Markel Canada

Commercial General Liability
Occurrence & Property Form

DECLARATIONS

Policy Number:	CAS666778-04
Expiring Policy Number:	Renewal
Named Insured:	Karate Alberta Association
Mailing Address:	323 Deer Side Pl SE, Calgary, AB T2J 5W9
Policy Period:	From: June 12, 2022 To: June 12, 2023 12:01 a.m. Standard Time at the address of the Named Insured as stated above.
Business of the Insured:	Karate Activities
Premium:	$13,402
Minimum Retained Premium:	75%
Premium Basis:	Flat
Currency:	Canadian Dollars
Broker:	Toole Peet Insurance Brokers
Cancellation Notice:	30 days or as further described in the policy
Policy Jurisdiction:	Province of the First Named Insured

THIS POLICY CONTAINS A CLAUSE WHICH MAY LIMIT THE AMOUNT PAYABLE.

For the purpose of the Insurance Companies Act (Canada), this Canadian Policy was issued in the course of Lloyd's Underwriters' insurance business in Canada.

In return for payment of the premium, and subject to all the terms of this insurance, we agree with you to provide the insurance as stated in the attached policy documents. The Insured is requested to read this policy, and if incorrect, return it immediately for alteration.

In the event of an occurrence likely to result in a claim under this insurance, immediate notice should be given to the Coverholder whose name and address appears below. All inquiries and disputes are also to be addressed to this Coverholder.

This insurance is issued subject to the Declarations, limits, coverage agreements, exclusions, definitions, stipulations, policy terms and conditions contained in the forms attached, including any endorsements to the policy which may from time to time be added to form part of the policy.

IDENTIFICATION OF INSURER / ACTION AGAINST INSURER

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

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

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

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

In witness whereof this policy has been signed as authorized by the Underwriters, by the Coverholder **MARKEL CANADA LIMITED, 200 Wellington, Street West, Suite 400, Toronto, ON, M5V3C7**

Per:

David A. Crozier,
President & Managing Director
Markel Canada Limited

COVERAGE SECTION – COMMERCIAL GENERAL LIABILITY

Coverages	Limits of Insurance	
Bodily Injury and Property Damage	$5,000,000	Each Occurrence
Product and Completed Operations	$5,000,000	Annual Aggregate
Personal and Advertising Injury	$5,000,000	Any One Person or Business Entity / Annual Aggregate
Medical Payments	$2,500	Any One Person
Tenants' Legal Liability	$250,000	Any One Premises
Employer's Liability	$1,000,000	Each Accident / Annual Aggregate
S.P.F. No. 6 - Standard Non-Owned Automobile Liability Policy	$2,000,000	Each Accident
S.E.F. No. 94 - Legal Liability For Damage To Non-Owned Automobiles	$50,000	Each Accident
Injury To Participant Coverage	$10,000	Each Accident
Errors And Omissions with D&O Coverage (Occurrence, Defence Inside Limit)	$1,000,000	Each Occurrence / Aggregate

Coverages	Deductible	Retroactive Date (if applicable)
Bodily Injury and Property Damage	$1,000	
Personal and Advertising Injury	$1,000	
Tenants' Legal Liability	$1,000	
Employer's Liability	$1,000	
S.E.F. No. 94 - Legal Liability For Damage To Non-Owned Automobiles	$1,000	
Errors And Omissions with D&O Coverage (Occurrence, Defence Inside Limit)	$1,000	

Commercial General Liability Forms & Endorsements (Form Number – Form Name)	
	WCGE102101 - Commercial General Liability Policy - Occurrence Form
1	WMCE902102 – Policy Notices
2	CGE1012102 - Employers' Liability
3	CGE1392012 - S.P.F. No. 6 - Standard Non-Owned Automobile Liability Policy
4	CGE1402012 - S.E.F. No. 94 - Legal Liability For Damage To Non-Owned Automobiles
5	CGE1412012 - S.E.F. No. 96 - Contractual Liability Endorsement
6	CGE1422012 - S.E.F. No. 99 - Excluding Long-Term Leased Vehicle
7	CGE2092103 - Sanctioned Events Limitation
8	CGE1272012 - Virus, Bacteria, Disease And Contagion Exclusion
9	CGE2042106 - Who Is An Insured Amendment - Sports Clubs & Associations
10	CGE2082103 - Errors And Omissions Coverage (Occurrence)

Property Wordings	Form Number
1. General property terms & conditions	WFR302008

INLAND MARINE

Coverage	Limit of Insurance
Section A – Contractor's Equipment Floater	Not Covered
Section B – Course Of Construction / Installation Floater	Not Covered
Section C – Miscellaneous Property Floater	$31,000
Section D – Rigger's Legal Liability	Not Covered
Section E – Warehouseman's Legal Liability	Not Covered
Section F – Motor Truck Cargo	Not Covered

CO-INSURANCE: 100%

Coverage	Deductible Amount	Applicable To:
Section A – Contractor's Equipment Floater	Not Covered	
Section B – Course Of Construction / Installation Floater	Not Covered	
Section C – Miscellaneous Property Floater	$1,000	
Section D – Rigger's Legal Liability	Not Covered	
Section E – Warehouseman's Legal Liability	Not Covered	
Section F – Motor Truck Cargo	Not Covered	

COVERAGE SECTION – TERRORISM - Not Covered

Terrorism	Limit of Liability	Deductible
Section A & B – Terrorism & Sabotage Physical Loss/Damage and Business Interruption	Not covered	NIL
Section C – Active Assailant	Not covered	NIL
Section D – Loss of Attraction	Not covered	NIL
Section E – Threat Event	Not covered	NIL

Co-insurance: Nil

COVERAGE SECTION – PARTICIPANT ACCIDENT

Coverages	Limits of Insurance		Deductible
Accidental Death And Dismemberment Limit	$20,000	Any One Insured	Not Applicable
Accidental Medical Expense Limit	$10,000	Any One Insured	Not Applicable
Accidental Dental Expense Limit	$1,000	Any One Insured	Not Applicable

Sport Participant Accident Endorsements (Form Number – Form Name)
CGE3062108 – Sport Participant Accident Coverage

SUBSCRIPTION POLICY

In consideration of the Insured having undertaken to pay to each of the Companies named in the List of Subscribing Companies forming part hereof, or to Companies whose names are substituted therefor or added thereto by Endorsement, hereinafter called "The Company" its proportion of the agreed premium as set forth elsewhere, the Companies severally and not jointly agree, each for its proportion shown hereunder, to indemnify the Insured in accordance with the Terms and Conditions contained herein or endorsed hereon.

It is understood and agreed that the liability of the Companies individually shall be limited to the said Proportion of the Limit(s) of Liability shown elsewhere herein, and to the same Proportion of any loss, claim or expense paid or payable hereunder.

Wherever in this Policy, or in any endorsement attached hereto, reference is made to "The Company", "The Insurer", "This Company", "we", "us", or "our", reference shall be deemed to be made to each of the Insurers severally.

IN WITNESS WHEREOF THE COMPANIES, through their representative duly authorized by them for this purpose, have executed and signed this Policy on the face hereof.

LIST OF SUBSCRIBING COMPANIES

COVERAGE	COMPANY	PROPORTION
All Other Coverages	Certain Underwriters at Lloyd's, Under Agreement No. MKL2022001; Unique Market Reference Number: B6027MKL2022001	100%

IN THE EVENT OF A CLAIM

*****PLEASE NOTE THE FOLLOWING NEW CLAIMS REPORTING INSTRUCTIONS*****

PLEASE REPORT ANY OCCURRENCES, CLAIMS, ACTIONS OR SUITS AS SOON AS POSSIBLE, TO THE FOLLOWING:

Email: canadaclaims@markel.com

Markel
200 Wellington Street West Suite 400
Toronto, ON M5V 3C7
Attn: Claims Department

Tel: (416) 601-1133
Toll-free: (800) 223-8858
For claims after hours emergency hotline: 1 (877) 243-2875

The reporting condition of the policy requires that you report any incidents which might give rise to a claim, even if no such claim has yet been received. Failure to promptly report an incident may jeopardize the investigation and defence of a subsequent legal action. To avoid the risk that individual losses may be denied as a result of late reporting, please report all incidents promptly.

LLOYD'S

Code of Consumer Rights and Responsibilities

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

Right to Be Informed

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

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

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

Responsibility to Ask Questions and Share Information

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

Right to Complaint Resolution

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

Responsibility to Resolve Disputes

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

LLOYD'S

Right to Professional Service

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

Right to Privacy

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

10/12 - LSW1565C

LLOYD'S

Privacy: Notice Concerning Personal Information

Who we are

We are the Lloyd's underwriter(s) identified in the insurance contract and/or the certificate of insurance. Your privacy is important to us. This Privacy notice explains what personal information we collect, use and disclose about policyholders, beneficiaries, claimants and witnesses and for what purposes, in compliance with applicable Canadian privacy laws.

What personal information we collect

Personal information is any information about an identified and or identifiable individual. The personal information that is collected for a clear and legitimate use and disclosure generally includes the following:

- Identification and contact information (name, address including postal code, country, telephone number, email address, month and date of birth, drivers licence, employer, job title, employment history, family details)
- Policy information (policy number, policy amounts, policy terms)
- Claim information (claim number, information relating to a potential or existing claim)
- Payment information (credit card details, bank account details, credit score)
- Other information related to your insurance cover or a claim only for legitimate business purposes

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

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

How we use your information

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

Information is generally collected, used, disclosed and stored in order to provide you with the insurance products that you have requested, including to:

- Identify you and provide you with insurance cover
- Communicate with Lloyd's policyholders
- Calculate, collect or refund premiums
- Underwrite policies and facilitate policy administration
- Evaluate and process claims
- Detect and prevent fraud, carry out anti-money laundering and sanctions checks
- Investigate and prosecute fraud
- Meet our regulatory and other legal obligations
- Enforce terms or exercise rights under the insurance contract
- Analyze insurance risk and business results
- Improve our services and offerings
- Provide general client care

- Defend or prosecute legal claims
- Renew your insurance policy
- Transfer of books of business, company sales and reorganisations Or as maybe otherwise required or authorized by law.

Your information may be shared and disclosed;

In order to fulfil the purposes described in this Privacy notice, we may share your personal information with other third parties that we have engaged to provide services on our behalf, or who otherwise assist us in providing you with services, such as affiliated organizations, sub-contractors, agents/coverholders, legal counsel, insurers, brokers, reinsurers, loss adjusters and other service providers.

We will limit this disclosure to only the Personal Information that is reasonably necessary for the purpose or service for which the third party or affiliate will provide. We will use contractual and other means to provide a comparable level of protection while the information is being processed by these service providers, including limiting such providers to using your Personal Information solely to provide Lloyd's with the specific service for which they were engaged, and for no other purpose. You can obtain more information about our policies and practices with respect to the use of Personal Information by Third Party Service Providers by contacting us as described below, under the section "How to Contact Us" at the end of this document.

Some of these entities may be located outside Canada, therefore your information may be processed in a foreign jurisdiction, where it will be subject to the laws of that jurisdiction, which may be different than the laws in your province. Personal information that is stored or processed outside Canada may also be accessible to the law enforcement and national security authorities of that jurisdiction.

We may also share or transfer your Personal Information where reasonably required in the context of a sale, merger or amalgamation of all or part of our business or the insurance or securitization of our assets. In any such case, the recipient parties will be contractually required to keep the information confidential and use it only for the purposes of the transaction, or proposed transaction, in question. In the event a business transaction is affected, assignees or successors of Lloyd's or our business or assets, or those of our affiliated entities, may use and disclose Personal Information only for the purposes as set out in this Privacy notice, unless further consent is obtained.

We may also share your Personal Information with law enforcement, national security agencies or other governmental officials, as required or permitted by law, such as in response to a court order or a verified request relating to a criminal investigation or alleged illegal activity, where we are legally obligated to contribute information to compulsory insurance databases, or where required to detect, prevent or prosecute fraud.

Authority to collect, use and disclose personal information

When you share information with us for particular purposes, such as providing you with insurance, you give us explicit consent to collect, use and disclose your information for those purposes. Canadian law also authorizes us to collect, use and disclose personal information without consent in certain circumstances prescribed by law, which may include the following:

- Detecting or suppressing fraud
- Investigating or preventing financial abuse
- For communication with the next to kin or authorized representative of an injured, ill or deceased individual
- Investigating a breach of an agreement or a contravention of the laws of Canada or a foreign jurisdiction where obtaining consent would compromise the availability or accuracy of the information
- Witness statement necessary to assess, process or settle insurance claims
- Information that is produced in the course of an individual's employment, business or profession

There may be situations where we need your additional consent to collect, use, and disclose information about

you. In those situations, we will ask you for consent separately. You do not have to give your consent and, subject to legal and contractual restrictions, you can withdraw your consent to us collecting, using and disclosing your information at any time. However, withdrawing your consent may affect our ability to provide you with insurance cover or other services.

LLOYD'S

Retention and security

We retain personal information for as long as necessary to provide you with insurance cover and meet the other purposes for collection, use and disclosure described in this Privacy notice, or as otherwise required or permitted by law. When your Personal Information is no longer required, we will make all reasonable efforts to ensure all electronic and hard copies of such information are securely destroyed and irreversibly deleted from our systems.

We use various physical, technical and administrative security measures, appropriate to the sensitivity of the personal information, that are designed to protect against loss, theft, unauthorized access, disclosure, copying, use or modification by. Although we will take reasonable measures to protect personal information, the transmission of information through the internet or other electronic means is not guaranteed to be secure and may create risks for the privacy and security of your information.

How to access your personal information

Subject to certain exceptions provided by applicable law, you have the right to access your personal information, request corrections about your personal information if you identify any inaccuracies, and request that we delete your information. If you would like to exercise any of these rights, please contact the Ombudsperson at info@lloyds.ca.

The Ombudsperson can also provide additional information about Lloyd's policies and practices, answer questions about the collection, use, disclosure or storage of personal information by Lloyd's and its service providers located outside Canada, as well as discuss any complaints you may have regarding the collection, use and disclosure of your personal information.

Changes

We may amend this Privacy notice from time to time as our business evolves, in response to legal developments, as new technologies become available, or as we introduce new features, products or services.

When we make changes to wording of this Privacy notice we will revise the "last updated" date at the bottom of this Privacy notice. You should check back here periodically to find out if any changes have been made to this Privacy notice. If we make substantial changes we will, as appropriate prominently post these changes to our Site or notify registered Users directly.

How to contact us

Further information about Lloyd's personal information protection policy may be obtained by visiting, https://www.lloyds.com/lloyds-around-the-world/americas/canada/market-conduct from your broker, or by contacting Lloyd's by phone: 514 861 8361, 1 877 455 6937 or email: info@lloyds.ca.

05/19 - LSW1543D

LLOYD'S

Lloyd's Underwriters' Policyholders' Complaint Protocol

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

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

- Firstly, please contact the broker who arranged the insurance on your behalf about your concerns so that he or she may have the opportunity to help resolve the situation.

- If your broker is unable to help resolve your concerns, we ask that you provide us in writing an outline of your complaint along with the name of your broker and your policy number.

Please forward your complaint to:

Lloyd's Underwriters
Attention: Complaints Officer
Royal Blank Plaza South Tower, 200 Bay Street, Suite 2930,
P.O. Box 51
Toronto, Ontario, M5J 2J2

Tel: 1-877-455-6937
E-mail: info@lloyds.ca

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

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

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

Toll free number: 1-877-225-0446

www.giocanada.org

LLOYD'S

For Quebec clients:

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

Toll Free: 1-877-525-0337
Québec: (418) 525-0337
Montréal: (514) 395-0311

www.lautorite.qc.ca

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

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

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

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

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

www.fcac-acfc.gc.ca

09/14-LSW1542F

Markel Canada

Commercial General Liability Policy
Occurrence Form

TABLE OF CONTENTS

PART I – COVERAGES 1

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY 1

COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY 6

COVERAGE C. MEDICAL PAYMENTS 8

COVERAGE D. TENANTS' LEGAL LIABILITY 9

COMMON EXCLUSIONS – COVERAGES A, B AND D 11

PART II - SUPPLEMENTARY PAYMENTS – COVERAGES A, B AND D 17

PART III – WHO IS AN INSURED 18

PART IV – LIMITS OF INSURANCE 20

PART V – COMMERCIAL GENERAL LIABILITY CONDITIONS 21

PART VI – DEFINITIONS 25

COMMERCIAL GENERAL LIABILITY POLICY
OCCURRENCE FORM

THIS POLICY CONTAINS A CLAUSE THAT MAY LIMIT THE AMOUNT PAYABLE

PLEASE READ THE ENTIRE POLICY CAREFULLY

This Policy is subject to its Insuring Agreements, Exclusions, Conditions and Definitions as well as the Declarations and Endorsements forming part of this Policy. Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine rights, duties and what is and is not covered.

Coverage under the various Insuring Agreements is only provided if an amount of insurance is shown in the applicable section of the Declarations for such Insuring Agreements. Headings of each Insuring Agreement, Extensions, Exclusions or Conditions and throughout the entire Policy are for ease of identification only and shall not affect the interpretation of this Policy.

Throughout this Policy the words "You" and "Your" refer to the **Named Insured** shown in the Declarations. The words "We", "Us" and "Our" refer to Markel Canada (the "Company") as the insurer providing this Policy. The word "Insured" means any person or **business entity** qualifying as such under **PART III – WHO IS AN INSURED**.

Other words and phrases that appear in **bold** have defined meanings and are set out in **PART VI – DEFINITIONS**.

You have applied for insurance and We have relied upon underwriting information provided by You in Your application for coverage, and in consideration of the Premium having been paid to Us, We agree to pay or indemnify You to the extent and in the manner herein provided.

PART I – COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

a. We will pay those sums that the Insured becomes legally obligated to pay as **compensatory damages** because of **bodily injury** or **property damage** to which this Policy applies. We will have the right and duty to defend the Insured against any **suit** seeking those **compensatory damages**. However, We will have no duty to defend the Insured against any **suit** seeking damages for **bodily injury** or **property damage** to which this Policy does not apply. At Our discretion, We may investigate any **occurrence** that may involve this Policy and settle any claim or **suit** that may result. However:

   i. The amount We will pay for **compensatory damages** is limited as described in **PART IV – LIMITS OF INSURANCE**; and

   ii. Our right and duty to defend ends when We have incurred the limits of insurance available under this Policy in the payment of judgments or settlements under Coverages A, B, or D, or medical expenses under Coverage C.

   No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **PART II – SUPPLEMENTARY PAYMENTS – COVERAGES A, B AND D**.

b. This Policy applies to **bodily injury** or **property damage** only if:

   i. The **bodily injury** or **property damage** occurs during the **policy period**; and

   ii. The **bodily injury** or **property damage** is caused by an **occurrence**; and

   iii. The **occurrence** takes place in the **coverage territory**; and

iv. Prior to the **policy period**, no Insured and no **employee** authorized by any Insured to give or receive notice of an **occurrence** or claim, knew that the **bodily injury** or **property damage** had occurred, in whole or in part. If such a listed Insured or authorized **employee** knew, prior to the **policy period**, that the **bodily injury** or **property damage** occurred, then any **continuation** of such **bodily injury** or **property damage** during or after the **policy period** will be deemed to have been known prior to the commencement of the **policy period**.

c. **Bodily injury** or **property damage** which occurs during the **policy period** and was not, prior to the **policy period**, known to have occurred by any Insured or any **employee** authorized by any Insured to give or receive notice of an **occurrence** or claim, includes any **continuation** of that **bodily injury** or **property damage** after the end of the **policy period**.

d. **Bodily injury** or **property damage** will be deemed to have been known to have occurred at the earliest time when any Insured or any **employee** authorized by any Insured to give or receive notice of an **occurrence** or claim:

i. Reports all, or any part, of the **bodily injury** or **property damage** to Us or any other insurer;

ii. Receives a written or verbal demand or claim for **compensatory damages** because of the **bodily injury** or **property damage**; or

iii. Becomes aware by any means that **bodily injury** or **property damage** has occurred or has begun to occur.

iv. Becomes aware of an **occurrence** or a circumstance which may give rise to an **occurrence**, claim or **suit**.

