the extent not subject to Exclusion (f) of Coverage A (Section 1).

When this insurance is excess, the Insurer will have no duty under Coverage A, B or D to defend any claim or "action" that any other Insurer has a duty to defend. If no other Insurer defends, the Insurer will undertake to do so, but the Insurer will be entitled to all the Insured's rights against all those other Insurers.

When this insurance is excess over other insurance, the Insurer will pay only the Insurer's share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance. The Insurer will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this policy.

- (c) **Method of Sharing**

If all of the other insurance permits contribution by equal shares, the Insurer will follow this method also. Under this approach each Insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, the Insurer will contribute by limits. Under this method, each Insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all Insurers.

10. Premium Audit.

- (a) The Insurer will compute all premiums for this policy in accordance with the Insurer's rules and rates.
- (b) Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period the Insurer will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, the Insurer will return the excess to the first Named Insured subject to the retention of the minimum premium shown in the Declarations of this policy.
- (c) The first Named Insured must keep records of the information the Insurer needs for premium computation, and send the Insurer copies at such times as the Insurer may request.

11. Premiums.

The first Named Insured shown in the Declarations:

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

12. Representations.

By accepting this policy, the Named Insured agrees:

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

13. Separation of Insureds, Cross Liability.

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

- (a) As of each Named Insured were the only Named Insured; and
- (b) Separately to each Insured against whom claim is made or "action" is brought.

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

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

15. Transfer of The Named Insured's Rights and Duties Under this Policy.

The Named Insured's rights and duties under this policy may not be transferred without the Insurer's written consent except in the case of death of an individual Named Insured. If the Named Insured dies, the Named Insured's rights and duties will be transferred to the Named Insured's legal representative but only while acting within the scope of duties as the Named Insured's legal representative. Until the Named Insured's legal representative is appointed, anyone having proper temporary custody of the Named Insured's property will have the Named Insured's rights and duties but only with respect to that property.

SECTION V – DEFINITIONS

- 1. **"Action"** means a civil proceeding in which compensatory damages because of "bodily injury", "property damage" or "personal injury" to which this insurance applies are alleged. "Action" includes an arbitration proceeding alleging such damages to which the Named Insured must submit or submit with the Insurer's consent.
- 2. **"Automobile"** means any self-propelled land motor vehicle, trailer or semi-trailer (including machinery, apparatus, or equipment attached thereto) which is principally designed and is being used for transportation of persons or property on public roads.
- 3. **"Bodily Injury"** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
- 4. **"Coverage territory"** means:
 - (a) Canada and the United States of America (including its territories and possessions);
 - (b) International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or

- (c) All parts of the world if:
 - (1) The injury or damage arises out of:
 - (i) Goods or products made or sold by the Named Insured in the territory described in (a) above; or
 - (ii) The activities of a person whose home is in the territory described in (a) above, but is away for a short time on the Named Insured's business; and
 - (2) The Insured's responsibility to pay compensatory damages is determined in an "action" on the merits, in the territory described in (a) above or in a settlement the Insurer agrees to in writing.

- 5. **"Impaired property"** means tangible property, other than "the Named Insured's product" or "the Named Insured's work", that cannot be used or is less useful because:
 - (a) It incorporates "the Named Insured's product" or "the Named Insured's work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - (b) The Named Insured has failed to fulfill the terms of a contract or agreement;
 if such property can be restored to use by:
 - (i) The repair, replacement, adjustment or removal of "the Named Insured's product" or "the Named Insured's work"; or
 - (ii) The Named Insured's fulfilling the terms of the contract or agreement.

- 6. **"Insured contract"** means:
 - (a) A lease of premises;
 - (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 indemnification of a municipality as required by ordinance, except in connection with work for a municipality;
 - (f) An elevator maintenance agreement; or
 - (g) That part of any other contract or agreement pertaining to the Named Insured's business under which the Named Insured assumes the tort liability of another to pay compensatory 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.

- 7. **"Occurrence"** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

- 8. **"Personal Injury"** means injury, other than "bodily injury", arising out of one or more of the following offences:
 - (a) False arrest, detention or imprisonment;
 - (b) Malicious prosecution;
 - (c) Wrongful entry into, or eviction of a person from, a room, dwelling or premises that the person occupies;
 - (d) Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
 - (e) Oral or written publication of material that violates a person's right of privacy.

- 9. **"Products-completed operations hazard"** includes all "bodily injury" and "property damage" occurring away from premises the Named Insured owns or rents and arising out of "the Named Insured's product" or "the Named Insured's work" except:

- (a) Products that are still in the Named Insured's physical possession; or
- (b) Work that has not yet been completed or abandoned. "The Named Insured's work" will be deemed completed at the earliest of the following times:
 - (1) When all of the work called for in the Named Insured's contract has been completed.
 - (2) When all of the work to be done at the site has been completed if the Named Insured's contract calls for work at more than one site.
 - (3) When that part of 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.

This hazard does not include "bodily injury" or "property damage" arising out of the existence of tools, uninstalled equipment or abandoned or unused materials.

10. **"Property damage"** means:

- (a) Physical injury to tangible property, including all resulting loss of use of that property; or
- (b) Loss of use of tangible property that is not physically injured.

11. **"The Named Insured's product"** means:

- (a) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (1) The Named Insured;
 - (2) Others trading under the Named Insured's name; or
 - (3) A person or organization whose business or assets the Named Insured has acquired; and
- (b) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

"The Named Insured's product" includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in (a) and (b) above.

"The Named Insured's product" does not include vending machines or other property rented to or located for the use of others but not sold.

12. **"The Named Insured's work"** means:

- (a) Work or operations performed by the Named Insured or on the Named Insured's behalf; and
- (b) Materials, parts or equipment furnished in connection with such work or operations.

"The Named Insured's work" includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in (a) or (b) above.