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

f. **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 Policy does not apply to:

a. Aircraft And Watercraft

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

i. Any **aircraft**, or **watercraft** owned or operated by or rented or loaned to any Insured;

ii. Any premises for the purpose of any airport or **aircraft** landing area, hanger and all operations necessary or incidental thereto; or

iii. Any premises for the purpose of any **watercraft** landing area, marina, dock, boathouse, berth or mooring and all operations necessary or incidental thereto.

"Use" includes operation, operational control and **loading or unloading**.

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

This exclusion does not apply to:

iv. A **watercraft** while ashore on premises You own or rent;

v. A **watercraft** You do not own that is less than 8 metres long and it is not being used to carry persons or property for a charge;

vi. Liability assumed under any **insured contract** for the ownership, maintenance or use of **aircraft** or **watercraft**; or

vii. An **aircraft** or **watercraft** that is chartered by, loaned to, or hired by You with a paid crew and not owned by any Insured.

b. Automobile

i. **Bodily injury** or **property damage** arising directly or indirectly out of ownership, maintenance, use, or entrustment to others by or on behalf of any Insured of:

(a) Any **automobile**;

(b) Any motorized snow vehicle or its trailers;

(c) Any vehicle while being used in any power, haulage, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity; or

(d) 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 or operation of machinery, apparatus or equipment mounted on or attached to any vehicle, while such machinery or apparatus is in actual use or operation.

"Use" includes operation, operational control, and **loading or unloading**.

ii. **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.

iii. **Bodily injury** or **property damage** with respect to actual or alleged negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that Insured, if the **occurrence** which caused or contributed to the **bodily injury** or **property damage** involved the ownership, maintenance, use or entrustment to others of any **automobile** that is owned or operated by or rented or loaned to any Insured. This exclusion applies regardless of any other actual or alleged cause or event that actually or allegedly directly or indirectly:

(a) Contributes concurrently to; or

(b) Contributes in sequence to

such **bodily injury** or **property damage**, even if such actual or alleged cause or event would otherwise be covered.

This exclusion does not apply to:

iv. **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;

v. **Bodily injury** or **property damage** arising out of a defective condition in, or improper maintenance of, any **automobile** owned by the Insured while leased to others for a period of 30 days or more provided the lessee is obligated under contract to ensure that the **automobile** is insured; or

vi. The ownership, use or operation of machinery, apparatus or equipment mounted on or attached to any vehicle while at the site of the use or operation of such equipment, but this exception does not apply when such equipment is used for the purpose of **loading or unloading**.

c. Contractual Liability

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

i. Assumed in a contract or agreement that is an **insured contract**, provided the **bodily injury** or **property damage** occurs subsequent to the execution of the contract or agreement. Solely

for the purposes of liability assumed in an **insured contract**, reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an Insured are deemed to be **compensatory damages** because of **bodily injury** or **property damage**, provided:

(a) Liability to such party, for, or for the cost of, that party's defence has also been assumed in the same **insured contract**; and

(b) Such attorneys' fees and litigation expenses are for defence of that party against a civil or alternative dispute resolution proceeding in which **compensatory damages** to which this Policy applies are alleged.

ii. That the Insured would have in the absence of the contract or agreement.

d. Damage To Impaired Property Or Property Not Physically Damaged

Property damage to **impaired property** or property that has not be physically damaged, arising out of:

i. A defect, deficiency, inadequacy or dangerous condition in **Your product** or **Your work**; or

ii. A delay or failure by You or anyone acting on Your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to **Your product** or **Your work** after it had been put to its intended use.

e. Damage To Property

Property damage to:

i. Property You own, rent, or occupy;

ii. Property owned or transported by the Insured and arising out of the ownership, maintenance or use of an **automobile**;

iii. Premises You sell, give away or abandon, if the **property damage** arises out of any part of those premises;

iv. Property loaned to You;

v. Personal property in the Insured's care, custody or control;

vi. That particular part of real property on which You or any contractor or subcontractor working directly or indirectly on Your behalf are performing operations, if the **property damage** arises out of those operations; or

vii. That particular part of any property that must be restored, repaired or replaced because **Your work** was incorrectly performed on it.

Paragraph iii. of this exclusion does not apply if the premises are **Your work** and were never occupied, rented or held for rental by You.

Paragraphs iv., v., vi., and vii. of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph vi. of this exclusion does not apply to **property damage** included in the **products-completed operations hazard**.

f. Damage To Your Product

Property damage to **Your product** arising out of it or any part of it.

g. Damage To Your Work

Property damage to **Your work** arising out of it or any part of it and included in the **products-completed operations hazard**.

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

h. Employer's Liability

Bodily injury to:

i. An **employee** of the Insured arising out of and in the course of:

(a) Employment by the Insured; or

(b) Performing duties related to the conduct of the Insured's business; or

ii. The spouse, child, parent, brother or sister of that **employee** as a consequence of Paragraph i. above.

This exclusion applies whether the Insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to:

iii. Liability assumed by the Insured under an **insured contract**; or

iv. A claim made or a **suit** brought by a Canadian resident **employee** on whose behalf contributions are made by or required to be made by You under the provisions of any Canadian provincial or territorial workers' compensation law, if cover or benefits have been denied by any Canadian Workers' Compensation Authority.

i. Expected Or Intended Injury

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

j. Liquor and Marijuana Liability

Bodily injury or **property damage** for which any Insured may be held liable by reason of:

i. Causing or contributing to the intoxication of any person;

ii. The furnishing of alcoholic beverages or marijuana to a person under the legal consumption age or under the influence of alcohol or marijuana; or

iii. Violation of any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages or marijuana.

This exclusion extends to claims against any Insured that allege negligence or other wrongdoing in:

iv. The supervision, hiring, employment, training or monitoring of others by any Insured; or

v. Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol or marijuana;

if the **occurrence** which caused the **bodily injury** or **property damage** involved that which is described in Paragraphs i., ii. or iii. above.

However, this exclusion applies only if You are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages or marijuana. For the purposes of this exclusion, permitting a person to bring alcoholic beverages or marijuana on Your premises for consumption on Your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages or marijuana.

k. Personal And Advertising Injury

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

l. Professional Services

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

m. Recall Of Products, Work Or Impaired Property

Any loss, cost or expense incurred by You or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

i. **Your product**;

ii. **Your work**; or

iii. **Impaired property**;

if such product, work, or property is withdrawn or recalled from the market or from use by any person or **business entity** because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

a. We will pay those sums that the Insured becomes legally obligated to pay as **compensatory damages** because of **personal and advertising injury** to which this Policy applies. We will have the right and duty to defend the Insured against any claim or **suit** seeking those **compensatory damages**. However, We will have no duty to defend the Insured against any claim or **suit** seeking damages for **personal and advertising injury** to which this Policy does not apply. At Our discretion, We may investigate any offence that may involve this Policy and settle any claim or **suit** that may result. However:

i. The amount We will pay for **compensatory damages** is limited as described in **PART IV – LIMITS OF INSURANCE**; and

ii. Our right and duty to defend ends when We have incurred the limits of insurance available under this Policy in the payment of judgments or settlements under Coverages A, B or D or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **PART II – SUPPLEMENTARY PAYMENTS – COVERAGES A, B AND D**.

b. This Policy applies to **personal and advertising injury** only if:

i. The **personal and advertising injury** is caused by an offence arising out of Your business; and

ii. The offence is committed in the **coverage territory**; and

iii. The **personal and advertising injury** occurs during the **policy period**; and

iv. Prior to the **policy period**, no Insured and no **employee** authorized by any Insured to give or receive notice of an offence or claim, knew that the **personal and advertising injury** had occurred, in whole or in part. If such a listed Insured or authorized **employee** knew, prior to the **policy period**, that the **personal and advertising injury** occurred, then any **continuation** of such **personal and advertising injury** during or after the **policy period** will be deemed to have been known prior to the commencement of the **policy period**.

c. **Personal and advertising injury** which occurs during the **policy period** and was not, prior to the **policy period**, known to have occurred by any Insured or any **employee** authorized by any Insured to give or receive notice of an offence or claim, includes any **continuation** of that **personal and advertising injury** after the end of the **policy period**.

d. **Personal and advertising injury** will be deemed to have been known to have occurred at the earliest time when any Insured or any **employee** authorized by any Insured to give or receive notice of an offence or claim:

i. Reports all, or any part, of the **personal and advertising injury** to Us or any other insurer;

ii. Receives a written or verbal demand or claim for **compensatory damages** because of **personal and advertising injury**; or

iii. Becomes aware by any means that **personal and advertising injury** has occurred or has begun to occur.

2. Exclusions

This Policy does not apply to:

a. Breach Of Contract

Personal and advertising injury arising out of a breach of contract, except an implied contract to use another's advertising idea in Your **advertisement**.

b. Contractual Liability

Personal and advertising injury for which the Insured has assumed liability in a contract or agreement. This exclusion does not apply to:

i. Liability for **compensatory damages** that the Insured would have in the absence of the contract or agreement; or

ii. Liability for false arrest, detention, or imprisonment assumed in a contract or agreement.

c. Criminal Acts

Personal and advertising injury arising out of a criminal act committed by or at the direction of the Insured.

d. Electronic Chatrooms Or Bulletin Boards

Personal and advertising injury arising out of an electronic chatroom or bulletin board the Insured hosts, owns, or over which the Insured exercises control.

e. Infringement Of Copyright, Patent, Trademark Or Trade Secret

Personal and advertising injury arising out of any or alleged infringement or violation of copyright, patent, trade dress, trademark, service mark, trade name, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in Your **advertisement**.

However, this exclusion does not apply to infringement, in Your **advertisement**, of copyright, trade dress or slogan.

f. Insureds In Media And Internet Type Businesses

Personal and advertising injury arising out of an offence committed by an Insured whose business is:

i. Advertising, broadcasting, publishing or telecasting;

ii. Designing or determining content of websites for others; or

iii. An Internet search, access, content or service provider.

However, this exclusion does not apply to: Paragraphs a., b. and c. of Definition **31. Personal and advertising injury** under **PART VI - DEFINITIONS**.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for You or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

g. Knowing Violation Of Rights Of Another

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

h. Material Published Prior To Policy Period

Personal and advertising injury arising out of oral or written publication, in any manner, of material, whose first publication took place before the beginning of the **policy period**.

i. Material Published With Knowledge Of Falsity

Personal and advertising injury arising out of oral or written publication of material, if done by or at the direction of the Insured with knowledge of its falsity.

j. Professional Services

Personal and advertising injury arising out of the rendering or failure to render any **professional service**.

This exclusion extends to claims against any Insured that allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that Insured, if the offence which caused the **personal and advertising injury**, involved the rendering of or failure to render any **professional service** for others for a fee.

k. Quality Or Performance – Failure To Conform To Statements

Personal and advertising injury arising out of the failure of goods, products or services to conform with any statement of quality or performance made in Your **advertisement**.

l. Unauthorized Use Of Another's Name Or Product

Personal and advertising injury arising out of the unauthorized use of another's name or product in Your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Wrong Description Of Prices

Personal and advertising injury arising out of the wrong description of the price of goods, products or services stated in Your **advertisements**.

COVERAGE C. MEDICAL PAYMENTS

1. Insuring Agreement

a. We will pay medical expenses as described below for **bodily injury** caused by an accident:

i. On premises You own or rent;

ii. On ways next to premises You own or rent; or

iii. Because of Your operations

Provided always that:

iv. The accident takes place in the **coverage territory** and during the **policy period**;

v. The expenses are incurred and reported to Us within one year of the date of the accident; and

vi. The injured person submits to examination, at Our expense, by physicians of Our choice as often as We reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance under this Policy. We will pay reasonable expenses for:

i. First aid at the time of an accident;

ii. Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and

iii. Necessary ambulance, hospital, professional nursing and funeral services

2. Exclusions

This Policy does not apply to expenses for **bodily injury**:

a. Any Insured

To any Insured, except **volunteer workers**.

b. Hired Person

To a person hired to do work for or on behalf of any Insured or a tenant of any Insured.

c. Injury of Normally Occupied Premises

To a person injured on that part of premises You own or rent that the person normally occupies.

d. Workers' Compensation and Similar Laws

To a person, whether or not an **employee** of any Insured, who at the time of injury is entitled to benefits under any workers' compensation or disability benefits law or similar law.

e. Athletic Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.

f. Prohibited By Law

The payment of which is prohibited by law.

g. Products-Completed Operations Hazard

Included within the **products-completed operations hazard.**

h. Coverage A Exclusions

Excluded under Coverage A.

COVERAGE D. TENANTS' LEGAL LIABILITY

1. Insuring Agreement

a. We will pay those sums that the Insured becomes legally obligated to pay as **compensatory damages** because of **property damage** to which this Policy applies. We will have the right and duty to defend the Insured against any **suit** seeking those **compensatory damages.** However, We will have no duty to defend the Insured against any **suit** seeking damages for **property damage** to which this Policy does not apply. At Our discretion, We may investigate any **occurrence** that may involve this Policy and settle any claim or **suit** that may result. However:

i. The amount We will pay for **compensatory damages** is limited as described in **PART IV – LIMITS OF INSURANCE**; and

ii. Our right and duty to defend ends when We have incurred the limits of insurance available under this Policy in the payment of judgments or settlements under Coverages A, B or D or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **PART II – SUPPLEMENTARY PAYMENTS – COVERAGES A, B AND D**.

b. This Policy applies to **property damage** only if:

i. The **property damage** is to premises of others rented to or occupied by You; and

ii. The **property damage** occurs during the **policy period**; and

iii. The **property damage** is caused by an **occurrence**; and

iv. The **occurrence** takes place in the **coverage territory**; and

v. Prior to the **policy period**, no Insured and no **employee** authorized by any Insured to give or receive notice of an **occurrence** or claim, knew that the **property damage** had occurred, in whole or in part. If such a listed Insured or authorized **employee** knew, prior to the **policy period**, that the **property damage** occurred, then any **continuation** of such **property damage** during or after the **policy period** will be deemed to have been known prior to the commencement of the **policy period**.

c. **Property damage** which occurs during the **policy period** and was not, prior to the **policy period**, known to have occurred by any Insured or any **employee** authorized by any Insured to give or receive notice of an **occurrence** or claim, includes any **continuation** of that **property damage** after the end of the **policy period**.

d. **Property damage** will be deemed to have been known to have occurred at the earliest time when any Insured or any **employee** authorized by any Insured to give or receive notice of an **occurrence** or claim:

i. Reports all, or any part, of the **property damage** to Us or any other insurer;

ii. Receives a written or verbal demand or claim for **compensatory damages** because of the **property damage**; or

iii. Becomes aware by any means that **property damage** has occurred or has begun to occur.

iv. Becomes aware of an **occurrence** or a circumstance which may give rise to an **occurrence**, claim or **suit**.

e. **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 Policy does not apply to:

a. Expected or Intended Damage

Property damage expected or intended from the standpoint or the Insured. This exclusion does not apply to **property damage** resulting from the use of reasonable force to protect any person or property.

b. Contractual Liability

Property damage for which the Insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement.

This exclusion does not apply to liability for **compensatory damages:**

i. That the Insured would have in the absence of the contract or agreement;

ii. Assumed in a contract or agreement that is an **insured contract**, provided the **property damage** occurs subsequent to the execution of the contract or agreement.

COMMON EXCLUSIONS – COVERAGES A, B AND D

This Policy does not apply to:

1. Abuse

Bodily injury, **property damage** or **personal and advertising injury** that in any way, in whole or in part, directly or indirectly, arises out of, relates to or results from:

a. **Abuse** committed or alleged to have been committed by an Insured, including the transmission of disease arising out of any act of **abuse**.

b. Your practices of **employee** hiring, acceptance of **volunteer workers** or supervision or retention of any person alleged to have committed **abuse**.

c. Allegations of knowledge by an Insured of, or failure to report, the alleged **abuse** to the appropriate authority(ies).

2. Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability

Bodily injury, **property damage** or **personal and advertising injury** that in any way, in whole or in part, directly or indirectly, arises out of, relates to or results from:

a. Any access to or disclosure theft, alteration or corruption of any person's or **business entity's** confidential, intellectual, proprietary or personal information or data, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information; or

b. Loss of use, reduction in functionality, erasure, destruction, corruption, misappropriation, misinterpretation, repair, replacement, restoration, reproduction, loss or theft of any **electronic data**, including any amount pertaining to the value of such **electronic data**; or

c. Erroneously creating, amending, entering, deleting or using **electronic data**; or

d. Any **personal and advertising injury** if otherwise insured, arising out of the distribution or display of **electronic data**, by means of a worldwide website, the Internet, an intranet, extranet, or similar device or system designed or intended for communication of **electronic data**.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by You or others arising out of that which is described in any of the above.

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

3. Asbestos

Bodily injury, **property damage** or **personal and advertising injury** that in any way, in whole or in part, directly or indirectly, arises out of, relates to or results from:

a. The actual, alleged, threatened or suspected inhalation of, ingestion of, or prolonged physical exposure to **asbestos** or products or work containing **asbestos**;

b. The use of **asbestos** in **Your work** or **Your product** or the work or product of any person or **business entity** for whom You may be legally responsible;

c. The actual, alleged, threatened or suspected exposure to **asbestos** or products containing **asbestos** which are at any time removed from a building or a structure, transported, handled, stored, treated, disposed of, processed or manufactured by You or any person or any **business entity** for whom You may be legally responsible; or

d. Any loss, cost or expense arising out of any:

i. Request, demand or order that any Insured or others respond to, test for, monitor, abate, mitigate, remove, clean up, contain, remediate, treat, detoxify, neutralize, assess the presence or effects of

or otherwise deal with or dispose of **asbestos** or any materials containing **asbestos** in whatever form or quantity; or

ii. Claim or **suit** by or on behalf of any person, **business entity** or governmental authority for damages because of testing for, monitoring, clean up, removal, containment, abatement of, or in any way responding to or assessing the effects of **asbestos**.

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

4. Cyber Incident

Bodily injury, **property damage** or **personal and advertising injury** that in any way, in whole or in part, directly or indirectly, arises out of, relates to or results from a **cyber incident,** including but not limited to, any action taken in controlling, preventing, suppressing or remediating any **cyber incident**.

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

5. Employment Related Practices

Bodily injury, **property damage** or **personal and advertising injury** that in any way, in whole or in part, directly or indirectly, arises out of, relates to or results from employment-related practices to:

a. A person arising out of any:

i. Refusal to employ that person;

ii. Termination of that person's employment; or

iii. Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or

b. The spouse, child, parent, brother or sister of that person as a consequence of the injury to that person at whom any of the employment-related practices described in Paragraphs a. i., a. ii. or a. iii. above is directed.

This exclusion applies:

c. Whether the injury causing the event described in Paragraphs a. i., a. ii. or a. iii. above occurs before employment or after employment of that person;

d. Whether the Insured may be liable as an employer or in any other capacity; and

e. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

6. ERISA

Any obligation of the Insured under the Employee Retirement Income Security Act (ERISA) of 1974 and any amendments thereto, the *Pension Benefit Standards Act, 1985* of Canada, and any amendments thereto, or any similar federal, state, provincial, territorial, or local statute.

7. Fiduciary Employee Benefits

Any fiduciary liability, including but not limited to the operation, oversight or management of employee benefit plans or programs, or reporting or making contributions to the Canada Pension Plan, Quebec Pension Plan, or any similar federal, provincial, union or governmental earnings related transfer plan for retirement of **employees** and amendments thereto.