SECTION VI – DESCRIPTION OF TERMS USED FOR PREMIUM BASES

1. "Area" means the square footage of the buildings to be insured excluding that portion of the basement used exclusively for storage or that portion of the premises used for heating or air conditioning plant purposes.
2. "Cost of work" means the total cost of all operations performed for the Named Insured during the policy period by independent contractors, including materials used or delivered for use by whomsoever supplied, except maintenance or ordinary alterations and repairs on premises owned or rented by the Named Insured.
3. "Receipts" means the gross amount of money charged by the Named Insured for such operations as are rated on a receipts basis during the policy period.
4. "Remuneration" means the total earnings during the policy period for each owner, partner, executive officer or employee.
5. "Sales" means the gross amount of money charged for all goods and products sold and distributed by the Named Insured or by others trading under his name during the policy period.
6. "Cost" means the total cost to any Indemnitee, with respect to any contract which is insured, of all work let or sublet in connection with each specific project, including the cost of all labour, materials and equipment furnished, used or delivered for use in the execution of such work, whether furnished by the owner, contractor or the sub-contractor, including all fees, allowances, bonuses or commissions made, paid or due.

ADVERTISING LIABILITY

APPLICABLE TO THE COMMERCIAL GENERAL LIABILITY FORM

The Insurer hereby agrees to indemnify the Insured for all sums which the Insured shall become legally obligated to pay for compensatory damages because of Advertising Liability caused by an occurrence anywhere in the world.

The term "Advertising Liability" means:

- (a) libel, slander or defamation;
- (b) any infringement of copyright or of title or of slogan;
- (c) piracy or unfair competition or idea misappropriation under an implied contract;
- (d) any invasion of right of privacy;

committed or alleged to have been committed in any advertisement, publicity article, broadcast or telecast and arising out of the Named Insured's advertising activities.

This policy shall not apply to claims made against the Insured with respect to advertising activities for:

- (a) failure of performance of contract, but this shall not relate to claims for unauthorized appropriation of ideas based upon alleged breach of an implied contract;

- (b) infringement of registered trademark, service mark or trade name by use thereof as the registered trademark, service mark or trade name of goods or services sold, offered for sale or advertised, but this shall not relate to titles or slogans;
- (c) incorrect description of any article or commodity;
- (d) mistake in advertised price;
- (e) the distribution, or display of "data", by means of an Internet Website, the Internet, an intranet, extranet, or similar device or system designed or intended for electronic communication of "data".

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

The Limit of Liability is \$100,000 or the amount shown, in the Declarations, for Advertising Liability.

All other terms and conditions of this policy remain unchanged.

EMPLOYEE BENEFITS INSURANCE ENDORSEMENT

APPLICABLE TO THE LIABILITY SECTION OF THE POLICY:

INSURING AGREEMENTS

It is agreed that this Policy is extended to include the following provisions:

I. COVERAGE:

The Insurer will pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay on account of any claim made against the Insured by an employee, former employee or the beneficiaries or legal representatives thereof and caused by the negligent act, error or omission of the Insured, or any other person for whose acts the Insured is legally liable in the administration of the Insured's Employee Benefits programs as defined herein.

II. DEDUCTIBLE:

It is agreed that in the event of claim, the amount shown in the Declarations shall be deducted from the amount of each claim when determined, and the Insurer shall be liable for loss only in excess of the amount deducted.

It is further agreed that in the event of any claim irrespective of the amount, notice thereof shall be given by or on behalf of the Insured to the Insurer or any of its authorized agents, in accordance with the terms of the Policy and the Insurer may at its option, investigate such claim or negotiate or settle any such claim and the Insured, agrees, if the Insurer undertakes to negotiate or settle any such claim to join the Insurer in such negotiation or settlement to the extent of the amount to be deducted as herein provided, or to reimburse the Insurer for such deductible amount, if and when such claim is paid by the Insurer.

III. POLICY PERIOD AND TERRITORY:

This endorsement applies only to claims resulting from negligent acts, errors or omissions of the Insured, or any other person for whose acts the Insured is legally liable in the administration of Employee Benefits Programs occurring within Canada, United States of America, its territories or possessions, provided such claim is brought against the Named Insured during the policy period, and the Named Insured at the effective date of this Policy, had no knowledge of or could not have reasonably foreseen any circumstances which might result in a claim or suit.

DEFINITIONS

- (a) "Insured" - The unqualified word "Insured", wherever used, includes not only the Named Insured, but also any partner, executive officer, director, stockholder or employee, provided such employee is authorized to act in the administration of the Insured's Employee Benefit Programs.
- (b) "Employee Benefits" - The terms "Employee Benefits" shall mean Group Life Insurance, Group Accident, or Health Insurance, Profit Sharing Plans, Pension Plans, Employee Stock Subscription Plans, Workers' Compensation, Unemployment Insurance, Social Security, and Disability Benefits.
- (c) "Administration" - The unqualified word "Administration", wherever used shall mean:
 - (1) giving counsel to employees with respect to the Employee Benefit Programs;
 - (2) interpreting the Employee Benefit Programs;
 - (3) handling of records in connection with the Employee Benefit Programs;
 - (4) effecting enrolment, termination or cancellation of employees under the Employee Benefit Programs; provided all such acts are authorized by the Named Insured.

EXCLUSIONS

This endorsement does not apply:

- (a) to any dishonest, fraudulent, criminal or malicious act, libel, slander, discrimination, or humiliation;
- (b) to bodily injury to, or sickness, disease, or death, of any person or to injury to or destruction of any tangible property including the loss of use thereof;
- (c) to any claim for failure of performance of contract by an Insurer, or any other party, including the Insured, obligated to afford the benefits;
- (d) to any claim based upon the Insured's failure to comply with any law concerning Workers' Compensation, Unemployment Insurance, Social Security or Disability Benefits;
- (e) to any claim based upon:
 - (1) failure of stock, bonds, or other securities to perform as represented by an Insured including but not limited to their failure to produce financial gain, profit or growth.
 - (2) advice given by an Insured to an employee to participate or not to participate in stock subscription plans.
- (f) to any claim based on the Insured's failure to comply with requirements of the Pension Reform Act of 1974 (Employee Retirement Income Security Act of 1974) or amendment thereto applicable in the United States of America.

CONDITIONS

The Limit of Liability stated in the Declarations hereof as applicable to "Each Claim" is the limit of the Insurer's liability for all damages incurred as the result of any one claim insured hereunder but each claim made shall be subject to the deductible amount set forth in the Declarations and the Insurer shall be liable only for the difference between such deductible amount and the limit of liability for "Each Claim"; the limit of such liability stated in the schedule as "Aggregate" is, subject to the above provisions respecting each claim, the total limit of the Insurer's liability for all damages insured hereunder.

The payment of any deductible amount by the Insured shall not operate to reduce the aggregate limit of the Insurer's liability.

The aggregate limit of liability shall apply separately to each annual period this insurance is in force.

Any act or omission on the part of one or another of the Insureds under this Policy shall not prejudice the rights or interests of any other Insured. The insurance afforded by this Endorsement, subject to the limits of liability stated herein, shall apply to each Insured in the same manner to the same extent as if a separate policy had been issued to each.

The inclusion herein of more than one Insured shall not operate to increase the limits of the Insurer's liability.

When the Insured becomes aware of any act of negligence, error, mistake or omission he or someone on his behalf shall give written notice thereof to the Insurer or any of its authorized agents as soon as practicable. Such notice shall contain particulars sufficient to identify the Insured and also reasonably obtainable information respecting the time, place and circumstances of the negligence, error, mistake or omission.

If claim is made or suit is brought against the Insured, the Insured shall immediately forward to the Insurer every demand, notice, summons, or other process received by him or his representative.

All other terms and conditions of the policy remain unchanged.

VOLUNTEERS AS ADDITIONAL INSUREDS

APPLICABLE TO THE COMMERCIAL GENERAL LIABILITY FORM:

The following is added to SECTION II – WHO IS AN INSURED – as item 2.(e):

2. (e) The Named Insured's volunteer workers, but only for acts within the scope of their duties performed on behalf of the Named Insured, however, none of these volunteer workers is an Insured with respect to:
 - (1) "bodily injury" or "personal injury" sustained by the Named Insured, or, if the Named Insured is a partnership or joint venture, any partner or member thereof;
 - (2) "bodily injury" or "personal injury" sustained by an employee or another volunteer worker of the Named Insured arising out of or in the course of his or her employment, voluntary or otherwise;

- (3) "property damage" to property owned, occupied or used by or rented or loaned to or in the care, custody or control of or over which physical control is being exercised for any purpose by:
 - (i) that volunteer;
 - (ii) the Named Insured, or, if the Named Insured is a partnership or joint venture, any partner or member thereof;
 - (iii) an employee or another volunteer worker of the Named Insured.

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

PRODUCTS-COMPLETED OPERATIONS HAZARD EXCLUSION

APPLICABLE TO THE COMMERCIAL GENERAL LIABILITY FORM:

This insurance does not apply to the "products-completed operations hazard" as defined in SECTION V – DEFINITIONS, Item 9.

All other terms and conditions of the policy remain unchanged.

ABUSE / MOLESTATION / HARASSMENT EXCLUSION

APPLICABLE TO THE COMMERCIAL GENERAL LIABILITY FORM

No coverage under this policy shall apply or extend to any claim, demand or cause of action directly or indirectly arising from or in any way related to any alleged, actual or threatened act or acts of Physical, Mental or Sexual abuse, molestation or harassment, including but not limited to any indecent, immoral, licentious, threatening, aggressive or violent behaviour or conduct or any

other similar behaviour or conduct that is in any way inappropriate, offensive or wrongful, including the transmission of any communicable disease.

Except as otherwise provided in this endorsement all other terms, provisions and conditions of the policy remain unchanged.

TERRORISM EXCLUSION

APPLICABLE TO THE COMMERCIAL GENERAL LIABILITY FORM, AND THE FARMER'S GENERAL LIABILITY FORM, AND THE ARTISAN COMMERCIAL GENERAL LIABILITY FORM:

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto it is agreed that the insurance in this Policy does not apply to "bodily injury", "property damage" or "personal 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 injury".

"Terrorism" means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

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

DATA EXCLUSION

APPLICABLE TO ALL LIABILITY COVERAGES OF THIS POLICY (EXCEPT FOR UMBRELLA LIABILITY, POLLUTION LIABILITY AND LIMITED POLLUTION LIABILITY INSURANCE, REFER TO SEPARATE DATA EXCLUSIONS)

This insurance does not apply to:

- (a) Liability for:
 - (i) erasure, disruption, corruption, misappropriation, misinterpretation of "data";
 - (ii) erroneously creating, amending, entering, deleting or using "data";including any loss of use arising therefrom;
- (b) "Personal Injury" arising out of the distribution, or display of "data", by means of an Internet Website, the Internet, an intranet, extranet, or similar device or system designed or intended for electronic communication of "data".

Additional Definition

The following definition is added to this policy.

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

All other terms and conditions of this policy remain unchanged.

TOTAL ASBESTOS EXCLUSION

APPLICABLE TO THE COMMERCIAL GENERAL LIABILITY FORM, AND FARMER'S GENERAL LIABILITY FORM, AND ARTISAN
COMMERCIAL GENERAL LIABILITY FORM

This insurance shall not apply to and does not cover any actual or alleged liability for any claim in respect of loss, damage, cost or expense directly or indirectly caused by, resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity.

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

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

LIMITED FUNGI AND FUNGAL DERIVATIVES COVERAGE

APPLICABLE TO THE COMMERCIAL GENERAL LIABILITY FORM, AND FARMER'S GENERAL LIABILITY FORM, AND ARTISAN COMMERCIAL GENERAL LIABILITY FORM

This insurance shall not apply to:

- (a) "bodily injury", "property damage", "personal injury" or Medical Payments 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 "spore(s)" 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 "spore(s)"; or
- (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 the cause of the loss or damage, other causes of the injury, damage, expense or costs or whether other causes acted concurrently or in any sequence to produce the injury, damage, expenses or costs.

This exclusion shall not apply to "bodily injury" or "property damage" which results directly from a "products-completed operations hazard" not otherwise excluded by this policy subject to the following limits:

Each Occurrence: \$250,000.

Fungi Liability Aggregate Limit: \$250,000

This endorsement does not apply to any "fungi" or "spores" that are, are on, or are contained in "The Named Insured's product", if "The Named Insured's product" is intended for ingestion by humans or animals and is included in the "products-completed operations hazard".

For the purpose of this endorsement, the following definitions are added:

- (a) "Fungi" includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "Fungi" or "Spore(s)" or resultant mycotoxins, allergens, or pathogens.
- (b) "Spore(s)" includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".

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

NON-OWNED AUTOMOBILE POLICY S.P.F. NO. 6

INSURING AGREEMENT

Now, therefore, subject to the limits, terms, conditions, provisions, definitions and exclusions herein stated, and those stated in the Declarations.