8. Fungi Or Spores

Bodily injury, **property damage** or **personal and advertising injury** that in any way, in whole or in part, directly or indirectly, arises out of, relates to or results from:

a. The actual, alleged or threatened contact with, exposure to, inhalation of, ingestion of, absorption of, existence of, presence of, discharge, dispersal, seepage, migration, release, escape, growth or reproduction of **fungi** or **spores**;

b. Costs and expenses to investigate or defend any claim or **suit** or payment of any fine or penalty for Paragraph a. above; or

c. Any loss, cost, expense, fine or penalty arising out of any:

   i. Claim, **suit**, request, demand, order or statutory or regulatory requirement that any Insured or others test for, monitor, clean up, remove, abate, mitigate, remediate, dispose of, contain, treat, detoxify or neutralize, or in any way respond to, or assess the concentration or effects of **fungi** or **spores**; or

   ii. Claim or **suit** for damages because of testing for, monitoring, cleaning up, removing, abating, mitigating, remediating, disposing of, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the concentration or effects of **fungi** or **spores**.

Exclusions c. i. and c. ii. apply to any actual or alleged supervision, instructions, recommendations, warnings or advice given or which should have been given by any Insured or others.

Exclusions a. through c. above apply to:

d. Injury or damage regardless of whether such is included within the **products-completed operations hazard**;

e. Any obligation to share damages with or repay someone else who must pay damages; and

f. **Fungi** or **spores** existing, emanating from or moving anywhere indoors or outdoors.

The addition of this exclusion does not imply that other provisions, including but not limited to any pollution exclusion, do not also exclude coverage for **fungi** or **spore** related injury, damage, expense, liability, legal obligation, **occurrence**, offence, claim, **suit** or loss.

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

9. Lead

Bodily injury, **property damage** or **personal and advertising injury** that in any way, in whole or in part, directly or indirectly, arises out of, relates to or results from:

a. The actual, alleged, threatened or suspected use of, inhalation of, consumption of, ingestion of, absorption of **lead**;

b. The actual, alleged, threatened or suspected use, handling, contact or other exposure to **lead**, including without limitation, costs incurred with respect to the removal, remediation or abatement of **lead** from real or tangible property;

c. Any obligation of the Insured to defend and/or indemnify any party on account of damages (and all applicable expenses) arising out of the manufacture, mining, use, sale, removal, distribution or exposure to **lead**;

d. Any obligation to investigate or defend any claim against the Insured seeking damages (and all applicable expenses) arising out of the manufacture, mining, use, sale, removal, distribution or exposure to **lead**;

e. The actual or alleged failure to warn, advise or instruct related to **lead** in any manner or form whatsoever; or

f. The actual or alleged failure to prevent exposure to **lead**.

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

10. Nuclear Energy Liability

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

b. **Bodily injury**, **property damage** or **personal and advertising injury** with respect to which an Insured under this Policy is also insured under a contract of nuclear energy liability insurance (whether the Insured is unnamed in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

c. **Bodily injury**, **property damage** or **personal and advertising injury** that in any way, in whole or in part, directly or indirectly, arises out of, relates to or results from the **nuclear energy hazard** arising from:

i. the ownership, maintenance, operation or use of a **nuclear facility** by or on behalf of an Insured;

ii. the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility**;

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 useable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an Insured.

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

11. Organic Pathogens

Bodily injury, **property damage** or **personal and advertising injury** that in any way, in whole or in part, directly or indirectly, arises out of, relates to or results from:

a. Any actual, alleged or threatened infectious, pathogenic, toxic or other harmful properties of any **organic pathogen**, including exposure to any **organic pathogen**;

b. Any:

i. Request, demand, order or statutory or regulatory requirement that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of any **organic pathogen**,

ii. Claim or **suit** by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of any **organic pathogen**, or

c. Any actual or alleged failure by an Insured to properly quarantine those affected by an **organic pathogen**.

This exclusion does not apply to **bodily injury** caused by any **organic pathogen** in or on any food or beverages sold, distributed, served or handled by the Insured.

The addition of this exclusion does not imply that other provisions, including but not limited to any pollution exclusion, do not also exclude coverage for **organic pathogen** related injury, damage, expense, liability, legal obligation, **occurrence**, offence, claim, **suit** or loss.

12. Pollution Liability

a. **Bodily injury**, **property damage** or **personal and advertising injury** that in any way, in whole or in part, directly or indirectly, arises out of, relates to or results from the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**:

i. At or from premises owned, rented or occupied by an Insured;

ii. At or from any site or location used by or for an Insured or others for the handling, storage, disposal, processing or treatment of waste;

iii. Which are at any time transported, handled, stored, treated, disposed of, or processed as waste by or for an Insured or any person or **business entity** for whom the Insured may be legally responsible; or

iv. At or from any site or location on which an Insured or any contractors or subcontractors working directly or indirectly on behalf of an Insured are performing operations:

(a) if the **pollutants** are brought on or to the site or location in connection with such operations; or

(b) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the **pollutants**.

b. Any loss, cost or expense arising out of any governmental direction or request that You 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 **pollutants**.

Sub paragraphs i. and iv. (a) 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**.

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

13. Racing Activities

Bodily injury, **property damage** or **personal and advertising injury** that in any way, in whole or in part, directly or indirectly arises out of, relates to or results from the use of **mobile equipment** or **automobiles** in, or while in practice for, or while being prepared for, any prearranged professional or organized racing, speed, demolition, or stunting activity or contest.

14. Radioactive Matter

Bodily injury, **property damage** or **personal and advertising injury** that in any way, in whole or in part, directly or indirectly, arises out of, relates to or results from exposure to, or the presence of, **radiation and/or radioactive matter**. This exclusion applies regardless of whether:

a. Such **pollutants** are alone or combined with any other substances or factors;

b. Such **pollutants** are included in a product or otherwise;

c. Such exposure occurs within or outside a building; or

d. Such **pollutants** have any function in Your business, operations, premises, site or location.

For the purposes of this exclusion, the definition of **pollutants** includes, but is not limited to, **radiation and/or radioactive matter**. However, the definition of **pollutants** is not otherwise modified.

15. Recording And Distribution Of Material Or Information In Violation Of Law

Bodily injury, **property damage** or **personal and advertising injury** that in any way, in whole or in part, directly or indirectly arises out of, relates to or results from the violation or alleged violation of any federal, provincial or territorial anti-spam or consumer on-line behaviour legislation, including but not limited to:

a. The Anti-Spam Act, S.C. 2010, c.23, the CAN-SPAM Act of 2003, the Telephone Consumer Protection Act (TCPA), Consumer and credit reporting legislation, Directives on Privacy and Electronic Communications, all as may be enacted in various jurisdictions and as amended from time to time;

b. The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA);

c. Any similar legislative or regulatory guideline or regime such as those set by The Canadian Radio-Television and Telecommunications Commission, The Canadian marketing Association, the American Federal Communications Commission, The European Union and others;

d. Any other federal, state, provincial, territory, or local statute, ordinance or regulation that addresses, prohibits, or limits the access, recording, printing, dissemination, disposal, collecting, use, recording, sending, transmitting, communicating or distribution of material or information.

16. Silica

Bodily injury, **property damage** or **personal and advertising injury** that in any way, in whole or in part, directly or indirectly, arises out of, relates to or results from:

a. The actual, alleged, threatened or suspected use of, inhalation of, consumption of, ingestion of, absorption of **silica**;

b. The actual, alleged, threatened or suspected use, handling, contact or other exposure to **silica**, including without limitation, costs incurred with respect to the removal, remediation or abatement of **silica** from real or tangible property;

c. Any obligation of the Insured to defend and/or indemnify any party on account of damages (and all applicable expenses) arising out of the manufacture, mining, use, sale, removal, distribution or exposure to **silica**;

d. Any obligation to investigate or defend any claim against the Insured seeking damages (and all applicable expenses) arising out of the manufacture, mining, use, sale, removal, distribution or exposure to **silica**;

e. The actual or alleged failure to warn, advise or instruct related to **silica** in any manner or form whatsoever; or

f. The actual or alleged failure to prevent exposure to **silica**.

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

17. Terrorism

Bodily injury, **property damage** or **personal and advertising injury** that in any way, in whole or in part, directly or indirectly, arises out of, relates to or results from **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 injury or damage.

18. War Risks

Bodily injury, **property damage** or **personal and advertising injury** that in any way, in whole or in part, directly or indirectly, arises out of, relates to or results from war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power.

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

19. Workers' Compensation And Similar Laws

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

PART II - SUPPLEMENTARY PAYMENTS – COVERAGES A, B AND D

1. We will pay, with respect to any claim We investigate or settle or any **suit** against an Insured We defend:

a. All expenses We incur;

b. The expense of legal, administrative or alternative dispute resolution proceedings;

c. The cost of bonds to release attachments or as may be required by Court order, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds;

d. All reasonable expenses incurred by the Insured at Our request to assist Us in the investigation or defence of the claim or **suit**, including actual loss of earnings up to $250 a day because of time off from work; and

e. All court costs taxed against the Insured in the **suit**;

f. Prejudgment interest awarded against the Insured on that part of the judgment We pay. If We make an offer to pay the applicable limit of insurance, We will not pay any prejudgment interest based on that period of time after the offer;

g. All interest on the full amount of any judgment that accrues after entry of the judgment and before We have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If We defend an Insured against a **suit** and an indemnitee of the Insured is also named as a party to the **suit**, We will defend that indemnitee if all of the following conditions are met:

a. The **suit** against the indemnitee seeks **compensatory damages** for which the Insured has assumed the liability of the indemnitee in a contract or agreement that is an **insured contract**; and

b. This Policy applies to such liability assumed by the Insured; and

c. The obligation to defend, or the cost of the defence of, that indemnitee, has also been assumed by the Insured in the same **insured contract**; and

d. The allegations in the **suit** and the information We know about the **occurrence** or offence are such that no conflict appears to exist between the interests of the Insured and the interests of the indemnitee; and

e. The indemnitee and the Insured ask Us to conduct and control the defence of that indemnitee against such **suit** and agree that We can assign the same counsel to defend the Insured and the indemnitee; and

f. The indemnitee must agree in writing to:

i. Cooperate with Us in the investigation, settlement or defence of the **suit**;

ii. Immediately send Us copies of any demands, notices, summonses or legal papers received in connection with the **suit**;

iii. Notify any other insurer whose coverage is available to the indemnitee;

iv. Cooperate with Us with respect to coordinating other applicable insurance available to the indemnitee; and

v. Provide Us with written authorization to:

(a) Obtain records and other information related to the **suit**; and

(b) Conduct and control the defence of the indemnitee in such **suit**.

So long as the above conditions in Paragraph 2. above are met, attorneys' fees incurred by Us in the defence of that indemnitee, necessary litigation expenses incurred by Us and necessary litigation expenses incurred by the indemnitee at Our request will be paid as Supplementary Payments. Notwithstanding the provisions of Coverage A, Exclusion **c. Contractual Liability**, such payments will not be deemed to be **compensatory damages** for **bodily injury** and **property damage** and will not reduce the Limits of Insurance.

Our obligation to defend an Insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when We have incurred the limits of insurance available under this Policy in the payment of judgments or settlements under Coverages A, B, or D or medical expenses under Coverage C, or when the conditions set forth above, or the terms of the agreement described in Paragraph 2. f. above are no longer met.

PART III – WHO IS AN INSURED

1. If You are designated in the Declarations as:

a. An individual, You and Your spouse are Insureds, but only with respect to the conduct of a business of which You are the sole owner;

b. A partnership, limited liability partnership or joint venture, You are an Insured. Your members, Your partners, and their spouses are also Insureds, but only with respect to the conduct of Your business;

c. A limited liability company, You are an Insured. Your members are also Insureds, but only with respect to the conduct of Your business. Your managers are Insureds, but only with respect to their duties as managers;

d. A trust, You are an Insured. Your trustees are also Insureds, but only with respect to their duties as trustees; or

e. A **business entity** other than a partnership, limited liability partnership, limited liability company or joint venture, You are an Insured. Your **executive officers** and directors are Insureds, but only with respect to their duties as Your **executive officers** or directors. Your shareholders are also Insureds, but only with respect to their liability as shareholders.

2. Each of the following is also an Insured:

a. Your **volunteer workers** only while performing duties related to the conduct of Your business, or Your **employees**, other than either Your **executive officers** (if You are a **business entity** other than a partnership, limited liability partnership, limited liability company or joint venture), or Your managers (if You are a limited liability company), but only for acts within the scope of their employment by You or while performing duties related to the conduct of Your business.

However, none of these **employees** or **volunteer workers** are Insureds for:

i. **Bodily injury** or **personal and advertising injury**:

(a) To You, to Your partners or members (if You are a partnership, limited liability partnership or joint venture), to Your members (if You are a limited liability company), to a co-**employee** while in the course of their employment or performing duties related to the conduct of Your business, or to Your other **volunteer workers** while performing duties related to the conduct or Your business;

(b) To the spouse, child, parent or sibling of that co-**employee** or **volunteer worker** as a consequence of Paragraph i. (a) above;

(c) For which there is any obligation to share **compensatory damages** with or repay someone else who must pay **compensatory damages** because of the injury described in Paragraphs i. (a) or i. (b);

(d) Arising out of their providing or failing to provide professional health care services; or

(e) To any person who at the time of injury is entitled to benefits under any workers' compensation or disability benefits law or a similar law.

ii. **Property damage** to property:

(a) Owned, occupied, used by; or

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose, by You, any of Your **employees**, **volunteer workers**, any partner or member (if You are a partnership, limited liability partnership or joint venture), or any member (if You are a limited liability company).

b. Any person, other than Your **employee**, or **business entity** while acting as Your real estate manager.

c. Any person or **business entity** having lawful temporary custody of Your property if You die, or if there is an involuntary transfer of interest by operation of law, but only:

i. With respect to liability arising out of the maintenance or use of that property; and

ii. Until Your legal representative has been appointed.

d. Your legal representative if You die, or if there is an involuntary transfer of interest by operation of law, but only with respect to duties as such. That representative will have all Your rights and duties under this Policy.

3. Newly acquired or newly formed **business entity**

Any **business entity** You newly acquire or form, other than a partnership, limited liability partnership, limited liability company or joint venture, and over which You maintain ownership or majority interest, will be deemed to be a **Named Insured** if there is no other similar insurance available to that **business entity**. However:

a. You must give Us notice of any such new acquisition or formation as soon as practicable, but in any event no later than 60 days from its acquisition or formation;

b. There will be no coverage for any newly acquired or formed **business entity** after the date which is 60 days from the date of its acquisition or formation, or the end of the **policy period**, whichever is earlier, unless prior to the expiry of such 60 day period You make application and obtain coverage for such **business entity** from Us, which coverage shall be specified by endorsement. The obligation to obtain such endorsement from Us rests with You and shall be granted by Us at Our sole discretion;

c. Coverages A and D do not apply to **bodily injury** or **property damage** that occurred before You acquired or formed the **business entity**; and

d. Coverage B does not apply to **personal and advertising injury** arising out of an offence committed before You acquired or formed the **business entity**.

No person or **business entity** is an Insured with respect to the conduct of any current or past partnership, limited liability partnership, limited liability company or joint venture that is not shown as a **Named Insured** in the Declarations.

PART IV – LIMITS OF INSURANCE

A. LIMITS

1. The Limits of Insurance stated in the Declarations and the rules below fix the most We will pay regardless of the number of:

   a. Insureds;

   b. **Occurrences**, offences, claims made or **suits** brought; or

   c. Persons or **business entities** making claims or bringing **suits**.

2. The Products and Completed Operations Aggregate Limit is the most We will pay under Coverage A for **compensatory damages** because of **bodily injury** and **property damage** included in the **products-completed operations hazard**.

3. Subject to Paragraph 2. above the Bodily Injury and Property Damage Each Occurrence Limit is the most We will pay for the sum of:

   a. **Compensatory damages** under Coverage A; and

   b. Medical expenses under Coverage C;

   because of all **bodily injury** and **property damage** arising out of any one **occurrence**.

4. The Personal and Advertising Injury Limit is the most We will pay under Coverage B for the sum of all **compensatory damages** because of all **personal and advertising injury** sustained by any one person or **business entity** and in the aggregate.

5. Subject to Paragraph 3. above, the Medical Expense Limit is the most We will pay under Coverage C for all medical expenses because of **bodily injury** sustained by any one person.

6. The Tenants' Legal Liability Limit is the most We will pay under Coverage D for **compensatory damages** because of **property damage** to any one premises.

The Limits of Insurance of this Policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the **policy period** shown in the Declarations, unless the **policy period** is extended after the 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.

B. DEDUCTIBLE ON CLAIMS – COVERAGES A, B AND D

1. Our obligation to pay **compensatory damages** on Your behalf applies only to the amount of **compensatory damages** in excess of any deductible amounts stated in the Policy Declarations, as applicable to such coverages, and the Limits of Insurance applicable to each claim, **occurrence** or offence as shown in the policy Declarations will be reduced by the amount of such deductible. The aggregate limit for such coverages shall not be reduced by the application of such deductibles.

2. The deductible amount applies as the result of any one **occurrence** or offence, regardless of the number of persons or **business entities** which sustain damages because of that **occurrence** or offence.

3. The terms of this Policy, including those with respect to:

   a. Our right an duty to defend any **suit** seeking those **compensatory damages**; and

   b. Your duties in the event of an **occurrence**, offence, claim or **suit**,

   apply irrespective of the application of the deductible amount.

4. We may pay any part of all of the deductible amount to effect settlement of any claim or **suit** and, upon notification of the action taken, You shall promptly reimburse Us for such part of the deductible amount as has been paid by Us.

PART V – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Assignment

No claim or interest in this Policy may be assigned or transferred and no person except a legally appointed Receiver of the property of the Insured shall acquire any rights against Us by virtue of this Policy without Our express consent.

2. Assistance And Cooperation Of The Insured

Whenever required by Us, You shall aid in securing information, evidence, obtaining witnesses, and cooperate with the Us in all matters which the We may deem necessary in the investigation of any **occurrence** or offence, or the defence of any claim, **suit** or appeal of any judgment which is or is likely to be the subject of indemnity under this Policy.

3. Bankruptcy

Bankruptcy or insolvency of the Insured or of the Insured's estate will not relieve Us of Our obligations under this Policy.

4. Breach Of Condition

Any act or omission on the part of one Insured under this Policy shall not prejudice the rights or interests of any other Insured.

5. Canadian Currency Clause

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

6. Cancellation – Termination

a. The first **Named Insured** shown in the Declarations may cancel this Policy by mailing or delivering to Us advance written notice of cancellation.

b. We may cancel this Policy by mailing or delivering to the first **Named Insured** written notice of cancellation at least:

   i. 15 days before the effective date of cancellation if We cancel for non-payment of premium or 5 days delivered personally;

   ii. 30 days before the effective date of cancellation if We cancel for any other reason.

   Except in Quebec, if notice is mailed, cancellation takes effect either 15 or 30 days after receipt of the letter by the post office to which it is addressed, depending upon the reason for cancellation. 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 last known address of the first **Named Insured**, depending upon the reason for cancellation.

c. We will mail or deliver Our notice to the first **Named Insured's** last mailing address known to Us.

d. The **policy period** will end on the date cancellation takes effect.

e. If this Policy is cancelled, We will send the first **Named Insured** any premium refund due. If We cancel, the refund will be pro rata. Subject to the Minimum Retained Premium shown in the Declarations of this Policy, if the first **Named Insured** cancels, the refund will be determined pursuant to the Short Rate Cancellation Table forming part of this Policy. The cancellation shall be effective immediately upon Our receiving a notice of cancellation from the Insured naming the date of such cancellation, or by Us as determined pursuant to the provisions of this Policy, or upon mutual agreement. Cancellation will be effective regardless of whether or not We have made or offered a refund.

7. Changes

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

8. Dispute Resolution

In the event any dispute arises in connection with this Policy that cannot be resolved, the Company and the Insured shall participate in a non-binding mediation in which the Company and the Insured shall attempt in good faith to resolve such dispute. Either the Insured or the Company shall have the right to commence a judicial proceeding or, if the parties agree, a binding arbitration, to resolve such dispute. However, no judicial proceeding or arbitration shall be commenced until at least ninety (90) days has passed from the termination of the mediation. Each party will bear its own legal fees and expenses in the mediation. The costs and expenses of mediation, or any arbitration, shall be split equally by the parties.