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 workers' 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 the Declarations, 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 of 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 judgement which is within the limits of the Insurer's liability; and

- (4) in case the injury be to a person, reimburse any person insured by this policy for outlay for such medical aid as may be immediately necessary at the time of such injury; and
- (5) be liable up to the minimum limit(s) prescribed for that province or territory of Canada in which the accident occurred, if that limit(s) is higher than the limit stated in the Declarations; and
- (6) not set up any defense to a claim that might not be set up if the policy were a motor vehicle liability policy issued in the province or territory of Canada in which the accident occurred.

AGREEMENTS OF INSURED

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

- (a) by the acceptance of this policy, constitutes and appoints the Insurer his irrevocable attorney to appear and defend in any province or territory of Canada in which action is brought against the Insured arising out of the use or operation of an automobile with respect to which insurance is provided hereunder;
- (b) shall reimburse the Insurer, upon demand, in the amount which the Insurer has paid by reason of the provisions of any statute relating to automobile insurance and which the Insurer would not otherwise be liable to pay under this policy.

GENERAL PROVISIONS AND DEFINITIONS

1. ADDITIONAL 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 the Declarations, 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. 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.

STATUTORY CONDITIONS

The Statutory Conditions for Non-Owned Automobile Insurance as set out in the Insurance Act of the province in which this policy covers shall form part of the policy

S.E.F. NO. 99
EXCLUDING LONG TERM LEASED VEHICLE ENDORSEMENT
(FOR ATTACHMENT ONLY TO A NON-OWNED POLICY S.P.F. NO. 6)

In consideration of the premium for which this policy is issued, it is understood and agreed that Item 3 (Hired Automobiles Defined) of General Provisions and Definitions of the policy to which this endorsement is attached is hereby 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 driver 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 licensed in the name of the Insured or any partner, officer or employee of the Insured.

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

NON-PROFIT CORPORATION PROFESSIONAL INDEMNITY INSURANCE

THIS IS A CLAIMS MADE POLICY – PLEASE READ IT CAREFULLY

INSURING AGREEMENT

In consideration of the payment of the premium and in reliance upon the statements in the application, the supplementary applications and any additional documents submitted by the "Corporation", the "Insurer" agrees to provide insurance as follows:

1. BASIC COVERAGE

- (a) If during the "Policy Period", any "Claim" or "Claims" are made against the "Insured Persons" for a "Wrongful Act", the "Insurer" shall pay on their behalf all "Loss" for which they shall become legally obligated to pay, except for such "Loss" which the "Corporation" is required by law, or agrees as permitted by law, to indemnify such "Insured Persons" unless and to the extent that the "Corporation" is unable to make actual indemnification solely by reason of its financial "Insolvency";
- (b) If during the "Policy Period", any "Claim" or "Claims" are made against any of the "Insured Persons" for a "Wrongful Act", the "Insurer" shall pay on behalf of the "Corporation" all "Loss" for which the "Corporation" is required by law, or agrees as permitted by law, to indemnify such "Insured Persons";
- (c) If during the "Policy Period" any "Claim" or "Claims" are made against the "Corporation" for a "Wrongful Act", committed or alleged to have been committed by any "Insured Persons", the "Insurer" shall pay on behalf of the "Corporation" all "Loss" for which the "Corporation" shall become legally obligated to pay;

2. LIMIT OF LIABILITY & DEDUCTIBLE

- (a) The amount shown in the Declarations shall be the "Insurer's" maximum aggregate liability for all "Loss" in respect of all "Claims" made against the "Corporation" and "Insured Persons" during any one "Policy Period".
- (b) More than one "Claim" involving the same "Wrongful Act" or "Interrelated Wrongful Acts" of one or more "Insured Persons" and/or the "Corporation" shall be deemed to constitute a single "Claim" and such single "Claim" shall be deemed to have been made solely within the earliest of the following "Policy Periods":
 - (i) The "Policy Period" in which the earliest "Claim" involving the same "Wrongful Act" or "Interrelated Wrongful Acts" is first made, or
 - (ii) The "Policy Period" in which the "Claim" involving the same "Wrongful Act" or "Interrelated Wrongful Acts" shall be deemed to have been made pursuant to Section 10, if applicable
- (c) The "Insurer" shall only be liable for "Loss" in excess of the Deductible as stated in the Declarations. The full Limit of Liability will apply over the Deductible.
- (d) "Costs, Charges and Expenses" shall be part of and not in addition to the Limit of Liability as shown in the Declarations, and such "Costs, Charges and Expenses" shall reduce the Limit of Liability as shown in the Declarations.

- (e) The "Insurer's" liability for "Penal Defence Costs" shall not exceed \$100,000 for any "Claim". The amounts in this clause (e) shall not increase the overall aggregate limit as specified in the Declarations.

3. DEFENCE & SETTLEMENT

- (a) With respect to "Claims" covered under Section 1, the "Insurer" shall have the right and duty to:
 - (i) defend any suit or arbitration proceeding against the "Corporation" and/or "Insured Persons"
 - (ii) investigate and negotiate the settlement of any "Claim" or suit as it deems expedient
- (b) The "Insurer" shall not settle or compromise any "claim" or suit without the written consent of the "Corporation". If, however, the "Corporation" shall refuse to consent to any settlement recommended by the "Insurer" and shall elect to contest the claim or suit, then the "Insurer's" liability for the claim or suit shall not exceed the amount for which the claim or suit could have been so settled plus the costs and expenses incurred with its consent up to the date of such refusal.
- (c) The "Insurer's" duty to defend any "Claim" covered by this policy shall cease upon exhaustion of the Limit of Liability.

4. TERRITORY

Unless otherwise endorsed hereon, this policy applies only to "Wrongful Acts" occurring in Canada and to "Claims" brought in Canada.

5. DEFINITIONS

- (a) "Corporation" shall mean the non-profit Corporation, Association or Organization as named in the Declarations.
- (b) "Insured Persons" shall mean:
 - (i) any persons who were, now are, or shall be directors, officers (including de facto directors and officers), trustees, employees (whether salaried or not), volunteers or members of any duly constituted committee of the "Corporation";
 - (ii) the estates, heirs, legal representatives or assigns of directors, officers, trustees, employees, volunteers or members of any such committees in the event of their death, incompetency, "Insolvency" or bankruptcy.
- (c) "Insurer" shall mean The Sovereign General Insurance Company.
- (d) "Loss" shall mean any "Costs, Charges and Expenses", Damages, Settlements and Judgments including taxable costs, pre-judgment interest and any post-judgment interest provided, however, that "Loss" shall not include:
 - (i) punitive or exemplary damages
 - (ii) criminal or civil fines
 - (iii) penalties imposed by law
 - (iv) liability for matters which are uninsurable under the law pursuant to which this Policy shall be construed

- (e) "Wrongful Act" shall mean any actual or alleged error or misstatement or misleading statement or act or omission or neglect or breach of duty by the "Insured Persons" in the discharge of their duties, individually or collectively, or any other matter not excluded by the terms and conditions of this Policy, claimed against them solely by reason of their being directors, officers, trustees, employees, volunteers or members of any duly constituted committee of the "Corporation".
- (f) "Interrelated Wrongful Acts" shall mean "Wrongful Acts" which have as a common nexus any fact, circumstance, situation, event, transaction or series of facts, circumstances, situations, events or transactions
- (g) "Costs, Charges and Expenses" shall mean reasonable and necessary legal fees and expenses incurred by the "Corporation" and/or the "Insured Persons" in the defence of any "Claim" and appeals therefrom, or in connection with an appearance before any administrative tribunal and/or board of enquiry, and cost of attachment or similar bonds; provided, however, "Costs, Charges and Expenses" shall not include the following:
 - (i) salaries, wages, overhead or benefit expenses associated with officers or employees of the "Corporation", or
 - (ii) any amounts incurred in defence of any "Claim" for which any other "Insurer" has a duty to defend, regardless of whether or not such other "Insurer" undertakes such duty.
- (h) "Policy Period" shall mean the period shown in the Declarations and any renewal period.
- (i) "Claim" means:
 - (i) a written demand for monetary or non-monetary relief, or,
 - (ii) a civil, administrative, regulatory or arbitration proceeding for monetary or non-monetary relief which is commenced by:
 - (1) a Writ of Summons, Statement of "Claim" or similar originating legal document; or
 - (2) return of a summons, information or similar document (in the case of a criminal proceeding).
- (j) "Penal Defence Costs" shall mean any "Costs, Charges and Expenses", including taxable costs, incurred in the investigation or defence of any criminal charges pursuant to the Criminal Code of Canada, or any criminal offence enacted pursuant to any provincial or foreign legislation.
- (k) "Insolvency" shall mean (1) the appointment of a Receiver or a Receiver Manager of the "Corporation"; (2) the filing of a proposal by the "Corporation" pursuant to the provisions of the Company Creditors' Arrangement Act, R.S.C., or (3) the "Corporation" being placed in bankruptcy pursuant to the Bankruptcy and "Insolvency" Act, R.S.C. as amended.
- (ii) any other "Wrongful Act" whenever occurring which, together with a "Wrongful Act" which has been the subject of such notice, would constitute "Interrelated Wrongful Acts".
- (b) based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way, involving any actual or alleged bodily injury, sickness, disease or death of any person.
- (c) for any actual or alleged property damage, or any actual or alleged damage to or destruction of any tangible property including loss of use thereof,
- (d) based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving, actual or alleged seepage, pollution or contamination of any kind;
- (e) based upon or attributable to the "Corporation" or "Insured Persons" gaining in fact any personal profit or advantage to which the "Corporation" or "Insured Persons" were not legally entitled;
- (f) brought about or contributed to by the fraudulent, dishonest or criminal acts of the "Insured Persons" and/or the "Corporation"; however, the provisions of this exclusion shall not apply unless a judgment or other final adjudication thereof shall establish that fraud, dishonesty or criminal acts were material to the cause of action so adjudicated; resulting from "Claim"(s), demands, causes of action, legal or quasi-legal proceedings, decrees or judgments, against the "Insured Persons" or the "Corporation" or any of them, of which the "Insured Persons", or any of them, have received notice or have otherwise had knowledge at the inception date of this policy (or if this policy renews a previous policy issued by the "Insurer", the inception date of the first in the series of policies issued by the "Insurer" providing uninterrupted coverage) as well as all "Claim(s)" arising from, based upon or developing out of the essential facts underlying the said "Claim(s)", demands, causes of action, legal or quasi-legal proceedings, decrees or judgments;
- (h) which is brought by or on behalf of the "Corporation" or an "Insured Person" except:
 - (i) any "Claim" brought by an "Insured Person" in the form of a cross "Claim" or third party "Claim" for contribution or indemnity which is part of, and results directly from, a "Claim" that is covered by this policy;
- (i) unless specifically endorsed hereon, based upon, arising out of, relating to, in consequence of, or in any way involving any pension, profit sharing or employee benefit or welfare plan.
- (j) for salary, wages, bonus, severance pay or any other employee benefits by reason of any federal or provincial law, including damages by reason of express term of an employment contract or damages by reason of the "Corporation's" failure to afford reasonable notice to an "Insured Person" that has been terminated or discharged.
- (k) for any amounts actually or allegedly due under the terms of any contract or agreement.
- (l) related to employment, unless covered by endorsement to this policy.

6. EXCLUSIONS

The "Insurer" shall not be liable to make any payment for "Loss" in connection with any "Claim" made against the "Corporation" or the "Insured Persons":

- (a) based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving
 - (i) any "Wrongful Act" or any fact, circumstance or situation which has been the subject of any notice given prior to the effective date of this policy under any prior policy, or
- (m) for any actual, alleged, physical, sexual or mental abuse; or any actual or alleged molestation, annoyance or sexual advances to anyone.

In the event of the "Corporation's" "insolvency", exclusions (j), (k) and (l) will not apply to (a) and (b) of Section 1. – Basic Coverage, as regards the liability of "Insured Persons" for unpaid wages and related benefits.