9. Duties In The Event Of Occurrence, Offence, Claim Or Suit

a. You must see to it that We are notified as soon as practicable of an **occurrence** or offence which may result in a claim or **suit**. Notice should include:

   i. How, when and where the **occurrence** or offence took place; and

   ii. The names and addresses of any injured persons and witnesses; and

   iii. The nature and location of any injury or damage arising out of the **occurrence** or offence.

b. If a claim is made or **suit** is brought against any Insured, You must:

   i. Immediately record the specifics of the claim or **suit** and the date received; and

   ii. Notify Us in writing as soon as practicable of the claim or **suit**.

c. You and any other involved Insured must:

   i. Immediately send Us copies of any demands, notices, summonses or legal papers received in connection with the claim or **suit**;

   ii. Authorize Us to obtain records and other information;

   iii. Cooperate with Us in the investigation, settlement or defence of the claim or **suit**; and

   iv. Assist Us, upon Our request, in the enforcement of any right against any person or **business entity** which may be liable to the Insured because of injury or damage to which this Policy may also apply.

d. No Insured will make any admission of liability, without Our consent;

e. No Insured will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without Our consent.

10. Examination Of Your Books And Records

We may examine and audit Your books and records at any time as they relate to this Policy. There is no time limit on this provision.

11. Inspections And Surveys

We have the right but are not obligated to:

a. Make inspections and surveys at any time;

b. Give You reports on the conditions We find; and

c. Recommend any changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or **business entity** to provide for the health or safety of workers or the public.

We do not warrant that conditions:

d. Are safe or healthful; or

e. Comply with laws, regulations, codes or standards.

This condition applies not only to Us, but also to any rating, advisory, rate service or similar **business entity** which makes insurance inspections, surveys, reports or recommendations.

12. Jurisdiction

This Policy, Declarations and any written Endorsements attached, will be interpreted in accordance with the law of the province or territory of the Insured's mailing address as stated in the Declarations. The Policy, Declarations and any written endorsements attached, shall be read together as one contract, having regard to words or expressions to which specific meaning has been assigned.

13. Legal Action Against Us

No person or **business entity** has a right under this Policy:

a. To join Us as a party or otherwise bring Us into a **suit** asking for **compensatory damages** from an Insured; or

b. To sue Us on this Policy unless all of its terms have been fully complied with.

A person or **business entity** may sue Us to recover on an agreed settlement or on a final judgment against an Insured obtained after a full adjudication on the merits with exhaustion of all appeal periods, but We will not be liable for damages that are not payable under the terms of this Policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by Us, the Insured and the claimant or the claimant's legal representative. Every **suit** or proceeding against Us shall be commenced within one year next after the date of such judgment or agreed settlement and not afterwards. If this Policy is governed by the law of Quebec every **suit** or proceeding against Us shall be commenced within three years from the time of the right of **suit** arises.

14. Other Insurance

If other valid and collectible insurance is available to the Insured for a loss We cover under this Policy, Our obligations are limited as follows:

a. Primary Insurance

This Policy is primary except when b. Excess Insurance below applies. If this Policy is primary, Our obligations are not affected unless any of the other insurance is also primary. Then, We will share with all that other insurance by the method described in c. Method of Sharing below.

b. Excess Insurance

i. This Policy is excess over any other insurance, whether primary, excess, contingent or on any other basis:

(a) That is Property Insurance such as, but not limited to, Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for **Your work** or for premises rented to You; or

(b) If the loss arises out of the maintenance or use of **aircraft** or **watercraft** to the extent not excluded in this Policy.

(c) Any other primary insurance available to You covering liability for **compensatory damages** arising out of the premises or operations, or the products and completed operations, for which You have been added as an additional Insured

ii. When this Policy is excess, We will have no duty to defend any claim or **suit** that any other insurer has a duty to defend. If no other insurer defends, We will have the right to defend but not the obligation to do so. If We elect to defend, We will be entitled to all the Insured's rights against all those other insurers. When this Policy is excess over other insurance, We will pay only Our share of the amount of the loss, if any, that exceeds the sum of:

(a) The total amount that all such other insurance would pay for the loss in the absence of this Policy; and

(b) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in the 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, We will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, We will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

15. Premiums

The first **Named Insured** shown in the Declarations:

a. Is responsible for the payment of all premiums; and

b. Will be the payee for any return premiums We pay.

16. Premium Basis

a. We will compute all premiums for this policy in accordance with Our rules and rates.

b. Premium shown in this Policy is a flat premium and is not subject to adjustment except as provided herein or amended by endorsement. The due date for the premium is the date shown as the due date on the bill. Unless We cancel this Policy, the premium is subject to the retention of the Minimum Retained Premium shown in the Declarations of this Policy.

17. Records

The Insured shall keep complete and accurate records of all gross charges for operations covered in this Policy and shall make these records available to Us on request.

18. Representations Or Fraud

By accepting this Policy, You agree:

a. The statements in the Declarations and any application or other material You have submitted to Us to obtain this Policy (collectively the "Representations") are accurate and complete;

b. We have issued this Policy in reliance upon Your Representations; and

c. This Policy is void in any case of fraud by You as it relates to this Policy and voidable at Our sole discretion in the case of material misrepresentation.

19. Sanction Limitation

It is understood and agreed that We will not be deemed to provide cover and shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose Us to any sanction, prohibition or restriction under United Nations resolutions or the trade and economic sanctions, laws, or regulations of Canada, United Kingdom, European Union or United States of America.

20. 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 Policy applies:

a. As if each Insured were the only Insured; and

b. Separately to each Insured against whom claim is made or **suit** is brought.

21. Severability Of Interests

Where there is more than one Insured, nothing herein shall operate to increase Our liability, as set forth elsewhere in this Policy, beyond the amount or amounts for which We would be liable if there had been only one Insured.

22. Subrogation

We shall be subrogated to the extent of any payment under this Policy to all of Your rights of recovery against any person or **business entity**. You shall execute all papers required and shall do everything necessary to secure such rights. You must do nothing after loss to impair those rights. At Our request, You will bring legal proceedings or transfer those rights to Us and help Us enforce them. However, the coverage granted under this Policy shall not be prejudiced in the event that You are unable to transfer such rights to Us and further We shall have no right of subrogation against any Insured under this Policy.

23. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this Policy may not be transferred without Our written consent except in the case of death of an individual Insured or involuntary transfer by operation of law in the case of an Insured which is not an individual. Any such transfer will be effective only upon Our decision, which shall be at Our sole discretion.

If You die, or there is an involuntary transfer by operation of law, Your rights and duties will be transferred to Your legal representative but only while acting within the scope of duties as Your legal representative. Until Your legal representative is appointed, anyone having lawful temporary custody of Your property will have Your rights and duties but only with respect to that property.

PART VI – DEFINITIONS

1. **Abuse** means any act, threat or allegation involving molestation, harassment, corporal punishment, assault, battery or any other form of physical, sexual, emotional, psychological or mental abuse.
2. **Advertisement** means a notice that is broadcast or published to the general public or specific market segments about Your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
   a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
   b. Regarding websites, only that part of a website that is about Your goods, products or services for the purposes of attracting customers or supporters is considered an **advertisement**.
3. **Aircraft** means any manned or unmanned, powered or unpowered, direct or remote controlled lighter or heavier than air craft or object capable of flight, including power plants, propellers, rotors and appliances. Aircraft does not include equipment or craft intended in whole or in part for use outside of the atmosphere.
4. **Asbestos** means asbestos and any products or materials that include asbestos in any form or quantity.
5. **Automobile** means:
   a. 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; or

b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle law or where it is required by law to be insured under a contract evidenced by a motor vehicle liability policy.

However, **automobile** does not include **mobile equipment**.

6. **Bodily injury** means bodily injury, sickness or disease, mental suffering, mental injury, mental anguish and shock sustained by a person, including death resulting from any of these at any time.

7. **Business entity** means an entity (including associations, corporations, co-operatives, joint ventures, partnerships, sole proprietorships, and limited liability companies) that is formed and administered in order to engage in business, charitable or not-for-profit work or other activities.

8. **Compensatory damages** means settlements and judgments, provided however, **compensatory damages** shall not include taxes, criminal or civil fines or penalties imposed by law, or any matter which may be deemed uninsurable under the law pursuant to which this Policy shall be construed.

9. **Computer system** means any computer, hardware, software, application, process, code, programme, information technology and communications system or electronic device owned or operated by the Insured or any other party, including any similar system or any configuration or networking of the aforementioned. This includes any associated input, output or data storage device, networking equipment or back up facility.

10. **Continuation** includes any progression, change or resumption.

11. **Coverage territory** means:

    a. Canada and the United States of America, including territories and possessions;

    b. National waters or airspace contiguous to Canada or the United States of America, provided the injury or damage occurs in the course of travel or transportation between any places included in a. above; or

    c. All other parts of the world if:

        i. The injury or damage arises out of:

            (a) Goods or products made or sold by You in the territory described in a. above; or

            (b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on Your business; or

            (c) **Personal and advertising injury** offences that take place through the Internet or similar electronic means of communication; and

        ii. The Insured's responsibility to pay **compensatory damages** is determined in a **suit** on the merits, in the territory described in a. above or in a settlement We agree to in writing.

12. **Cyber incident** means any incident or series of incidents, regardless of time and place, or the threat or hoax thereof involving the use or operation of any **computer system** or the access to, processing, transmission, storage or use of any **electronic data** (including any reduction in or loss of ability to perform these functions, or any error or omission or accident in respect of any **computer system** or **electronic data**).

13. **Electronic data** means any information capable of being accessed, processed, transmitted or stored by a **computer system**, including but not limited to text, figures, voice, images or any machine readable data, irrespective of the way it is used or rendered.

14. **Employee** includes a **leased worker** and a **temporary worker**.

15. **Executive officer** means a person holding any of the officer positions created by Your charter, constitution, by-laws or any other similar governing document.

16. **Fissionable substance** means any prescribed substance that is, or from which can be obtained a substance capable of releasing atomic energy by nuclear fission.

17. **Fungi** includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any fungi or **spores** or resultant mycotoxins, allergens or pathogens.

18. **Hostile fire** means one which becomes uncontrollable or breaks out from where it is intended to be.

19. **Impaired property** means tangible property, other than **Your product** or **Your work**, that cannot be used or is less useful because:

    a. It incorporates **Your product** or **Your work** that is known or thought to be defective, deficient, inadequate or dangerous; or

    b. You have failed to fulfill the terms of a contract or agreement, if such property can be restored to use by:

        i. The repair, replacement, adjustment or removal of **Your product** or **Your work**; or

        ii. Your fulfilling the terms of the contract or agreement.

20. **Incidental medical malpractice injury** means **bodily injury** arising out of the rendering of or failure to render, the following services:

    a. Medical, surgical, dental, x-ray or nursing services or treatment or the furnishing of food or beverages in connection therewith; or

    b. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;

    by any Insured or any indemnitee who is not engaged in the business or occupation of providing any of the services described in a. and b. above, causing the **incidental medical malpractice injury**.

21. **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 or by-law, 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 Your business under which You assume the tort liability of another to pay **compensatory damages** because of **bodily injury** or **property damage** to a third person or **business entity**, 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.

        An **insured contract** does not include that part of any contract or agreement:

        i. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

            (a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, drawings or specifications; or

            (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;

        ii. Under which the Insured, if an architect, engineer or surveyor, assumes liability for injury or damage arising out of the Insured's rendering or failing to render **professional services**, including those listed in i. above and supervisory, inspection, architectural, design or engineering services.

22. **Lead** means lead and lead-based products and materials that are composed in whole or in part of lead or use **lead** as an additive.

23. **Leased worker** means a person leased to You by a labour leasing firm under an agreement between You and the labour leasing firm, to perform duties related to the conduct of Your business. **Leased worker** does not include a **temporary worker**.

24. **Loading or unloading** means the handling of property:

    a. After it is moved from the place where it is accepted for movement into or onto an

        i. **Aircraft** or **watercraft**; or

        ii. **Automobile** by means of attached machinery that is designed for and used exclusively for the purpose of loading and unloading of the **automobile** to which it is attached and has no other purpose;

    b. While it is in or on an **aircraft**, **watercraft** or **automobile**; or

    c. While it is being removed from an:

        i. **Aircraft** or **watercraft**;

        ii. **Automobile** by means of attached machinery that is designed for and used exclusively for the purpose of loading and unloading of the **automobile** to which it is attached and has no other purpose;

    to the place where it is finally delivered.

    Loading or unloading does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the **aircraft**, **watercraft** or **automobile**.

25. **Mobile equipment** means any of the following types of land vehicles, including any attached machinery, apparatus or equipment:

    a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

    b. Vehicles maintained for use solely on or next to Your premises;

    c. Vehicles that travel on crawler treads;

    d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

        i. Power cranes, shovels, loaders, diggers or drills; or

        ii. Road construction or resurfacing equipment such as graders, scrapers or rollers;

    e. Vehicles not described in Paragraphs a., b., c., or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

        i. Air compressors, pumps and generators, including spraying, welding, building cleaning, geological exploration, lighting and well servicing equipment; or

        ii. Cherry pickers and similar devices used to raise or lower workers;

    f. Vehicles not described in Paragraphs a., b., c., or d. above maintained primarily for purposes other than the transportation of persons or cargo.

        However, self-propelled vehicles with the following types of permanently attached equipment are not **mobile equipment** but will be considered **automobiles**:

        i. Equipment designed primarily for:

            (a) Snow removal;

            (b) Road maintenance, but not construction or resurfacing;

            (c) Street cleaning;

        ii. Cherry pickers and similar devices mounted on **automobile** or truck chassis and used to raise or lower workers; and

iii. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

Mobile equipment does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state, province, or territory where it is licensed or principally garaged, whether or not in compliance with such laws.

26. Named Insured means the Insured named in the Policy Declarations.

27. Nuclear energy hazard means the radioactive, toxic, explosive, or other hazardous properties of **radioactive material**.

28. Nuclear facility means:

a. Any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;

b. Any equipment or device designed or used for

i. Separating the isotopes of plutonium, thorium and uranium or any one or more of them,

ii. Processing or utilizing spent fuel, or

iii. Handling, processing or packaging waste;

c. Any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the Insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

d. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste **radioactive material**;

and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.

29. Occurrence means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which may or may not give rise to a **suit**.

30. Organic pathogen means any:

a. Bacteria, mildew, mold or other **fungi** or other microorganisms or mycotoxins, spores or other by-products of any of the foregoing;

b. Viruses or other pathogens (whether or not a microorganism); or

c. Colony or group of any of the foregoing.

31. Personal and advertising 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. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;

d. Oral or written publication, in any manner, of material that slanders or libels a person or **business entity** or disparages a person's or **business entity**'s goods, products or services; or

e. Oral or written publication, in any manner, of material that violates a person's right of privacy.

f. The use of another's advertising idea in Your **advertisement**; or

g. Infringing upon another's copyright, trade dress or slogan in Your **advertisement**.

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

33. **Policy period** means the period stated as such in the Declarations.

34. **Products-completed operations hazard** includes all **bodily injury** and **property damage** occurring away from premises You own or rent and arising out of **Your product** or **Your work** except:

    a. Products that are still in Your physical possession; or

    b. Work that has not yet been completed or abandoned.

       Your work will be deemed completed at the earliest of the following times:

       i. When all of the work called for in Your contract has been completed;

       ii. When all of the work to be done at the site has been completed if Your contract calls for work at more than one site; or

       iii. When that part of work done at a job site has been put to its intended use by any person or **business entity** 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.

35. **Professional services** will include but not be limited to:

    a. Medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection therewith;

    b. Any **professional services** or treatment conducive to health;

    c. **Professional services** of a pharmacist;

    d. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;

    e. The handling or treatment of deceased human bodies including autopsies, organ donations or other procedures;

    f. Any cosmetic, body piercing, tonsorial, massage, physiotherapy, chiropody, hearing aid, optical or optometrical services or treatments;

    g. The preparation or approval of maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications;

    h. Supervisory, inspection, architectural, design or engineering services;

    i. Accountant's, advertiser's, notary's (Quebec), public notary's, paralegal's, lawyer's, real estate broker's or agent's, insurance broker's or agent's, travel agent's, financial institution's, or consultant's professional advices or activities;

    j. Any computer programming or re-programming, consulting, advisory or related services; or

    k. Claim, investigation, adjustment, appraisal, survey or audit services.

36. **Property damage** means:

    a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

    b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the **occurrence** that caused it.

    For the purposes of this Policy, **electronic data** is not tangible property.

37. **Radiation and/or radioactive matter** includes, but is not limited to, ionizing radiation (either directly from unstable atomic nuclei or atoms, or as a consequence of a nuclear radiation), radioactive isotopes alpha or beta particles or rays, gamma rays, X-Rays, photons, nucleons, including protons and neutrons, and electrons.

38. **Radioactive material** means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances which may be designated by any nuclear liability act, law or statute, or any law amendatory thereof, as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy.

39. **Silica** means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust, a mixture or combination of silica and other dust or particles, silica grains or silica compounds composed in whole or part by silica.

40. **Spores** includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any **fungi**.

41. **Suit** means a civil proceeding in which **compensatory damages** because of any liability to which this Policy applies are alleged and claimed. **Suit** includes:

    a. An arbitration proceeding in which such **compensatory damages** are claimed and to which the Insured must submit or does submit with Our consent; or

    b. Any other alternative dispute resolution proceeding in which such **compensatory damages** are claimed and to which the Insured submits with Our consent.

42. **Temporary worker** means a person who is furnished to You to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.

43. **Terrorism** means any unlawful act(s) involving the threat or commission of acts of violence, disruption to communication, interference with trade and commerce, which are committed by or on behalf of any individual, group, association, corporate body or foreign government, which are motivated by political, religious or cultural rationale, for the purpose of influencing lawful government or causing public fear, uncertainty or inconvenience.

44. **Volunteer worker** means a person who is not Your **employee**, and who donates their work and acts at the direction of and within the scope of duties determined by You, and is not paid a fee, salary or other compensation by You or anyone else for their work performed for You.

45. **Watercraft** means the hull, the propulsion components (including sails, oars, paddles), navigational and communication, instrumentation, in-board material and equipment and other related items usual to the ownership, use and operation of a powered or unpowered boat (whether solid or inflatable), submarine or hydrofoil, as well as any inboard, outboard or inboard/outboard machinery and any equipment used in connection therewith.

46. **Your product** means:

    a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

        i. You;

        ii. Others trading under Your name; or

        iii. A person or **business entity** whose business or assets You have acquired; and

    b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

    Your product includes warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of any of the items included in a. and b. above, and the providing or failure to provide warnings or instructions.

    Your product does not include vending machines or other property rented to or located for the use of others but not sold.

47. **Your work** means:

    a. Work or operations performed by You or on Your behalf; and

    b. Materials, parts or equipment furnished in connection with such work or operations.

    Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance or use of **Your work**, and the providing of or failure to provide warnings or instructions.

Endorsement

Policy Number: CAS666778-04

Insured: Karate Alberta Association

Effective Date: June 12, 2022

EMPLOYERS' LIABILITY COVERAGE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This Endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY POLICY – OCCURRENCE POLICY

A. PART I – COVERAGES is amended by adding the following:

COVERAGE – EMPLOYERS' LIABILITY

1. Insuring Agreement

a. We will pay those sums that the Insured becomes legally obligated to pay as **compensatory damages** because of **bodily injury** to which this Endorsement applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under PART II – SUPPLEMENTARY PAYMENTS – COVERAGES A, B AND D.

b. This Endorsement applies to **bodily injury** only if:

i. The **bodily injury** takes place in the **coverage territory**; and

ii. The **bodily injury** arises out of, and in the course of, the injured **employee's** employment by You in Canada; and

iii. The **employee**, at the time of the injury, was not covered or entitled to be covered under a statutory Canadian Provincial, territorial or federal worker's compensation, disability benefits or similar law; and

iv. The **bodily injury**:

(a) is caused by an accident that occurs during the **policy period**; or

(b) if a disease, is caused by or aggravated by conditions of employment by You, and the injured **employee's** last day of last exposure to the conditions causing or aggravating such **bodily injury** occurs during the **policy period**.

c. The **bodily injury** will be deemed to have been known to have occurred at the earliest time when any Insured or any **employee** authorized by any Insured to give or receive notice of an accident or claim:

i. Reports all, or any part, of the **bodily injury** to Us or any other insurer;

ii. Receives a written or verbal demand or claim for **compensatory damages** because of the **bodily injury**; or

iii. Becomes aware by any means that the **bodily injury** has occurred or has begun to occur.

iv. Becomes aware of an accident or a circumstance which may give rise to an **occurrence**, claim or **suit**.

d. The **compensatory damages** We will pay, where recovery is permitted by applicable law, include **compensatory damages**:

i. For which You are liable to a third party by reason of a claim or **suit** against You by that third party to recover the **compensatory damages** claimed against such third party as a result of injury to Your **employee**;

ii. For care and loss of services; and

iii. For consequential **bodily injury** to a spouse, common law partner, child, parent, brother or sister of the injured **employee**; provided that these damages are the direct consequence of **bodily injury** that arises out of and in the course of the injured **employee**'s employment by You; and

iv. Because of **bodily injury** to Your **employee** that arises out of and in the course of employment, claimed against You in a capacity other than as employer.

e. We will have the right and duty to defend any **suit** seeking those **compensatory damages**, however:

i. We will have no duty to defend the Insured against any **suit** seeking damages for **bodily injury** to which this Endorsement does not apply;

ii. The amount We will pay for **compensatory damages** is limited as described in PART IV – LIMITS OF INSURANCE;

iii. We may investigate and settle any claim or suit at Our discretion; and

iv. Our right and duty to defend ends when We have incurred the limits of insurance available under this Endorsement in the payment of judgments or settlements under Coverages A, B or D or medical expenses under Coverage C.

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

Bodily injury intentionally caused or aggravated by You or **bodily injury** resulting from an act which is determined to have been committed by You if it was reasonable to believe that an injury was substantially likely to occur.

b. Contractual Liability

Liability assumed by You under any contract or agreement;

c. Fines or Penalties

Any assessment, penalty or fine levied by any regulatory agency or authority.

d. Punitive Damages

Multiple, exemplary or punitive damages.

e. Vessels, Aircraft and Automobiles

Bodily injury arising directly or indirectly, in whole or in part, out of the ownership, maintenance, use or entrustment to others by or on behalf of any Insured of:

i. Any **aircraft**, air cushion vehicle or **watercraft** owned or operated by or rented or loaned to any Insured'

ii. Any premises for the purpose of an airport or **aircraft** landing area and all operations necessary or incidental thereto; or

iii. Any **automobile** owned or operated by or on behalf of or rented or loaned to any Insured.

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

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

This exclusion applies even if the **suit**(s) against any Insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that Insured, if the **bodily injury** involved the ownership, maintenance, use or entrustment to others of any **automobile** that is owned or operated by or on behalf of or rented or loaned to any Insured.

f. Violation Of Law

Bodily injury suffered or caused by any **employee** while employed in violation of law with Your actual knowledge or the actual knowledge of any of Your executive officers.

g. Violation Of Age Laws Or Employment Of Minors

Bodily injury suffered or caused by any person:

i. Knowingly employed by You in violation of any law as to age; or

ii. Under the age of 14 years, regardless of any such law.

h. Personal and Advertising Injury

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

B. For the purposes of the coverage provided by this Endorsement, PART I – COVERAGES, COMMON EXCLUSIONS – COVERAGES A, B AND D shall also apply to COVERAGE – EMPLOYERS' LIABILITY.

C. For the purposes of the coverage provided by this Endorsement, PART II – SUPPLEMENTARY PAYMENTS – COVERAGES A, B AND D shall also apply to COVERAGE – EMPLOYERS' LIABILITY.

D. For the purposes of the coverage provided by this Endorsement, PART III – WHO IS AN INSURED, paragraphs 2. and 3. are deleted in their entirety.

E. For the purposes of the coverage provided by this Endorsement, PART IV – LIMITS OF INSURANCE, A. LIMITS is amended by adding the following:

1. The Employers' Liability Each Accident Limit shown in the Declarations is the most We will pay for the sum of all **compensatory damages** covered by this Endorsement because of **bodily injury** to one or more **employees** in any one accident or disease; and

2. The Employers' Liability Aggregate Limit shown in the Declarations is the most We will pay for the sum of all **compensatory damages** covered by this Endorsement because of **bodily injury** to one or more **employees**. Such aggregate limit applies 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 of the policy to which this Endorsement is attached, unless the **policy period** is extended after the 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 Aggregate Limit.

F. For the purposes of the coverage provided by this Endorsement, PART IV – LIMITS OF INSURANCE, B. DEDUCTIBLE ON CLAIMS – COVERAGES A, B AND D shall also apply to COVERAGE – EMPLOYERS' LIABILITY.

G. For the purposes of the coverage provided by this Endorsement, paragraph 9. of PART V – COMMERCIAL GENERAL LIABILITY CONDITIONS is amended by adding the following:

9. Duties In The Event of Accident or Injury

f. You must furnish complete information on any claim or **suit** arising out of **bodily injury** or any claim or **suit** involving any of the following:

i. Death;

ii. Quadriplegia or Paraplegia;

iii. Brain damage;

iv. Loss of vision or loss of hearing;

v. Loss of limb;

vi. Hospitalization for more than thirty (30) days;

vii. Second or Third degree burns;

viii. Massive internal injuries affecting body organ(s);

ix. Pollution claims and/or allegations of sexual abuse or sexual assault; or

x. Class actions, representative proceedings or any single proceeding with more than 5 named plaintiffs

H. For the purposes of the coverage provided by this Endorsement, definitions 6. and 11. of PART VI – DEFINITIONS, are deleted in their entirety and replaced by the following:

6. **Bodily injury** means **bodily injury** by accident or disease.

11. **Coverage territory** means:

a. Canada; or

b. All other parts of the world if the **bodily injury** arises out of the activities of a person whose home is in Canada, but is away for a short time on Your business; provided the Insured's responsibility to pay **compensatory damages** is determined in a **suit** on the merits in Canada, or in a settlement We agree to in writing.

All other terms and conditions remain unchanged.

IN WITNESS WHEREOF, the Insurer has caused this Endorsement to be signed by an Authorized Representative.

Per. _____

Endorsement

Policy Number: CAS666778-04

Insured: Karate Alberta Association

Effective Date: June 12, 2022

S.P.F. NO. 6 – STANDARD NON-OWNED AUTOMOBILE LIABILITY POLICY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULE:

Coverages

Inclusive Limits: Bodily Injury Liability
and
Property Damage Liability combined

Limits of Liability as shown in the Declarations.

This Coverage Rider is evidence of a contract of Insurance between the Insured and the Insurer, subject in all respects to the Standard Non-Owned Automobile Policy (S.P.F. No. 6 or Q.P.F. No. 6) approved by the Superintendent of Insurance for the province stated in the Declarations. Upon request, the Insurer will provide to the Insured a copy of the said standard policy form.

INSURING AGREEMENT:

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

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:

1. 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
2. for any liability imposed upon any person insured by this policy:
   a. by any workmen's compensation law; or
   b. by any law for bodily injury to or the death of the Insured or any partner or employee of the Insured while engaged in the business of the Insured; or
3. for any liability assumed by any person insured by this policy voluntarily under any contract or agreement unless such contract or agreement is in writing; or
4. 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

5. any amount in excess of the limit stated in the Liability Declarations and expenditures provided for in the Additional Agreement of this Policy; subject always to the provisions of the section of the Insurance Act (Automobile Insurance Part) relating to nuclear energy hazard.

ADDITIONAL AGREEMENTS OF INSURER

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

1. upon receipt of notice of loss or damage caused to persons or property to serve any person insured by this policy by such investigation thereof or by such negotiations with the claimant, or by such settlement 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 judgment which is within the limits of the Insurer's liability; and
4. in case the injury be to a person, reimburse any person insured by this Policy for outlay for such medical aid as may be immediately necessary at the time of such injury; and
5. be liable up to the minimum limit(s) prescribed for that Province or Territory of Canada in which the accident occurred, if that limit(s) is higher than the limit as stated in the Liability Declarations; and
6. not set up any defence to a claim that might not be set up if the policy were a Motor Vehicle Liability Policy issued in the Province or Territory of Canada in which the accident occurred.

AGREEMENTS OF INSURED

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

1. 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;
2. shall reimburse the Insurer, upon demand, in the amount which the Insurer has paid by reason of the provisions of any statute relating to automobile insurance and which the Insurer would not otherwise be liable to pay under this Policy.

GENERAL PROVISIONS AND DEFINITIONS

1. **ADDITIONAL INSUREDS**: The Insurer agrees to indemnify in the same manner and to the same extent as if named herein as the Insured, every partner, officer or employee of the Insured who, with the consent of the owner thereof personally drives
   a. in the business of the Insured stated in the Declarations, any automobile not owned in whole or part by or licensed in the names 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 part or licensed in the name of such additional insured person.
2. **TERRITORY**: This Policy applies only to the use or operation of automobiles within Canada or the United States of America or upon a vessel plying between ports of those countries.
3. **HIRED AUTOMOBILES DEFINED**: The term **hired automobiles** as used in this Policy means automobiles hired or leased from others with or without drivers used under the control of the Insured in the business

stated in the Declarations but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

4. **AUTOMOBILES OPERATED UNDER CONTRACT DEFINED**: the term **automobiles operated under contract** as used in this Policy shall mean automobiles operated in the business of the Insured stated in the Declarations where the complete supervision, direction and control of such automobiles remain with the owner thereof, but shall not include any automobile owned in whole or part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

5. **TWO OR MORE AUTOMOBILES**: When two or more automobiles are insured hereunder the terms of this Policy shall apply separately to each but a motor vehicle and trailer or trailers attached thereto shall be held to be one automobile as respects limits of liability.

6. **PREMIUM ADJUSTMENT**: the advance Premium stated in Item 5 of the application is computed on the estimated total cost of hire for the Policy Period. The words cost of hire as used herein mean the entire amount incurred for **hired automobiles** and drivers when such automobiles are hired with drivers or the amount incurred for **hired automobiles** and the wages paid to drivers when such drivers are employees of the Insured.

   The Advance Premium stated in Item 6 of the application is computed on the estimated total contract cost for the Policy Period. The words contract cost as used herein mean the entire amount paid by the Insured for **automobiles operated under contract** to the owners thereof.

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

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

STATUTORY CONDITIONS

The insurance under this section is subject to the Statutory Conditions of the Standard Non-Owned Automobile Policy approved by the Superintendent of Insurance for the Province in which this Policy is issued.

STANDARD NON-OWNED AUTOMOBILE
STATUTORY CONDITIONS

In these Statutory conditions, unless the context otherwise requires the word Insured means a person insured by this contract whether named or not.

MATERIAL CHANGE IN RISK

1. (1) The Insured named in this contract shall promptly notify the Insurer or its local agent in writing of any change in the risk material to the contract and within his knowledge.

   (2) Without restricting the generality of the foregoing, the words change in the risk material to the contract include:

      a. any change in the insurable interest of the Insured named in this contract in the automobile by sale, assignment or otherwise, except through change of title by succession, death or proceedings under the BANKRUPTCY ACT (Canada); and in respect of insurance against loss of or damage to the automobile;

      b. any mortgage, lien or encumbrance affecting the automobile after the application for this contract;

      c. any other insurance of the same interest, whether valid or not, covering loss or damage insured by this contract or any portion thereof.

PROHIBITED USE BY INSURED

2. (1) The Insured shall not drive or operate the automobile

a. unless he is for the time being either authorized by law or qualified to drive or operate the automobile; or

b. while his licence to drive or operate an automobile is suspended or while his right to obtain a licence is suspended or while he is prohibited under order of any court from driving or operating an automobile; or

c. while he is under the age of sixteen years or under such other age as is prescribed by law of the Province in which he resides at the time this contract is made as being the minimum age at which a licence or permit to drive an automobile may be issued to him; or

d. for any illicit or prohibited trade or transportation; or

e. in any race or speed test;

f. while under the influence of intoxicating liquor or drugs to such an extent as to be for the time being incapable of the proper control of the automobile.

PROHIBITED USE BY OTHERS

(2) The Insured shall not permit, suffer, allow or connive at the use of the automobile,

a. by any person,

i. unless that person is for the time being either authorized by law or qualified to drive or operate the automobile; or

ii. while that person is under the age of sixteen years or under such other age as is prescribed by the law of the Province in which he resides at the time this contract is made as being the minimum age at which a licence or permit to drive an automobile may be issued to him; or

b. by any person who is a member of the household of the insured while his licence to drive or operate an automobile is suspended or while his right to obtain a licence is suspended or while his right to obtain a licence is suspended or while he is prohibited under order of any court from driving or operating an automobile; or

c. any illicit or prohibited trade or transportation; or

d. in any race or speed test; or

e. by any person while that person is under the influence of intoxicating liquor or drugs to such an extent as to be for the time being incapable of the proper control of the automobile.

REQUIREMENTS WHERE LOSS OR DAMAGE TO PERSONS OR PROPERTY

3. (1) The Insured shall,

a. promptly give to the Insurer written notice, with all available particulars, of any accident involving loss or damage to persons or property and of any claim made on account of the accident;

b. verify by statutory declaration, if required by the Insurer, that the claim arose out of the use or operation of the automobile and that the person operating or responsible for the operation of the automobile at the time of the accident is a person insured under this contract; and

c. forward immediately to the Insurer every letter, document, advice or writ received by him from or on behalf of the claimant.

(2) The Insured shall not,

a. voluntarily assume any liability or settle any claim except at his own cost; or

b. interfere in any negotiations for settlement or in any legal proceeding.

(3) The Insured shall, whenever requested by the Insurer, aid in securing information and evidence and the attendance of any witness and shall co-operate with the Insurer, except in a pecuniary way, in the defence of any action or proceeding or in the prosecution of any appeal.

REQUIREMENTS WHERE LOSS OR DAMAGE TO AUTOMOBILE

4. (1) Where loss of or damage to the automobile occurs, the Insured shall, if the loss or damage is covered by this contract,

a. promptly give notice in writing to the Insurer with the fullest information obtainable at the time; and

b. at the expense of the Insurer, and as far as reasonably possible, protect the automobile from further loss or damage; and

c. deliver to the Insurer within ninety days after the date of the loss or damage a statutory declaration stating, to the best of his knowledge and belief, the place, time, cause and amount of the damage, the interest of the Insured and all others therein, the encumbrances thereon, all other insurance, whether valid or not covering the automobile and that the loss or damage did not occur through any willful act or neglect, procurement, means or connivance of the Insured.

(2) Any further loss or damage to the automobile directly or indirectly from a failure to protect it as required under subcondition (1) of this condition is not recoverable under this contract.

(3) No repairs, other than those that are immediately necessary for the protection of the automobile from further loss or damage, shall be undertaken and no physical evidence of the loss or damage shall be removed,

a. without the written consent of the Insurer; or

b. until the Insurer has had a reasonable time to make the examination for which provision is made in statutory condition 5.

EXAMINATION OF INSURED

(4) The Insured shall submit to examination under oath, and shall produce for examination at such reasonable place and time as is designated by the Insurer or its representative all documents in his possession or control that relate to the matters in question, and he shall permit extracts and copies thereof to be made.

INSURER LIABLE FOR CASH VALUE OF AUTOMOBILE

(5) The Insurer shall not be liable for more than the actual cash value of the automobile at the time any loss or damage occurs, and the loss or damage shall be ascertained or estimated according to that actual cash value with proper deduction for depreciation, however caused, and shall not exceed the amount that it would cost to repair or replace the automobile, or any part thereof, with material of like kind and quality, but, if any part of the automobile is obsolete and out-of-stock, the liability of the Insurer in respect thereof shall be limited to the value of that part at the time of loss or damage, not exceeding the maker's latest list price.

REPAIR OR REPLACEMENT

(6) Except where an appraisal has been made, the Insurer, instead of making payment, may, within a reasonable time, repair, rebuild or replace the property damaged or lost with other of the like or kind and quality if within seven days after the receipt of the proof of loss, it gives written notice of its intention to do so.

NO ABANDONMENT: SALVAGE

(7) There shall be no abandonment of the automobile to the Insurer without the Insurer's consent. If the Insurer exercises the option to replace the automobile or pays the actual cash value of the automobile, the salvage, if any, shall vest in the Insurer.

IN CASE OF DISAGREEMENT

(8) In the event of the disagreement as to the nature and extent of the repairs and replacement required, or as to their adequacy, if effected, or as to the amount payable in respect of any loss or damage, those questions shall be determined by appraisal as provided under THE INSURANCE ACT before there can be recovery under this contract, whether the right to recover under this contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefor is made in writing and until after proof of loss has been delivered.

INSPECTION OF AUTOMOBILE

5. The Insured shall permit the Insurer at all reasonable times to inspect the automobile and its equipment.

TIME AND MANNER OF PAYMENT OF INSURANCE MONEY

6. (1) The Insurer shall pay the insurance money for which it is liable under this contract within sixty days after the proof of loss has been received by it or, where an appraisal is made under sub-condition 8 of statutory condition 4, within fifteen days after the award is rendered by the appraisers.

WHERE ACTION MAY BE BROUGHT

(2) The Insured shall not bring action to recover the amount of a claim under this contract unless the requirements of statutory conditions 3 and 4 are complied with or until the amount of the loss has been ascertained as therein provided or by a judgment against the Insured after trial of the issue or by agreement between the parties with the written consent of the Insurer.

LIMITATION OF ACTIONS

(3) Every action or proceeding against the Insurer under this contract in respect of loss or damage to the automobile shall be commenced within one year next after the happening of the loss and not afterwards, and in respect of loss or damage to persons or property shall be commenced within one year next after the cause of action arose and not afterwards.

WHO MAY GIVE NOTICE AND PROOFS OF CLAIM

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

TERMINATION

8. (1) This contract may be terminated,

a. by the Insurer giving to the Insured fifteen days' notice of termination by registered mail or five days written notice of termination personally delivered;

b. by the Insured at any time on request.

(2) Where this contract is terminated by the Insurer,

a. the Insurer shall refund the excess of premium actually paid by the Insured over the pro rata premium for the expired time, but in no event shall the pro rata premium for the expired time be 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 the 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 deemed to be less than any minimum retained premium specified.

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

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

NOTICE

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

DECLARATIONS

By acceptance of this policy, the Named Insured agrees that the statements in the declarations are his agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the Insurer or any of its agents relating to this insurance.

All other terms and conditions remain unchanged.

IN WITNESS WHEREOF, the Insurer has caused this Endorsement to be signed by an Authorized Representative.

Per.

Endorsement

Policy Number: CAS666778-04

Insured: Karate Alberta Association

Effective Date: June 12, 2022

S.E.F. NO. 94 -LEGAL LIABILITY FOR DAMAGE TO NON OWNED AUTOMOBILES

(for attachment only to a Non-Owned Policy S.P.F. No. 6)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT CONTAINS A PARTIAL PAYMENT OF LOSS CLAUSE

In consideration of the premium herein stated, it is understood and agreed that the policy to which this endorsement is attached is extended, subject always to the condition that the Insurer shall be liable under the subsection or subsections of the Insuring Agreement hereof for which a premium is stated and no other.

SECTION B - LEGAL LIABILITY FOR DAMAGE TO NON OWNED AUTOMOBILES

The Insurer agrees to indemnify the Insured against the liability imposed by law upon the Insured or assumed by him under any contract or agreement for loss or damage arising from the care, custody or control of **any automobile, not owned in whole or in part by or licensed in the name of the Insured** and resulting from loss or damage thereto, caused solely by:

Subsection 1 - ALL PERILS - from all perils;

Subsection 2 - COLLISION OR UPSET - caused by collision with **another object** or by upset;

Subsections 3 - COMPREHENSIVE - from any peril other than by collision with **another object** or by upset;

The words **another object** as used in this subsection shall be deemed to include (a) a vehicle to which the automobile is attached and (b) the surface of the ground and any object therein or thereon.