- (n) any actual or alleged false arrest, wrongful detention, imprisonment or malicious prosecution, libel, slander or defamation of character, invasion of privacy, wrongful entry, eviction or other invasion or the right of privacy, infringement of copyright or trademark, or other unauthorized use of title or plagiarism or misappropriation of ideas;
- (o) Any civil, criminal or administrative adjudicatory or investigative proceeding, litigation or arbitration against the "Corporation" or any "Insured Persons" which was brought or pending on or prior to the Continuity Date set forth in the Declarations, or any matter, incident, fact, circumstance, situation, transaction, act, decision, event or cause underlying or alleged or which could have been alleged in such proceeding, litigation or arbitration.
- (p) based on or attributable to any "Wrongful Act" in procuring, effecting or maintaining insurance, or with respect to amount, form, conditions or provisions of such insurance.
- (q) any actual or alleged "Loss" on account of any "Claim" made against an "Insured Person", based upon, arising out of directly or indirectly, or in any manner attributable, in whole or in part, to the rendering or failure to render professional services.
- (r) any "Wrongful Act" by any "Insured Person(s)" in the discharge of his/her duties in his/her capacity, or solely by reason of his/her status, as director, officer, trustee, regent, governor or employee of any entity other than the "Corporation".

It is agreed that any fact pertaining to any one Insured Person shall not be imputed to any other Insured Person for the purpose of determining the application of Exclusions (e) and (f) above.

7. NUCLEAR INCIDENT EXCLUSION CLAUSE

It is agreed that this Policy does not apply:

- (a) to liability imposed by or arising under the Nuclear Liability Act; nor
- (b) to "Loss" with respect to which an "Insured Person" under this policy is also insured under a contract of nuclear energy liability insurance (whether the "Insured Person" is unnamed in such contract or whether or not it is legally enforceable by the "Insured Person") issued by the Nuclear Insurance Association of Canada or any other "Insurer" or group or pool of "Insurers" or would be an "Insured Person" under any such policy but for its termination upon exhaustion of its limit of liability; nor
- (c) to "loss" resulting directly or indirectly from the nuclear energy hazard arising from:
 - (i) the ownership, maintenance, operation or use of a nuclear facility by or on behalf of an "Insured Person";
 - (ii) the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility; and
 - (iii) the possession, consumption, use, handling, disposal or transportation of fissionable substances, or of other radioactive material (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an "Insured Person".

As used in this policy:

- (a) The term "nuclear energy hazard" means the radioactive toxic, explosive or other hazardous properties of radioactive material;
- (b) The term "radioactive material" means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances that the Atomic Energy Control Board may, by regulation, designate as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy;
- (c) The term "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:
 - (1) separating the isotopes of plutonium, thorium and uranium or any one of more of them;
 - (2) processing or utilizing spent fuel; or
 - (3) handling, 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 Person" 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.
- (d) The term "fissionable substance" means any prescribed substances that is, or from which can be obtained a substance capable of releasing atomic energy by nuclear fission.

8. SPOUSAL EXTENSION

It is understood and agreed that this policy shall cover "Loss" arising from any "Claim" made against the lawful spouse (whether such status is derived by reason of a statutory law, common law or otherwise of any applicable jurisdiction in the world) of a Director or Officer for "Claims" arising solely out of his or her capacity as the spouse of a Director or Officer, including such "Claims" that seek damages recoverable from marital community property, property jointly held by the Director or Officer and the spouse, or property transferred from the Director or Officer to the spouse, provided, however, that this extension shall not afford coverage for any "Claim" for any actual or alleged "Wrongful Act" of the spouse and that this Policy shall apply only to actual or alleged "Wrongful Acts" of a Director or Officer subject to the policy's terms and conditions.

9. CANADIAN CURRENCY

"Loss" shall be paid in the legal currency of Canada. All amounts shown in the policy wording, declarations and endorsements are Canadian dollars.

10. NOTICE OF CLAIMS

- (a) if during the "Policy Period" or Discovery Period, any "Claim" is made against the "Corporation" or any "Insured Persons", the "Corporation" or the "Insured Persons", shall, as a condition precedent to their right to coverage under this policy, give to the "Insurer" notice in writing as soon as practicable, but in no event later than 15 days after the termination date of this policy, of any such "Claim".
- (b) If during the "Policy Period" or the Discovery Period:
 - (i) The "Corporation" or the "Insured Persons" shall receive written or oral notice from any party that it is the intention of such party to hold the "Corporation" or the "Insured Persons", or any of them, responsible for a "Wrongful Act"; or,
 - (ii) The "Corporation" or the "Insured Persons" shall become aware of any fact, circumstance or situation which may reasonably be expected to give rise to a "Claim" being made against the "Corporation" or the "Insured Persons", or any of them, for a "Wrongful Act";

And shall in either case during such period give written notice as soon as practicable to the "Insurer" of the receipt of such written or oral notice under Section 10(b)(i) or of such fact, circumstance or situation under Section 10(b)(ii), then any "Claim" which is subsequently made against the "Corporation" and/or the "Insured Persons" arising out of such "Wrongful Act" shall for the purpose of this policy be treated as a "Claim" made during the "Policy Period" or Discovery Period.

- (c) Notice provided for in this section shall be given to the "Insurer" at the address shown in this wording.
- (d) The "Corporation" and/or the "Insured Persons", following the furnishing of notice as provided in paragraphs (a), (b) and (c) of this section shall, as soon as practicable, furnish the "Insurer" with (i) names of potential claimants and a description of the specific "Wrongful Act(s)" which forms the basis of their potential claim, including the specific date(s) of the alleged (s), (ii) the identify of the specific insured(s) allegedly responsible for such specific "Wrongful Act(s)", (iii) the consequences which have resulted or may result from such specific "Wrongful Act(s)", (iv) the nature of the potential monetary damages or non-monetary relief which may be sought in consequence of such specific "Wrongful Act(s)"; and, (v) the circumstances by which the Insureds first became aware of such specific "Wrongful Act(s)". The "Insurer" shall have the right to examine under oath any Director, Officer or member or employee of the "Corporation" at any time following the furnishing of such notice.

11. ASSISTANCE AND CO-OPERATION BY THE INSURED

The "Corporation" and the "Insured Persons" shall give the "Insurer" such information and co-operation as the "Insurer" may reasonably require.

12. WARRANTY AND SEVERABILITY CLAUSE

It is warranted that the particulars and statements contained in the written application, and the Declarations are the basis of this policy and are to be considered as incorporated in and constituting part of

the policy. As respects the particulars and statements contained in the written application, this policy shall be construed as a separate agreement with each "Insured Persons" under this policy. Nothing in this paragraph shall be construed to increase the "Insurer's" maximum liability as set forth in Section 2 of this policy.