Loss or damage caused by missiles, falling or flying objects, fire, theft, explosion, earthquake, windstorm, hail, rising water, malicious mischief, riot or civil commotion shall be deemed loss or damage for which insurance is provided under this subsection 3.

Subsection 4 - SPECIFIED PERILS - caused by fire, lightning, theft or attempt thereat, windstorm, earthquake, hail, explosion, riot or civil commotion, falling or forced landing of aircraft or of parts thereof, rising water, or the stranding, sinking, burning, derailment or collision of any conveyance in or upon which the automobile is being transported on land or water.

DEDUCTIBLE CLAUSE

Each occurrence causing loss or damage covered under any subsection hereof except loss or damage caused by fire or lightning or theft of the entire automobile covered by such subsection shall give rise to a separate claim in respect of which the Insurer's liability shall be limited to the amount of loss or damage in excess of the amount deductible, if any, stated in the applicable subsection hereof.

TWO OR MORE AUTOMOBILES

A motor vehicle and one or more trailers or semi-trailers attached thereto shall be held to be separate automobiles with respect to the limit of liability, including the deductible provision, if any, under this Insuring Agreement.

EXCLUSIONS

The Insurer shall not be liable:

1. for loss or damage to any automobile while personally driven by the Insured if the Insured is an individual; or
2. under any subsection hereof for loss or damage
   a. to tires or consisting of or caused by mechanical fracture or breakdown of any part of an automobile or by rusting, corrosion, wear and tear, freezing or explosion within the combustion chamber, unless the loss or damage is coincident with other loss or damage covered by such subsection or is caused by fire, theft or malicious mischief covered by such subsection; or
   b. to any automobile while being used without the consent of the owner thereof; or
   c. caused directly or indirectly by contamination by radioactive material; or
   d. to radios designed both for transmitting and receiving or their equipment; or
   e. to contents of trailers or to rugs or robes; or
   f. to tapes and equipment for use with a tape recorder when detached therefrom; or
   g. caused directly or indirectly by bombardment, invasion, civil war, insurrection, rebellion, military or usurped power, or by the operation of armed forces while engaged in hostilities whether war be declared or not; or
   h. for any amount in excess of the limit stated in the applicable subsection hereof and expenditures provided for in the Additional Agreements of the policy to which this endorsement is attached; or
3. under subsections 3 (Comprehensive) 4 (Specified Perils) for a collision loss or damage occurring after theft by any person or persons residing in the same dwelling premises as the Insured, or by any employee of the Insured engaged in the operation, maintenance or repair of the automobile whether the theft occurs during the hours of such service or employment or not unless the policy provides insurance under subsections 1 or 2.

ADDITIONAL AGREEMENT

The Insurer further agrees to pay general average, salvage and fire department charges and custom duties of Canada or of the United States of America for which the Insured is legally liable.

Subsection	Perils	Limits and Deductible
1.	All Perils	Limits: $50,000 (exclusive of interests and costs) any one accident Deductible: The amount stated in the Declarations of this Policy

All other terms and conditions remain unchanged.

IN WITNESS WHEREOF, the Insurer has caused this Endorsement to be signed by an Authorized Representative.

Per.

Endorsement

Policy Number: CAS666778-04

Insured: Karate Alberta Association

Effective Date: June 12, 2022

S.E.F. NO. 96 – CONTRACTUAL LIABILITY ENDORSEMENT

(for attachment only to a Non-Owned Policy S.P.F. No. 6)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is agreed that exclusion (3) of the Insuring Agreement of the policy to which this endorsement is attached is amended to read as follows:

(3) For any liability assumed by any person insured by this policy voluntarily under any contract or agreement other than those stated below:

All written contracts entered into by the Insured.

All other terms and conditions remain unchanged.

IN WITNESS WHEREOF, the Insurer has caused this Endorsement to be signed by an Authorized Representative.

Per. _____

Endorsement

Policy Number: CAS666778-04

Insured: Karate Alberta Association

Effective Date: June 12, 2022

S.E.F NO. 99 - EXCLUDING LONG TERM LEASED VEHICLE

(for attachment only to a Non-Owned Policy S.P.F. NO 6)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

In consideration of the premium for which this policy is issued, it is understood and agreed that Item 3 (Hired Automobiles Defined) of the General Provision 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.

All other terms and conditions remain unchanged.

IN WITNESS WHEREOF, the Insurer has caused this Endorsement to be signed by an Authorized Representative.

Per. _____

Endorsement

Policy Number: CAS666778-04

Insured: Karate Alberta Association

Effective Date: June 12, 2022

SANCTIONED EVENTS LIMITATION

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY POLICY – OCCURRENCE FORM
COMMERCIAL GENERAL LIABILITY POLICY – CLAIMS MADE FORM

A. The following is added to PART V – COMMERCIAL GENERAL LIABILITY CONDITIONS:

With respect to the playing of or taking part in practicing or training for sports, this Policy only applies to liability arising out of **sanctioned events**.

B. For the purposes of this Endorsement, the following is added to PART VI – DEFINITIONS:

Sanctioned events means events, tournaments, and/or matches conducted by an authorised event organiser that have received formal approval by the Insured or an **employee** authorized by the Insured to give such approval. Approval can either be by way of a written procedure manual or a specific agreement in writing.

All other terms and conditions remain unchanged.

IN WITNESS WHEREOF, the Insurer has caused this Endorsement to be signed by an Authorized Representative.

Per. _____

Endorsement

Policy Number: CAS666778-04

Insured: Karate Alberta Association

Effective Date: June 12, 2022

VIRUS, BACTERIA, DISEASE AND CONTAGION EXCLUSION

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY POLICY – OCCURRENCE FORM
COMMERCIAL GENERAL LIABILITY POLICY – CLAIMS MADE FORM

The following exclusion is added to PART I – COVERAGES, COMMON EXCLUSIONS – COVERAGES A, B AND D:

Virus, Bacteria, Disease And Contagion

This Insurance Policy provides no coverage for any claim in any way caused by, arising out of or resulting from any virus, bacteria, disease or contagion, including that designated as such by any of the following:

A. a Federal, Provincial, Territorial or Municipal authority or agency;

B. a Minister of the Federal, Provincial or Territorial Crown;

C. a person occupying the position of Chief Medical Officer of Health (or similar position) of a Province, Territory or Municipality;

D. the World Health Organization;

E. the Center for Disease Control/Centre for Disease Control of

   i. Canada or any Canadian Province or Territory;

   ii. the United Kingdom of Great Britain and Northern Ireland; or

   iii. of the United States of America and any American State or Territory.

For purposes of this Endorsement, virus, bacteria, disease or contagion so designated shall include:

a) any derivative, mutation or variation of the virus, bacteria, disease or contagion;

b) any fear or threat of the spread of the virus, bacteria, disease or contagion;

c) any failure to prevent, contain or eradicate the virus, bacteria, disease or contagion.

For purposes of greater clarity the following are examples of virus, bacteria, disease or contagion that are excluded by this Endorsement:

1) Coronavirus disease (COVID-19);

2) Severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2);

3) Ebola;

4) Avian Influenza (Avian Bird Flu); and,

5) Legionella (Legionnaire's Disease).

All other terms and conditions remain unchanged.

IN WITNESS WHEREOF, the Insurer has caused this Endorsement to be signed by an Authorized Representative.

Per.

Endorsement

Policy Number: CAS666778-04

Insured: Karate Alberta Association

Effective Date: June 12, 2022

WHO IS AN INSURED AMENDMENT - SPORTS CLUBS & ASSOCIATIONS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY POLICY – OCCURRENCE FORM
COMMERCIAL GENERAL LIABILITY POLICY – CLAIMS MADE FORM

A. PART III – WHO IS AN INSURED, paragraph 2., sub-paragraph a. is deleted and replaced with the following:

2. Each of the following is also an Insured:

a. Your

i. **Volunteer workers** only while performing duties related to the conduct of Your business, or their duties assigned by you; or

ii. Members, coaches, instructors or referees, but only while participating in or training for a **sanctioned event**; or

iii. Your **employees**, other than either Your **executive officers** (if You are a **business entity** other than a partnership, limited liability partnership, limited liability company or joint venture) or Your managers (if You are a limited liability company), but only for acts within the scope of their employment by You or while performing duties related to the conduct of Your business.

However, none of these **employees**, **volunteer workers,** members, coaches, instructors or referees are Insureds for:

iv. **Bodily injury** or **personal and advertising injury**:

(a) To You, to Your partners or members (if You are a partnership, limited liability partnership or joint venture), to Your members (if You are a limited liability company), to a co-**employee** while in the course of their employment or performing duties related to the conduct of Your business, or to Your other **volunteer workers,** members, coaches, instructors or referees while performing duties related to the conduct or Your business;

(b) To the spouse, child, parent or sibling of that co-**employee**, **volunteer worker,** member, coach, instructor or referee as a consequence of Paragraph iv. (a) above;

(c) For which there is any obligation to share **compensatory damages** with or repay someone else who must pay **compensatory damages** because of the injury described in Paragraphs iv. (a) or iv. (b);

(d) Arising out of their providing or failing to provide professional health care services; or

(e) To any person who at the time of injury is entitled to benefits under any workers' compensation or disability benefits law or a similar law.

v. **Property damage** to property:

(a) Owned, occupied, used by; or

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

You, any of Your **employees**, **volunteer workers**, members, coaches, instructors or referees, any partner or member (if You are a partnership, limited liability partnership or joint venture), or any member (if You are a limited liability company).

B. For the purposes of this Endorsement, the following is added to PART VI – DEFINITIONS:

Sanctioned events means events, tournaments, and/or matches conducted by an authorised event organiser that have received formal approval by the Insured or an **employee** authorized by the Insured to give such approval. Approval can either be by way of a written procedure manual or a specific agreement in writing.

All other terms and conditions remain unchanged.

IN WITNESS WHEREOF, the Insurer has caused this Endorsement to be signed by an Authorized Representative.

Per.

Endorsement

Policy Number: CAS666778-04

Insured: Karate Alberta Association

Effective Date: June 12, 2022

ERRORS AND OMISSIONS LIABILITY (OCCURRENCE, DEFENCE EXPENSES INCLUDED IN LIMIT)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY POLICY – OCCURRENCE FORM

A. PART I – COVERAGES is amended by adding the following:

COVERAGE – ERRORS AND OMISSIONS LIABILITY

1. Insuring Agreement

a. We will pay those sums that the Insured becomes legally obligated to pay as **compensatory damages** because of a **wrongful act** to which this Endorsement applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under PART II – SUPPLEMENTARY PAYMENTS.

b. This Endorsement applies to **wrongful acts** only if:

i. The **wrongful act** is committed by a negligent act, omission, neglect or breach of duty arising out of Your business;

ii. The **wrongful act** is committed in the **coverage territory**; and

iii. The **wrongful act** is committed during the **policy period**.

c. A **wrongful act** which occurs during the **policy period** and was not, prior to the **policy period**, known to have occurred by any Insured or any **employee** authorized by any Insured to give or receive notice of a **wrongful act** or claim, includes any continuation of that **wrongful act** after the end of the **policy period**.

d. All claims arising out of the same **wrongful act** or any combination of **interrelated wrongful acts** shall be considered a single **wrongful act**, and will be deemed to have been known to have occurred at the earliest time when any Insured or any **employee** authorized by any Insured to give or receive notice of **wrongful act** or claim:

i. Reports all, or any part, of the **wrongful act** to Us or any other insurer;

ii. Receives a written or verbal demand or claim for **compensatory damages** because of the **wrongful act**; or

iii. Becomes aware by any means that the **wrongful act** has occurred or has begun to occur.

e. We will have the right and duty to defend any claim or **suit** seeking those **compensatory damages**, however:

i. We will have no duty to defend the Insured against any claim or **suit** seeking damages for **wrongful acts** to which this Endorsement does not apply;

ii. The amount We will pay for **compensatory damages** and **defence expenses** is limited as described in PART IV – LIMITS OF INSURANCE;

iii. We may investigate and settle any claim or **suit** at Our discretion; and

iv. Our right and duty to defend ends when We have incurred the limits of insurance available under this Endorsement in the payment of judgments, settlements or **defence expenses**.

2. Exclusions

This insurance does not apply to:

a. Bodily Injury, Property Damage And Personal And Advertising Liability

Any liability arising out of **bodily injury**, **property damage**, or **personal and advertising liability**.

b. Damages Other Than Money

i. Any claim or **suit** seeking relief, or redress, in any form other than money damages;

ii. Fees or expenses relating to any claim, demand or **suit** seeking relief or redress, in any form other than money damages.

c. Directors And Officers

Any liability of the Insured or any principal of the Insured arising solely from the duties of the Insured or such principals as a director or officer of any business entity.

d. Failure To Maintain Insurance

Any liability arising out of the Insured's part to effect and maintain insurance.

e. Fraud Or Dishonesty

Any liability that in any way, in whole or in part, directly or indirectly, arises out of, relates to or results from any dishonest, fraudulent, criminal or malicious act or omission of the Insured, or any person at any time employed by the Insured.

f. Gaining In Fact Or Personal Profit

Any liability that in any way, in whole or in part, directly or indirectly, arises out of, relates to or results from any Insured gaining in fact or personal profit or advantage to which the Insured is not legally entitled.

g. Insured Versus Insured

Any claim for **compensatory damages**, loss, cost, or expense brought or maintained by or on behalf of any Insured against any other Insured.

B. For the purposes of the coverage provided by this Endorsement, PART I – COVERAGES, COMMON EXCLUSIONS – COVERAGES A, B AND D shall apply to COVERAGE – ERRORS AND OMISSIONS LIABILITY, and shall also apply to **wrongful acts**.

C. For the purposes of the coverage provided by this Endorsement, PART II – SUPPLEMENTARY PAYMENTS – COVERAGES A, B AND D is deleted and replaced by the following:

PART II – SUPPLEMENTARY PAYMENTS

We will pay **defence expenses** with respect to any claim We investigate or settle or any suit against an Insured We defend. Unless prevented by law, these payments will reduce the Limits of Insurance.

D. For the purposes of the coverage provided by this Endorsement, PART IV – LIMITS OF INSURANCE is deleted and replaced by the following:

A. LIMITS

1. The Limits of Insurance stated in the Declarations and the rules below fix the most We will pay regardless of the number of:

   a. Insureds;

   b. **Wrongful acts**, **occurrences**, claims made or **suits** brought;

   c. Persons or **business entities** making claims or bringing **suits**;

2. The Errors And Omissions Aggregate Limit shown in the Declarations is the most We will pay for the sum of all **compensatory damages** and **defence expenses** covered by this Endorsement because of **wrongful acts** to which this insurance applies. Such aggregate limit applies 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 of the policy to which this Endorsement is attached, unless the **policy period** is extended after the 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 Aggregate Limit.

3. Subject to paragraph 2. above, the Errors And Omissions Each Occurrence Limit shown in the Declarations is the most We will pay for the sum of all **compensatory damages** and **defence expenses** covered by this Endorsement because of **wrongful acts** to which this insurance applies.

B. DEDUCTIBLE ON CLAIMS

1. Our obligation to pay **compensatory damages** on Your behalf applies only to the amount of **compensatory damages** and **defence expenses** in excess of any deductible amounts stated in the Policy Declarations, as applicable to such coverages, and the Limits of Insurance applicable to each claim or **suit** as shown in the policy Declarations will be reduced by the amount of such deductible. The aggregate limit for such coverages shall not be reduced by the application of such deductibles.

2. The deductible amount applies as the result of any one **wrongful act**, regardless of the number of persons or **business entities** which sustain damages because of that **wrongful act**.

3. The terms of this Policy, including those with respect to:

   a. Our right an duty to defend any claim or **suit** seeking those **compensatory damages** and **defence expenses**; and

   b. Your duties in the event of an **wrongful act**,

   apply irrespective of the application of the deductible amount.

4. We may pay any part, or all, of the deductible amount to effect settlement of any claim or **suit** and, upon notification of the action taken, You shall promptly reimburse Us for such part of the deductible amount as has been paid by Us.

E. For the purposes of the coverage provided by this Endorsement, Conditions 9. and 14. of PART V - COMMERCIAL GENERAL LIABILITY CONDITIONS are deleted and replaced by the following:

9. Duties In The Event Of A Wrongful Act, Claim Or Suit

a. You must see to it that We are notified as soon as practicable of a **wrongful act** which may result in a claim or **suit**. Notice should include:

   i. How, when and where the **wrongful act** took place; and

   ii. The names and addresses of any injured persons and witnesses; and

   iii. The nature and location of any injury or damage arising out of the **wrongful act**.

b. If a claim is made or **suit** is brought against any Insured, You must:

   i. Immediately record the specifics of the claim or **suit** and the date received; and

   ii. Notify Us in writing as soon as practicable of the claim or **suit**.

c. You and any other involved Insured must:

   i. Immediately send Us copies of any demands, notices, summonses or legal papers received in connection with the claim or **suit**;

   ii. Authorize Us to obtain records and other information;

   iii. Cooperate with Us in the investigation, settlement or defence of the claim or **suit**; and

   iv. Assist us, upon Our request, in the enforcement of any right against any person or **business entity** which may be liable to the Insured because of an **wrongful act** to which this Endorsement may also apply.

d. No Insured will make any admission of liability, without Our consent;

e. No Insured will, except at their own cost, voluntarily make a payment, assume any obligation or incur any expense without Our consent.

14. Other Insurance

If other valid and collectible insurance is available to the Insured for a loss We cover under this Endorsement, Our obligations are limited as follows:

a. Primary Insurance

   This Policy is primary except when Paragraph b. below applies. If this Policy is primary, Our obligations are not affected unless any of the other insurance is also primary. Then, We will share with all that other insurance by the method described in Paragraph c. below.

b. Excess Insurance

   This Policy is excess over any other insurance, whether primary, excess, contingent or on any other basis that is insurance purchased by You to cover Your liability with respect to Errors and Omissions or similar coverage.

   When this Policy is excess, We will have no duty to defend any claim or **suit** that any other insurer has a duty to defend. If no other insurer defends, We will have the right to defend but not the obligation to do so. If We elect to defend, We will be entitled to all the Insured's rights against all those other insurers. When this Policy is excess over other insurance, We will pay only Our share of the amount of the loss, if any, that exceeds the sum of:

   i. The total amount that all such other insurance would pay for the loss in the absence of this Policy; and

   ii. The total of all deductible and self-insured amounts under all that other insurance.

   We will share the remaining loss, if any, with any other insurance that is not described in the Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance stated in the Declarations of this Policy.

c. Method of Sharing

   If all of the other insurance permits contribution by equal shares, We will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

   If any of the other insurance does not permit contribution by equal shares, We will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

F. For the purposes of coverage provided by this Endorsement, the following are added to PART VI – DEFINITIONS:

Defence expenses means those reasonable and necessary expenses that result from the investigation, settlement and defence of a specific claim or **suit**, including:

a. All expenses We incur;

b. The expense of legal, administrative or alternative dispute resolution proceedings;

c. The cost of bonds to release attachments or as may be required by Court order, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds;

d. All reasonable expenses incurred by the Insured at Our request to assist Us in the investigation or defence of the claim or **suit**, including actual loss of earnings up to $250 a day because of time off from work; and

e. All court costs taxed against the Insured in the **suit**;

f. Prejudgment interest awarded against the Insured on that part of the judgment We pay. If We make an offer to pay the applicable limit of insurance, We will not pay any prejudgment interest based on that period of time after the offer;

g. All interest on the full amount of any judgment that accrues after entry of the judgment and before We have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

Interrelated wrongful acts means all causally connected **wrongful acts** arising out of the same or substantially the same facts, circumstances or allegations which are the subject of or the basis for any claim or **suit**.