13. DISCOVERY PERIOD

If the "Insurer" or the "Corporation" shall cancel or refuse to renew this policy and provided that the premium has been fully paid, the "Corporation" shall have the right upon payment of an additional premium of the one (1) year premium hereunder, to an extension of the coverage granted by this policy in respect of any "Claim" or "Claims" which are made against the "Corporation" and/or the "Insured Persons" during the period of twelve (12) months after the effective date of such cancellation or, in the event of a refusal to renew, after the date upon which the "Policy Period" ends, but only in respect of any "Wrongful Act" committed before such date. Such twelve (12) month period is hereinafter referred to as the Discovery Period. The additional premium to be charged will be determined upon request of this extension and will remain at the discretion of the "Insurer"; however, such additional premium shall not exceed 200% of the previous annual premium. This right of extension shall terminate unless written notice is given to the "Insurer" within fifteen (15) days after the "Policy Period" ends, together with full payment of the additional premium for this extension.

If such notice and additional premium payment is not so given to the "Insurer", the "Corporation" shall not, at a later date, be able to exercise the right to purchase the Extension.

The Discovery Period shall be part of the immediately preceding "Policy Period" and a single aggregate Limit of Liability will apply to such "Policy Period" including the Discovery Period.

14. OTHER INSURANCE

The insurance provided by this Policy shall apply only as excess over any other valid and collectible insurance, unless such other insurance is written only as specific excess insurance over the Limit of Liability provided by this policy. This policy shall specifically be excess of any other valid and collectible insurance pursuant to which any other "Insurer" has a duty to defend a "Claim", including Employment Practices Claims, for which this policy may be obligated to pay "Loss".

In the event that any part of such other valid and collectible insurance is provided by another policy of any member company of the Co-operators Group, the "Insurer's" liability hereon shall be reduced by the amount payable under such other policy.

15. SUBROGATION

In the event of any payment under this policy, the "Insurer" shall be subrogated to the extent of such payment to all rights or recovery therefore, and the "Corporation" or the "Insured Persons" shall execute all papers required and shall do everything that may be necessary to secure such rights including the execution of such documents necessary to enable the "Insurer" effectively to bring suit in the name of the "Corporation" or the "Insured Persons".

16. CHANGES

Notice to any agent or knowledge possessed by any agent or by any person shall not effect a waiver or a change in any part of this policy or estop the "Insurer" from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

17. ASSIGNMENT

No assignment of interest under this policy shall bind the "Insurer" until consent is endorsed hereon.

18. ADJUSTMENT CLAUSE

This policy is issued and the premium computed on the basis of the information submitted to the "Insurer" as part of the Application referred to in the declarations. Premium adjustment and coverage revision may be required by the "Insurer" in the event:

- (a) the "Corporation" acquires any other entity or
- (b) the "Corporation" creates or acquires a subsidiary subsequent to the inception date of the policy. The "Corporation" agrees to give notice to the "Insurer" in writing as soon as practicable of the happening of either of the foregoing and furnish such information in connection therewith as the "Insurer" may require.

19. ACTION AGAINST THE INSURER

No action shall lie against the "Insurer" for the enforcement of any entitlement under this policy unless the "Corporation" and the "Insured Persons" have complied with the terms and conditions set out in this policy.

20. CANCELLATION CLAUSE

This policy may be cancelled by the "Corporation" at any time by written notice to the "Insurer" or by surrender of this policy. This policy may also be cancelled by, or on behalf of, the "Insurer" by delivering to the "Corporation" or by mailing to the "Corporation" by registered, certified or other first class mail, at the "Corporation's" address shown in this policy, written notice stating when, not less than ninety (90) days thereafter fifteen (15) days if the cancellation is due to non-payment of the premium), the cancellation shall become effective. The mailing of such notice as aforesaid shall be sufficient proof of notice.

If this policy shall be cancelled by the "Corporation", the "Insurer" shall retain the customary short-rate proportion of premium hereon. If this policy shall be cancelled by or on behalf of the "Insurer", the "Insurer" shall retain the pro-rata proportion of the premium hereon. Payment or tender of any unearned premium by the "Insurer" shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made soon as practicable.

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by law.

21. STATUTORY CONFORMITY

Terms of this policy which are in conflict with the statutes of the jurisdiction wherein this policy is issued are hereby amended to conform to such statutes.

22. COMPANY AUTHORIZATION CLAUSE

By acceptance of this policy, the "Corporation" named in the Declarations agrees to act on behalf of an "Insured Persons" with respect to the giving of all notices to the "Insurer" as required herein, the receiving of notices of "Claims" or cancellation, the payment of premiums, and the receiving of any return premiums that may become due under this policy, and all "Insured Persons" agree that the "Corporation" shall act on their behalf.

23. NOTIFICATION OF CLAIMS

All "claim" notice(s) are to be delivered to the following address:

Sovereign General Insurance Company
Attention: Monique Bain, Claims Manager
Montreal Branch
Suite 700, 2000 McGill College Avenue
Montreal, PQ H3A 3H3

IN WITNESS WHEREOF the "Insurer" has executed and attested these presents but this policy shall not be valid unless countersigned on the Declarations page by a duly authorized representative of the "Insurer".

ELECTRONIC DATE RECOGNITION EXCLUSION

There shall be no coverage under this policy in connection with any claim based on, attributable to or arising directly or indirectly from:

- (a) the failure or inability of any computer hardware, computer software including operating systems, data processing equipment or media, microchip, integrated circuit or similar device, whether the property of the Insured or not, and whether occurring before, during or after the year 2000 to:
 - (i) correctly recognize any date as the true calendar date, or
 - (ii) capture, save, or retain, and/or to correctly manipulate, interpret or process any data or information or command or instruction as a result of treating any date otherwise than as the true calendar date, or
 - (iii) capture, save, retain or to correctly process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save, retain or to correctly process such data on or after any date;

- (b) any advice, assessment, audit, correction, rectification, remediation, conversion, renovation, rewriting or replacement of, or any failure to advise, assess, audit, correct, convert, renovate, rewrite or replace any computer hardware, computer software including operating systems, data processing equipment or media, microchip, integrated circuit or similar device, whether the property of the Insured or not, related to ensuring the ability to correctly recognize, process, distinguish, interpret or accept any date as the true calendar date.

All other terms and conditions of this policy remain unchanged.

DATA EXCLUSION

There shall be no coverage under this policy in connection with any claim based on, attributable to or arising directly or indirectly from the distribution or display of "data" by means of an Internet Website, the Internet, an Intranet, Extranet, or similar device or system designed or intended for electronic communication of "data".

For the purpose of this endorsement, "data" means representations of information or concepts, in any form.

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

TOTAL ASBESTOS EXCLUSION

This insurance shall not apply to and does not cover any actual or alleged liability for any claim in respect of loss, damage, cost or expense directly or indirectly caused by, resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity.

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

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

EXCLUSION ENDORSEMENT – FUNGI OR FUNGAL DERIVATIVES

This insurance does not apply to:

- (a) "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- (b) Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or in any way responding to, or assessing the effects of "fungi", by any insured or any other person or entity.
- (c) Any supervision, instructions, recommendations, warning or advice given or which should have been given in connection with (a) and (b) above.

For the purposes of this endorsement:

- (a) "Fungi" includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "fungi" or "spore(s)" or resultant mycotoxins, allergens or pathogens.
- (b) "Spore(s)" includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".

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

SHORT RATE TABLE

Attached to and forming part of this policy. The following Table applies when termination of the policy is requested by the Insured.

Days to Expiry	% of Premium Returned	Days to Expiry	% of Premium Returned	Days to Expiry	% of Premium Returned
365-362	92	245-243	61	126-123	30
361-358	91	242-239	60	122-120	29
357-354	90	238-235	59	119-116	28
353-350	89	234-231	58	115-112	27
349-346	88	230-227	57	111-108	26
345-342	87	226-223	56	107-104	25
341-339	86	222-219	55	103-100	24
338-335	85	218-216	54	99-97	23
334-331	84	215-212	53	96-93	22
330-327	83	211-208	52	92-89	21
326-323	82	207-204	51	88-85	20
322-319	81	203-200	50	84-81	19
318-316	80	199-196	49	80-77	18
315-312	79	195-193	48	76-73	17
311-308	78	192-189	47	72-69	16
307-304	77	188-185	46	68-66	15
303-300	76	184-181	45	65-62	14
299-296	75	180-177	44	61-58	13
295-292	74	176-173	43	57-54	12
291-289	73	172-170	42	53-50	11
288-285	72	169-166	41	49-47	10
284-281	71	165-162	40	46-43	9
280-277	70	161-158	39	42-39	8
276-273	69	157-154	38	38-35	7
272-269	68	153-150	37	34-31	6
268-266	67	149-146	36	30-27	5
265-262	66	145-143	35	26-24	4
261-258	65	142-139	34	23-20	3
257-254	64	138-135	33	19-16	2
253-250	63	134-131	32	15-12	1
249-246	62	130-127	31	11-0	0



The Sovereign and Your Privacy

The Sovereign General Insurance Company is committed to protecting the privacy, confidentiality, accuracy and security of the personal information that it collects, uses, retains and discloses in the course of conducting business.

Building Relationships with You

To build a lasting relationship with you, and to provide you with requested products, services and advice, we need certain information. The information we gather about you varies, depending on your desired product or service. "Personal information" is information – oral, electronic or written – about an identifiable individual, including (but not limited to):

- **name, address and telephone number**
- **age, gender, family and marital status**
- **driving record**
- **previous insurance and claims experience**
- **medical and health information**
- **employment information**
- **banking information, credit rating, payment records**
- **identification numbers**
- **assets and liabilities**

Using Your Personal Information

As part of our relationship with you, we may collect, use and disclose your personal information to:

- **identify you**
- **understand your needs**
- **confirm your application information and assess your eligibility for products and services**
- **provide you with ongoing services, establish and maintain communication, and to respond to your inquiries**
- **investigate and settle your claims, and determine your eligibility for benefits**
- **provide information that may be of interest to you**
- **meet regulatory requirements**

We may collect, use and disclose your information with your Broker, other insurers, insurance reporting agencies, credit bureaus, and/or any other person, corporation, firm or enterprise (such as the Motor Vehicle Licensing Bureau). This would **only** be done as reasonably required for the purposes stated above.

Before using your information for any purpose other than those listed above, we or your Broker will explain the purpose and obtain your consent. We do not sell client lists nor do we collect, use or disclose your personal information without your consent, except where authorized by law. *We do not share your health information without your express consent.*

Except as otherwise stated in this brochure, The Sovereign General will **not** use your personal information to offer other products or services from us, from any companies affiliated with us or from any of our business partners. This is what your insurance Broker does for you.

If you have any questions about what your insurance Broker does with your personal information, please contact their office for details on their policies and procedures with respect to your private data

Your Rights

As a valued client of The Sovereign General, you have the right to access your personal information and request changes if required. It is also your legal right to deny us the use or disclosure of your information for certain purposes, or to choose not to provide us with some or all of your personal information. Please note however, that we only collect information that is necessary to determine your eligibility for coverage, process your business and handle your claims. Therefore, should you exercise this right and refuse to provide the required information, we will not be able to provide you with the requested products or services.

By providing your consent for us to collect, use and disclose your personal information, we can better provide you with services and products, information and counsel.

The Sovereign General notifies your Broker of special product offers, contests, community events, new discounts, coverages, products and services. Be sure to let your Broker know if you would like to receive this information.

Once The Sovereign General has issued a policy to you, you may not withdraw your consent. This is necessary since we may be required to use your personal information in the normal course of handling your business, past and present. For example, we may need to contact you in the event of a claim.

Our Commitment To You

Maintaining the security of your personal information is a top priority. Only authorized personnel have access to your information. Our systems and procedures are designed to prevent the loss, misuse, unauthorized access, disclosure, alteration, and destruction of your information. Our commitment to security is emphasized in our Code of Ethics and extends to the contracts and agreements that we sign with external suppliers and service providers. We will only retain your information for as long as required for the purposes for which it was collected and/or any legal or regulatory requirements.

Privacy Questions, Comments or Requests?

If you have any questions, comments, concerns or requests pertaining to our privacy policy – please feel free to:

- talk to your broker
- contact us at:
The Sovereign General Insurance Privacy Officer
#500, 6700 Macleod Trail SE
Calgary, Alberta T2H 0L3
T: 1-888-887-7773: Simply follow the prompts to The Sovereign General's voice mailbox.
E: privacy@sovgen.com

Note: **For Quebec Residents:**

If a conflict arises between Federal and Quebec privacy legislation for events occurring in the province of Quebec, then Quebec privacy legislation shall prevail.