Wrongful act means:

a. Any actual or alleged negligent error, misstatement, or misleading statement by an Insured;

b. Any actual or alleged negligent act, omission, neglect or breach of duty by an Insured. A **wrongful act** does not include any activity of an insured who is a member of a licensed or certified profession where such activity is related to the practice of such profession, whether on a voluntary basis or otherwise. A wrongful act includes **interrelated wrongful acts**.

All other terms and conditions remain unchanged.

IN WITNESS WHEREOF, the Insurer has caused this Endorsement to be signed by an Authorized Representative.

Per.

Endorsement

Policy Number: CAS666778-04

Insured: Karate Alberta Association

Effective Date: June 12, 2022

SPORT PARTICIPANT ACCIDENT COVERAGE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This Endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY POLICY – OCCURRENCE FORM
COMMERCIAL GENERAL LIABILITY POLICY – CLAIMS MADE FORM

A. PART I – COVERAGES is amended by adding the following:

COVERAGE – SPORT PARTICIPANT ACCIDENT

1. Insuring Agreement

a. We will indemnify each Insured because of **bodily injury** or death arising out of an accident to which this Endorsement applies, up to a maximum per Insured of the benefit amount scheduled in this Endorsement. No other obligation or liability to pay sums or perform acts or services is covered.

b. This Endorsement applies to **bodily injury** only if:

i. The **bodily injury** is caused by an accident;

ii. The accident occurs during the **policy period**; and

iii. The accident occurs while the Insured is participating in or training for a **sanctioned event.**

2. Accidental Death And Dismemberment Benefits

a. Where an accident causes death or any of the following losses within 365 days of the accident, We will pay a percentage of the Accidental Death And Dismemberment Limit shown in the Declarations. The maximum amount We will pay for such loss in any one accident is as follows:

i. Death ..... 50% any one Insured
ii. Loss of two or more limbs or total and irrecoverable loss of sight of both eyes or hearing in both ears or any combination thereof ..... 100% any one Insured
iii. Loss of one limb or total and irrecoverable loss of sight of one eye or total hearing in one ear ..... 75% any one Insured
iv. Loss of thumb and index finger ..... 10% any one Insured
v. Quadriplegia (complete paralysis of both upper and lower limbs) ..... 100% any one Insured
vi. Paraplegia (complete paralysis of lower limbs) ..... 100% any one Insured
vii. Hemiplegia (complete paralysis of upper and lower limbs of one side of the body) ..... 100% any one Insured

viii. Any **bodily injury** which prevents the Insured from engaging in any occupation or employment for which they are reasonably suited by education, training or experience continuously for a period of 12 months from the date of the accident and is deemed to be permanent or irrecoverable. ..... 100% any one Insured

b. Benefits with respect to quadriplegia, paraplegia and hemiplegia require total paralysis of the limbs which shall have been continuous for a period of 12 months from the date of the accident and is deemed to be permanent and irrecoverable.

c. Indemnity provided with respect to items 2 a. i. through viii. will not be paid under any circumstances for more than one of the losses, the greatest, sustained by any one Insured as the result of any one accident.

3. Schedule of Supplementary Benefits

The maximum We will pay for supplementary benefits per any one accident is a percentage of the applicable limit shown in the Declarations, or the amount shown in the Schedule below:

a. Accidental Medical Expense Reimbursement ..... 100% of the Accidental Medical Expense Limit shown in the Declarations, any one Insured
   i. Physiotherapist, chiropractor, osteopath ..... $100 per visit / $500 any one Insured
b. Accidental Dental Expense Reimbursement ..... 100% of the Accidental Dental Accident Limit shown in the Declarations, any one Insured
c. Prosthetic Appliances ..... $3,000 any one Insured
d. Rehabilitation Benefit ..... $3,000 any one Insured
e. Tuition Benefit ..... $2,000 any one Insured
f. Special Treatment Travel Expense Benefit ..... $150 per day / $1,000 any one Insured
g. Out of Province - Excess Surgical and Medical Accident Benefits (applicable only within Canada) ..... $10,000 any one Insured
h. Emergency Transportation Benefit ..... $50 any one Insured
i. Eyeglass & Contact Lens Expense ..... $100 any one Insured
j. Dentures, Hearing Aids and Removable Teeth Expense ..... $200 any one Insured
k. Fracture or Dislocation Benefit (including Greenstick Type Fracture)
   i. of the skull (depressed) ..... $500 any one Insured
   ii. of the skull (not depressed) ..... $500 any one Insured
   iii. of the spine (one or more vertebrae) ..... $250 any one Insured
   iv. of the lower jaw (alveolar process accepted) ..... $75 any one Insured
   v. of the upper jaw ..... $75 any one Insured
   vi. of the shoulder (dislocation) ..... $50 any one Insured
   vii. of the clavicle (collar bone) ..... $75 any one Insured
   viii. of the scapula (shoulder bone) ..... $75 any one Insured
   ix. of the elbow ..... $50 any one Insured
   x. of the hip ..... $125 any one Insured
   xi. of the pelvis ..... $125 any one Insured
   xii. of the thigh (femur) ..... $125 any one Insured
   xiii. of the knee cap ..... $100 any one Insured
   xiv. of the sacrum or coccyx ..... $100 any one Insured
   xv. of the sternum ..... $50 any one Insured
   xvi. of the leg (tibia or fibula) ..... $100 any one Insured
   xvii. of the upper arm (humerus) ..... $100 any one Insured
   xviii. of the forearm (radius or ulna) ..... $100 any one Insured
   xix. of the hand or wrist (other than phalanges) ..... $100 any one Insured
   xx. of the foot (other than phalanges) ..... $100 any one Insured
   xxi. of the ankle ..... $50 any one Insured

4. Supplementary Benefits

a. Accidental Medical Expense Reimbursement

If an Insured sustains **bodily injury** as a result of an result of accident, and within thirty (30) days from the date of the accident causing such **bodily injury**, an Insured who is insured under a Canadian provincial or territorial government health insurance plan obtains medical treatment in Canada from a legally qualified Physician and as a consequence of such **bodily injury** incurs expenses for any of the following para-medical services when recommended by a legally qualified Physician, We will reimburse the Insured for the following reasonable and necessary expenses:

i. The services of a legally qualified physiotherapist, chiropractor or osteopath, limited to the amount specified on the Schedule Of Supplementary Benefits per accident;

ii. The services of a legally qualified registered nurse;

iii. The purchase of hearing aids (but not including repair or replacement of same);

iv. Crutches, splints, orthotic devices, trusses, medical braces, rental of wheelchair or hospital bed;

v. Prescription drugs, except in the Province of Quebec;

vi. Casts and cast materials;

vii. Licensed ambulance service;

viii. Hospital services not covered by any federal or provincial government health insurance plan.

Splints, orthotic devices and medical braces required primarily for sports activities are not covered.

Reimbursement shall only be made provided that expenses are

i. Incurred in Canada;

ii. Incurred within fifty-two (52) weeks of the date of the accident causing **bodily injury**;

iii. Incurred only for therapeutic and not elective treatment; and

iv. Supported by an original receipts submitted to Us as proof of claim.

This benefit is in excess of any similar benefit provided under any other insurance, policy or plan, including but not limited to a policy of automobile insurance and any federal or provincial hospital, medical or drug plan.

The maximum amount payable under this section is 100% of the Accidental Medical Expense Limit shown in the Declarations per any one Insured.

b. Accidental Dental Expense Reimbursement

When a **bodily injury** to whole or sound teeth including filled or restored teeth requires and receives dental treatment commencing within 30 days of the date of the accident, and the Insured obtains treatment in Canada for such **bodily injury** from a legally qualified dentist or dental surgeon and incurs related dental expenses, We will pay for the necessary expenses for such treatment rendered within 52 weeks of the accident. Payments for all treatment rendered shall be limited to an aggregate of 100% of the Accidental Dental Accident Limit shown in the Declarations per any one Insured.

The following provisions also apply:

i. All expenses must be incurred in Canada;

ii. Any payments made under this section shall not exceed the amount specified in the schedule of fees in effect at the time of the accident as published by the dental association of the province or territory in which the Insured receives such treatment;

iii. Capped or crowned teeth shall be deemed as whole or sound teeth;

iv. No benefit will be payable for expense of dental treatment incurred for the cost of replacement, adjustment or repair of artificial teeth or dentures (except as otherwise provided herein), any orthodontic treatment, or any dental treatment provided solely for cosmetic or esthetic reasons.

c. Prosthetic Appliances

When prescribed by a physician or surgeon and purchased within 52 weeks of the date of accident, We will pay benefits for expenses incurred for artificial limbs and/or eyes up to a maximum of the amount specified on the Schedule Of Supplementary Benefits, for each **bodily injury** resulting in a loss requiring such an appliance. This does not include repairs, adjustments or replacement of same.

d. Rehabilitation Benefit

If an accident causes **bodily injury** to the Insured which requires that the Insured undergo special training in order to be qualified to engage in a special occupation in which they would have engaged except for such **bodily injury**, We will pay the reasonable and necessary expense actually incurred by any Insured but shall not exceed the amount specified on the Schedule Of Supplementary Benefits, nor shall payment be made for any expense incurred more than three years after the date of the accident, nor shall payment be made for room, board or other ordinary living, travelling or clothing expense.

e. Tuition Benefit

When, after 14 days from the date of the accident, a **bodily injury** shall disable totally and confine the Insured to their residence for a period in excess of 40 consecutive days, We will pay the expense incurred within six months from the date of the accident for tutorial services of a qualified teacher holding a current Provincial Ministry of Education Teaching Certificate for the grade attained by the Insured at a rate not to exceed $20 per hour. In addition, We will pay for rental of necessary equipment and required program software as suggested and approved by the Board of Education in which the Insured is in attendance. All benefits payable under this section are subject to an aggregate amount as specified on the Schedule Of Supplementary Benefits.

f. Special Treatment Travel Expense Benefit

If within 52 weeks of the date of the accident a **bodily injury** requires special treatment that cannot be obtained in the municipality of the Insured's residence We will pay up to a maximum of the amount specified on the Schedule Of Supplementary Benefits for travel expense incurred away from home.

g. Out Of Province Excess Surgical And Medical Accident Benefits

If **bodily injury** is sustained by an Insured outside the province in which they are normally domiciled, but inside Canada, and they shall within 30 days from the date of an accident necessitate the services of a licensed Doctor of Medicine, Osteopath or Chiropractor, and incur additional expenses such as surgical operations, hospital expenses, taking of x-rays, laboratory services or anaesthetist fees, We will pay for such charges for services outside the province of residence, but inside Canada, up to a maximum of the amount specified on the Schedule Of Supplementary Benefits, excess of the benefits available under any Canadian federal or provincial hospital and/or medical plan regardless of whether or not the insured person is enrolled in such a plan.

h. Emergency Transportation Benefit

If a **bodily injury** requires immediate medical treatment, We will pay the reasonable expense incurred in transporting the Insured to a doctor's office or nearest hospital other than by a licensed ambulance service subject to a maximum payment of the amount specified on the Schedule Of Supplementary Benefits.

i. Eyeglass And Contact Lens Expense (Resulting From Injury)

If **bodily injury** requires and receives treatment by a physician or dentist

i. and also results in the breakage of eyeglasses or loss or breakage of a contact lens or lenses of the Insured, We will pay the actual cost of repair or replacement of the eyeglasses or contact lens or lenses up to a maximum of the amount specified on the Schedule Of Supplementary Benefits, in respect to all such replacements or repairs during the term of this Policy; or

ii. results in the purchase of eyeglasses upon the advice of a physician when they were not required nor worn previously We will pay the reasonable and necessary expense thereof up to a maximum of the amount specified on the Schedule Of Supplementary Benefits.

j. Dentures, Hearing Aids And Removable Teeth Expense (Resulting From Injury)

If **bodily injury** requires treatment by physician or dentist within 30 days of the date of the accident and results in the breakage of dentures, hearing aids, or a removable artificial tooth or teeth of the Insured, We will pay the actual cost of repair or replacement of said dentures, hearing aid or artificial tooth up to a maximum of the amount specified on the Schedule Of Supplementary Benefits, in respect to all such repairs or replacements during the term of this Policy.

k. Fracture Or Dislocation Indemnity

When a **bodily injury** results in any of the fractures or dislocations listed on the Schedule Of Supplementary Benefits, We will pay the amount specified for such fractures or dislocation provided that not more than one such amount (the largest) shall be payable as the result of any one accident.

5. Exclusions

This Policy does not apply to:

a. Alcohol or Drugs

Any **bodily injury** resulting directly or indirectly, wholly or partially, from the Insured being under the influence of alcohol or cannabis or having taken drugs or narcotics unless prescribed by a legally qualified physician or surgeon and pursuant to that prescription.

b. Benefits Available Under Government Health Insurance Plan

Any benefits that are available under any government health insurance plan, whether the Insured is enrolled in such a plan or not.

c. Certain Medical Conditions

Any **bodily injury** resulting directly or indirectly, wholly or partially, from any of the following causes:

i. Sickness, disease, incapacity or bodily infirmity either as a cause or effect;

ii. Suicide or any attempt thereat by the Insured while sane;

iii. Self-inflicted injury or any attempt thereat by the Insured while sane or insane;

iv. Neuroses, psychoneuroses, psychotherapies, psychoses or mental or emotional disorders of any type;

v. Sustained while the Insured is undergoing the medical or surgical treatment of sickness, disease or bodily or mental infirmity;

vi. Stroke or cerebrovascular accident or event, cardiovascular accident or event, myocardial infarction or heart attack, coronary thrombosis, aneurysm;

vii. Infections of any kind regardless of how acquired, except bacterial infections that are directly caused by botulism, ptomaine poisoning or an accidental cut or wound independent and in the absence of any underlying sickness, disease or condition including but not limited to diabetes;

viii. Pregnancy, childbirth, miscarriage or abortion;

ix. Hernia;

x. Pre-existing medical or mental condition. However, **bodily injury** for which the treatment has not been rendered or treatment medically recommended for the past thirty consecutive months shall not be considered a pre-existing condition unless otherwise specifically excluded.

d. Criminal Activity

Any **bodily injury** occasioned or occurring while the Insured is committing or attempting to commit a criminal act or to which a contributing cause was the Insured being engaged in an illegal occupation or activity.

e. Expenses Covered Under Other Insurance

Any portion of an expense referred to in this Endorsement which is payable under any insurance plan or law or under any plan or law that will pay the expense. With the exception of licensed ambulance services expenses, all other expenses claimed herein must be presented or deemed medically necessary by a qualified medical practitioner for the treatment or rehabilitation of the Insured.

f. Other Participant Accident Policy

In no case may an Insured be covered under more than one participant accident policy. Excess premiums paid shall be refunded upon request.

g. Personal Articles

Except as otherwise provided herein there is no benefit payable for purchase, repair or replacement of personal articles such as helmets, equipment, dentures, eyeglasses, contact lenses or prescriptions therefor.

h. Professional Athlete

Any professional athletes earning the major portion of their income from sports activity.

B. For the purposes of the coverage provided by this Endorsement, PART I – COVERAGES, COMMON EXCLUSIONS – COVERAGES A, B AND D shall also apply to COVERAGE – SPORT PARTICIPANT ACCIDENT.

C. For the purposes of the coverage provided by this Endorsement, PART III – WHO IS AN INSURED is deleted in its entirety and replaced by the following:

PART III – WHO IS AN INSURED

A **sports participant** is an Insured under this Policy.

D. For the purposes of the coverage provided by this Endorsement, PART IV – LIMITS OF INSURANCE, A. LIMITS is amended by adding the following:

The Any One Insured Limits shown in the Declarations and in this Endorsement is the most We will pay for benefits covered by this Endorsement because of **bodily injury** to one or more Insureds in any one accident; and

The Aggregate Limit is the most We will pay under COVERAGE – SPORT PARTICIPANT ACCIDENT for benefits covered by this Endorsement and arising out of one accident, regardless of the number of Insureds. In the event the Aggregate Limit is insufficient to pay the full amount of indemnity for each Insured, then the amount payable for each Insured shall be in the proportion that the Aggregate Limit for any one accident bears to the total amount of insurance that would have been payable except for such Aggregate Limit.

E. For the purposes of the coverage provided by this Endorsement, PART V – COMMERCIAL GENERAL LIABILITY CONDITIONS, Condition 9. Duties In The Event Of Occurrence, Offence, Claim Or Suit is deleted and replaced by the following:

9. Duties In The Event Of An Accident

a. You must see to it that We are notified in writing of an accident which may result in a claim no later than 30 days from the date of such accident. Notice should include:

i. How, when and where the accident took place; and

ii. The names and addresses of any injured persons and witnesses; and

iii. The nature and location of any **bodily injury** arising out of the accident.

b. You must furnish to Us on forms provided such proof of claim as is reasonably possible within 90 days of the date of such accident;

c. You must furnish to Us a certificate as to the cause and nature of the injury for which the claim is made from a legally qualified medical or dental practitioner if so required by Us.

d. In the event of a claim by reason of death of an Insured, We shall be entitled to receive on forms provided by Us due proof of such death, as well as of the title and right of the claimant. Any **suit** or proceedings against Us for the recovery of any claim under this Endorsement shall not be commenced more than one year after the date the insurance money became payable or would have become payable if it had been a valid claim.

F. For the purposes of the coverage provided by this Endorsement, the following is added to PART V – COMMERCIAL GENERAL LIABILITY CONDITIONS:

Accidental Death

If an Insured dies while insured hereunder, We will, subject to the provisions set forth in this Endorsement, pay to the Estate of the Insured the amount of benefit to which the Insured would have been entitled.

G. For the purposes of the coverage provided by this Endorsement, PART VI – DEFINITIONS, Definition 6. Bodily Injury is deleted and replaced by the following:

6. Bodily injury means bodily injury or death sustained by a **sports participant** and caused directly by an external violent, sudden or fortuitous accident independent of any sickness or other cause.

H. For the purposes of the coverage provided by this Endorsement, the following are added to PART VI – DEFINITIONS:

48. Sport participant means Your:

a. Members, provided such individuals' names are on file with the governing body/sports association listed in the Declarations as being insured under this Policy;

b. Coaches, trainers, instructors or referees; or

c. Executive officers and executive officers of Your member teams;

49. Sanctioned events means events, tournaments, and/or matches conducted by an authorised event organiser that have received formal approval by the governing body/sports association listed in the Declarations or an **employee** authorized by the governing body/sports association listed in the Declarations to give such approval. Approval can either be by way of a written procedure manual or a specific agreement in writing.

Sanctioned events include being transported with other members as a group (three or more) to or from the place of a **sanctioned event**, as arranged by the governing body/sports association listed in the Declarations. In the case of travel by air, the insurance provided by this Endorsement shall only apply to travel on a multi-engined transport type aircraft operated by a licensed airline maintaining published schedules, or a licensed charter airline.

All other terms and conditions remain unchanged.

IN WITNESS WHEREOF, the Insurer has caused this Endorsement to be signed by an Authorized Representative.

Per.

PREFACE TO POLICY WORDINGS

THIS POLICY CONTAINS A CLAUSE THAT MAY LIMIT THE AMOUNT PAYABLE.

PLEASE READ THE ENTIRE POLICY CAREFULLY.

This Policy is subject to its Insuring Agreements, Exclusions, Conditions and Definitions as well as the Declarations and any Endorsements forming part of this Policy.

Various provisions in this Policy restrict coverage.

Please read the entire Policy carefully to determine rights, duties and what is and is not covered.

Coverage under the various Insuring Agreements is only provided if an amount of insurance is shown in the applicable parts/section of the Declarations for such Insuring Agreements.

Headings of each Insuring Agreement, Extensions, Exclusions or Conditions and throughout the entire Policy are for ease of identification only and shall not affect the interpretation of this Policy.

Throughout this Policy the words "You" and "Your" refer to the Named Insured shown in the Declarations. The words "We", "Us" and "Our" refer to Markel Canada (the "Company") as the Insurer providing this Policy. Words and phrases that appear in **bold** have defined meaning.

You have applied for insurance and We rely upon underwriting information provided by You and in consideration of the Premium having been paid to Us, We agree to pay or indemnify to the extent and in the manner herein provided.

PROPERTY POLICY

PART I - COMMERCIAL BUILDING, EQUIPMENT, AND STOCK (BROAD FORM)

1. INSURING AGREEMENT

In the event that any of the property insured be lost or damaged by the perils insured against, We will indemnify You against the direct physical 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 or damage;

b. Your interest in the property;

c. the amount of insurance specified on the Declarations Page in respect of the property lost or damaged.

Provided, however, that where the insurance applies to the property of more than one person or interest, Our total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the amount or amounts of insurance specified on the Declarations Page.

2. PROPERTY INSURED

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

Building

Equipment

Stock

Contents of Every Description

Property of Every Description

The insurance in this clause applies only;

a. while at the location(s) specified on the Declarations Page, or

b. if indicated on the Declarations Page, at the location(s) specified on the **Statement of Values**.

3. COINSURANCE

This clause applies separately to each item in any one **occurrence** for which a co-insurance percentage is specified on the Declarations Page and only where the total loss exceeds the lesser of 5% of the applicable amount of insurance or $10,000.

You shall maintain insurance provided by 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 on the Declarations Page, or no less than ninety (90) percent should no co-insurance percentage be specified on 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. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

4. PERILS INSURED

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

5.

A. 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, streetclocks, or exterior signs, but this exclusion does not apply to loss or damage caused directly by **named perils**;

b. property at locations which to Your knowledge are vacant, subject to the Seasonal Vacancy Warranty in this Form, 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 under the **named perils** definition in this Form ensues and then only for such ensuing physical loss or damage;

d. growing plants, trees, shrubs or flowers, all while in the open;

e. animals, fish or birds, but this exclusion does not apply to loss or damage caused directly by **named perils** or by theft or attempted theft;

f. money, bullion, platinum and other precious metals and alloys, securities, stamps, tickets and tokens, evidence of debt or title, fine arts, and stained glass and lettering or ornamentation thereon;

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 Your business when on Your premises;

h. furs, fur garments, jewels, jewellery, watches, pearls, precious and semi-precious stones, and pre-recorded video tapes, but this exclusion does not apply to loss or damage caused directly by **named perils**;

i. property insured under the terms of any Marine Insurance, as well as property while waterborne, except while on a regular ferry or railway car transfer in connection with land transportation;

j. wharves, piers, marine docks, tunnels, dams, natural earth reservoirs and bridges;

k. underground property except as otherwise insured by this Form;

l. land (including land on which the property is located);

m. roadways, walkways, parking lots or other exterior paved surfaces;

n. property on loan or on rental or sold by You under conditional sale, instalment payment or other deferred payment plan, from the time of leaving Your 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;

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

p.

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:

i. manually portable gas cylinders;

ii. explosion of natural, coal or manufactured gas;

iii. explosion of gas or unconsumed fuel within a furnace or within the gas passages therefrom to the atmosphere;

B. PERILS EXCLUDED

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

a. by earthquake, except for ensuing physical loss or damage which results directly from fire, explosion, smoke or leakage from fire protective equipment, all as described under the **named perils** definition in this Form;

b. by flood, but this exclusion does not apply to ensuing physical loss or damage which results directly from;

i. fire, explosion, smoke or leakage from **fire protective equipment** all as described under the **named perils** definition in this Form or,

ii. leakage from a watermain;

c.

i. by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings 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 this Form;

ii. by the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or

roof openings unless through an aperture concurrently and directly caused by a peril not otherwise excluded in this Form;

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, contamination, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, change in colour or texture or finish, rust or corrosion, marring, scratching or crushing, but this exclusion does not apply to;

   i. loss or damage caused directly by **named perils**,

   ii. rupture of pipes or breakage of apparatus not excluded under this Form,

   iii. theft or attempt thereat or accident to transporting conveyance,

   however, damage to pipes caused by freezing is insured provided such pipes are not otherwise excluded in this Form;

f. by smoke from agricultural smudging or industrial operations;

g. by rodents, insects or vermin, but this exclusion does not apply to physical loss or damage caused directly by a peril not otherwise excluded in this Form;

h. by delay, loss of market or loss of use or occupancy;

i. by any dishonest or criminal act on Your part or any other party of interest, Your employees or agents, 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 Your employees, which results from a peril otherwise insured and not otherwise excluded under this form.

j. 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 under the **named perils** definition in this Form;

   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 You, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire;

      (a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;

      (b) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;

      (c) other vessels and apparatus and pipes connected therewith while under pressure, or while in use or in operation provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure but this exclusion does not apply to loss or damage resulting from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimetres (24 inches) or less used for the heating and storage of hot water for domestic use;

      (d) moving or rotating machinery or parts thereof;

      (e) any vessels and apparatus and pipes connected therewith while undergoing pressure test but

this exclusion does not apply to other property insured hereunder that has been damaged by such explosion;

(f) gas turbines;

iii. settling, expansion, contraction, moving, shifting or cracking unless concurrently and directly caused by a peril not otherwise excluded in this Form;

Nor Does This Form Insure:

a. 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;

b. mysterious disappearance or shortage of equipment or stock disclosed on taking inventory;

c. 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 under the **named perils** definition in this Form ensues and then only for ensuing loss or damage;

d. disturbance or erasure of electronic recordings by electric or magnetic injury except by lightning;

e. 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 bylaw, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss.

CONDITIONS

The following Conditions apply to coverage provided by the Commercial Building, Equipment, and Stock Form. The General Policy Terms and Conditions as well as The General Property Terms and Conditions contained in the policy to which these Conditions are added apply except where they conflict with any portion of these Conditions, in which case these Conditions will apply.

1. 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 Your business.

2. PREMIUM ADJUSTMENT

(This clause applies only if this Form is on a Reporting Basis and an adjustment rate is shown on the Declarations Page)

a. The premium shown on the Declarations Page is provisional only;

b. You shall file with Us within 90 days of the expiry or anniversary date of each period of insurance of this Policy a statement, for the said period, showing the **actual cash value** of the **stock** insured on the last day of each month at each location as commented upon by Your Accountant. The rate applying to each location as stated on the Declarations Page shall be applied on the average amount of the total values declared at each respective location and the earned premium determined;

c. If the earned premium so determined exceeds the provisional premium, then You shall pay without

delay the difference in premium to Us;

d. If the earned premium is less than the provisional premium then We shall refund the difference in premium to You without delay, subject to a minimum retained premium of 50% of the provisional premium.

3. 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 raw **stock,** supplies and other **merchandise** not manufactured by You – 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;

b. on goods in process – the value of raw materials and labour expended plus the proper proportion of overhead charges;

c. on unsold **finished stock** You manufacture – the price the goods could have been sold for on the day of the loss had no loss occurred, less discounts and expenses You otherwise would have had.

d. on property of others in Your custody or control for the purpose of performing work thereon – the amount for which You are liable but in no event to exceed the **actual cash value** at the time and place of loss plus allowance for labour and materials expended to such time;

e. on tenant's improvements and records – as defined in paragraphs: a. and b. of Clause 4 Special Basis of Settlement;

f. 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.

g. should **EDP** insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost of the blank media plus the costs of copying the **data** from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such **data**. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such **data** to the Assured or any other party, even if such **data** cannot be recreated, gathered or assembled.

4. SPECIAL BASIS OF SETTLEMENT

a. Tenant's improvements: Our liability 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: Our liability 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 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.

5. SEASONAL VACANCY WARRANTY

Where the customary operations at a location are seasonal, permission is granted for the **building** to be vacant for up to 120 consecutive days. It being a further condition to the granting of this permission, You warrant that:

a. all doors and windows are securely locked;

b. all rubbish has been removed from within and about the premises and **building**;

c. the premises and **building** are checked a minimum of once per week;

d. water services to the **building** has been shut off and the pipes have been drained;

e. heat levels are adequately maintained to avoid freezing to any fire protection equipment.

Violation of the conditions set forth in this warranty shall render coverage provided by this policy null and void.

PART II - BUSINESS INCOME FORM

This Form applies only where an amount of insurance is specified on the Declarations Page.

1. INDEMNITY AGREEMENT

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

2. LIMIT OF INSURANCE

The most We will pay under this Form in any one (1) **occurrence** is;

a. the limit specified for each **scheduled risk location**, or

b. if written on a blanket basis, the applicable limit of insurance stated on the Declarations Page.

3. PERIOD OF INDEMNITY

Period of Indemnity means the length of time that Your **business income** continues to be affected as a direct result of direct physical loss or damage to property at the described premises caused by or resulting from a Covered Cause of Loss. The Period of Indemnity ends no later than the number of months shown in the Business Income Declarations. If the number of consecutive months is not shown on the Declarations Page, 12 consecutive months shall apply.

If You do not plan to resume Your normal business operations, the Period of Indemnity means the shortest of the following periods beginning with the date of covered direct physical loss at the **scheduled risk location**:

a. the time that would have been required to resume Your normal business operations; or

b. the number of consecutive months shown on the Declarations Page or 12 consecutive months if not shown.

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

The Period of Indemnity is not lengthened for any increased amount of time needed due to the enforcement of any ordinance, regulation or law:

a. governing the use, construction, repair or demolition of any property;

b. requiring You or others to clean up pollutants.

The Period of Indemnity is not affected by the expiration date of this policy.

4. DEDUCTIBLE

a. We are liable for the amount by which Your loss of **business income**, incurred necessary **extra expense** or loss of **rental value**, as applicable to the coverage specified on the Declarations Page, resulting from covered direct physical loss exceeds the amount of the Deductible specified on the Declarations Page in any one **occurrence**.

b. If a waiting period deductible is specified on the Declarations Page, Our liability for each interruption of business resulting from covered direct physical loss begins only when the period of interruption exceeds the number of consecutive hours as specified on the Declarations Page and We are liable

only for that part of the loss in excess of the number of hours specified on the Declarations Page. The waiting period does not apply to **extra expense**.

5. EXCLUSIONS

This **Part 2 – Business Income Form** does not cover the following losses and expenses:

a. the cost of repairing or replacing the property, or the cost of research or other costs of replacing or restoring any type of recorded material. However, if these costs are necessary to speed up Your return to normal operations, We will cover them to the extent that they reduce Your loss;

b. any increase in Your loss that results because strikers or other persons have interfered with repairs to damaged property or with any resumption of operations;

c. any increase in Your loss that results from the loss of a lease, license, other contract or order. However, if the loss of the lease, license, other contract or order is the direct result of an interruption of business due to damage to property at Your **scheduled risk location**, We will cover Your loss of **business income**, incurred necessary **extra expense** or loss of **rental value**, as applicable to the coverage specified on the Declarations Page, only during the time that would have been required to repair, rebuild or replace the damaged property;

d. any loss caused by or resulting from damage to or destruction of **finished stock** or the time required to reproduce **finished stock**;

e. any loss due to fines or damages for breach of contract for late or non-completion of orders, or for any penalties of whatever nature; or

f. any other consequential or indirect loss.

6. COINSURANCE

If no Coinsurance percentage is shown on the Declarations Page, no less than ninety (90) percent will be applicable, unless otherwise stated.

We will not pay the full amount of any **business income** loss if the Limit of Insurance for **business income** is less than:

a. The Coinsurance percentage shown for Business Income in the Declarations; multiplied by

b. The sum of:

   i. The net income (net profit or net loss before income taxes); and

   ii. Operating expenses, including payroll expenses;

   that would have been earned or incurred (had no loss occurred) by Your operations at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later.)

Instead, We will determine the most We will pay using the following steps:

   i. Multiply the net income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;

   ii. Divide the Limit of Insurance for the described premises by the figure determined in step i; and

   iii. Multiply the total amount of loss by the figure determined in step ii.

We will pay the amount determined in step iii. or the Limit of Insurance, whichever is less. For the remainder, You will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses shall be deducted from the total of all operating expenses:

a. Prepaid freight – outgoing;

b. Returns and allowances;

c. Discounts;

d. Bad debts;

e. Collection expenses;

f. Cost of raw **stock** and factory supplies consumed (including transportation charges);

g. Cost of **merchandise** sold (including transportation charges);

h. Cost of other supplies consumed (including transportation charges);

i. Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;

j. Power, heat and refrigeration expenses that do not continue under contract;

k. All **ordinary payroll** expenses or the amount of payroll expense excluded; and

l. Special deductions for mining properties (royalties, unless specifically included in coverage; actual depletion, commonly known as unit or cost depletion, but not percentage depletion; welfare and retirement fund charges, based on tonnage; hired trucks).

This condition does not apply to **extra expense** coverage.

As respects Rental Value coverage, We shall not be liable for a greater proportion of any loss than the amount of insurance specified on the Declarations Page bears to the Coinsurance percentage specified on the Declarations Page of the **rental value**. If no Coinsurance percentage is shown on the Declarations Page, ninety (90) percent will be applied, unless otherwise stated.

7. ORDINARY PAYROLL LIMITATION OR EXCLUSION

We'll only cover **ordinary payroll** expenses for the number of days shown on the Declarations Page following the date of covered direct physical loss at the **scheduled risk location**. **Ordinary payroll** expenses are excluded if 0 days is shown or it is blank.

When We calculate Your required amount for coinsurance, We'll only include those **ordinary payroll** expenses which are incurred during the number of days shown in the Declarations. If Your **ordinary payroll** expenses vary during the year, We'll use the period when Your **ordinary payroll** expenses are the greatest.

Payroll expenses include:

a. Payroll;

b. Special compensation such as bonuses and other incentive compensation;

c. Employee benefits, if directly related to payroll;

d. Union dues You pay; and

e. Workers' compensation premiums.

CONDITIONS

The following Conditions apply to coverage provided by the Business Income Form. The General Policy Terms and Conditions as well as The General Property Terms and Conditions contained in the policy to which these Conditions are added are applicable except where they are in conflict with any portion of these Conditions, in which case these Conditions will apply.

1. VALUATION

a. Business Income Valuation:

i. Applicable only to **business income** coverage, We will:

ii. establish the amount of Your net income before the **covered direct physical loss** occurred. This will include the reduction in any rents that You would have normally received;

iii. establish the likely amount of Your net income if no loss or damage had occurred. This will consider the changes in the commercial environment during the Period of Indemnity that would have affected Your net income, but this will not include any net income that would likely have been earned as a result of an increase in Your business operations due to favourable commercial environment conditions caused by the impact of the **covered direct physical loss** on customers or other businesses;

iv. consider expenses, including payroll expenses, that are required so that Your business can return to operations with the same quality of service that existed just prior to the **covered direct physical loss**;

v. add the **extra expense** You necessarily incur to continue or resume Your business operations as nearly normal as possible.

b. Extra Expense Valuation:

Applicable to **extra expense** coverage:

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

i. all expenses that exceed the normal operating expenses that would have been incurred by Your business operations during the Period of Indemnity if no **covered direct physical loss** had occurred. We will deduct:

(a) the salvage value that remains of any property bought for temporary use during the Period of Indemnity once Your business operations have resumed; and

(b) any costs and expenses that are paid for by other insurance;

ii. all necessarily-incurred expenses that reduce Your **business income** loss that otherwise would not have been incurred.

c. Rental Value Valuation:

Applicable only to **rental value** coverage, We will:

i. establish the amount by which Your rental income has been reduced solely due to **covered direct physical loss**;

ii. subtract those costs and expenses that do not necessarily continue during the Period of Indemnity.

2. APPRAISAL

If You and We disagree in the amount of net income and operating expense or the amount of loss payable under this Coverage Form, either may make written demand for an appraisal of the loss. In this event, each

party will select a competent and impartial appraiser.

The appraisers will state separately the amount of net income and operating expense or amount of loss. If the appraisers fail to agree, they will select an umpire and submit their differences to the umpire. A decision agreed to by any two will be binding.

If the appraisers cannot agree on an umpire, either party may request that a judge of a court having jurisdiction select the umpire.

Each party will:

a. Pay its chosen appraiser; and

b. Bear the expenses of the appraisal and of the umpire equally.

3. YOUR OBLIGATIONS TO MINIMIZE LOSS

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

a. You must resume operations and stop all extra expenses as soon as possible and to whatever extent is possible, as long as this will not increase Your loss.

b. You must also make use of Your **merchandise**, **stock**, or other property at Your premises or at other locations if it would reduce Your loss.

If You fail to take any of these steps to reduce Your loss, We will reduce the amount We will pay for Your loss by the amount which could have been saved.

4. PREMIUM ADJUSTMENT

(This clause applies only if this Form is on a Reporting Basis and an adjustment rate is shown on the Declarations Page)

Applicable only to **business income** coverage.

a. Adjustment Requirements

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

i. The **policy period** is annual.

ii. Within 2 months of the inception date of this **policy period** You submit to Us a separate fully completed and signed Markel Business Income Worksheet for each **scheduled risk location**.

iii. Your amount of insurance specified for each **scheduled risk location** on the Declarations Page for Business Income equals not less than:

(a) the Estimated Total Business Income Amount after adjustment for any Period of Indemnity not equal to 12 months for the current **policy period** on the Markel Business Income Worksheet; plus:

(b) the Estimated Value of Total Extra Expense Amount for the current **policy period** on the Worksheet.

iv. Within 12 months of the expiry date of this **policy period** You submit to Us an updated fully completed and signed Markel Business Income Worksheet for each scheduled risk location.

b. Adjustment Determination

If You comply with all the preceding conditions, We will determine if any return premium is due to You based on the following calculation. For each **scheduled risk location**:

i. the amount of insurance specified on the Declarations Page for Business Income for the **scheduled risk location**; subtract:

ii. the **extra expense** component as per a. iii. (b) above; subtract:

iii. the Actual Total Business Income Amount after adjustment for any Period of Indemnity not equal to 12 months for the Actual Policy Period (column 1) on the most current Worksheet for the **scheduled risk location**. We will use the Markel Business Income Worksheet from Your financial year that is most nearly concurrent with the annual term of this **policy period**.

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

c. Adjustment Calculation

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

i. the sum calculated as per ii. above; multiplied by:

ii. the rate per $100 amount of insurance for Business Income coverage at the **scheduled risk location**, except that

iii. the return premium may not exceed 50% of the deposit premium.

PART III - INLAND MARINE FORM

This Form insures the following property but only those Sections for which an amount of insurance is specified on the Declarations Page.

SECTION A – CONTRACTOR'S EQUIPMENT FLOATER

1. Covered Property

Under this section We will pay for accidental physical loss or damage arising out of any one **occurrence** to contractors' equipment scheduled on the **Schedule of Insured Property** as being:

a. Your property;

b. property belonging to others which You are under obligation to keep insured or for which You are legally liable.

2. Newly Acquired Equipment

This section also insures additional items, acquired by You during the **policy period**, that are similar to the property scheduled on the **Schedule of Insured Property**, subject to You notifying Us within ninety (90) days from the date of acquisition and payment of a pro rate additional premium from such date. It is agreed that We shall cease to insure such items at the end of the said ninety (90) days if they are not reported within that time. This extension of insurance shall be limited to the Newly Acquired Equipment limit shown in the Declarations Page or, if no such limit be shown, to a maximum recovery of fifty thousand dollars ($50,000) with respect to any one loss or series of losses arising out of the same **occurrence**.

3. Co-insurance

This clause applies separately to each item as scheduled on the **Schedule of Insured Property** in any one occurrence and only where the total loss exceeds the lesser of 5% of the applicable amount of insurance or $10,000.

You shall maintain insurance provided by this section on the property insured to the extent of at least the amount produced by multiplying the **actual cash value** of the property by the coinsurance percentage specified on the Declarations Page, or one hundred (100) percent should no co-insurance percentage be specified on 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.

SECTION B – COURSE OF CONSTRUCTION / INSTALLATION FLOATER

1. Covered Property:

This section, except as herein provided, insures accidental loss of or damage arising out of any one occurrence to:

a. property in course of construction, installation, reconstruction or repair

i. owned by You;

ii. for which You are responsible, provided that the value of such property is included in the amount insured;

all to enter into and form part of the completed project including expendable materials and supplies not otherwise excluded necessary to complete the project described in the Declarations;

b. temporary **buildings**, scaffolding, falsework, forms, hoardings, excavation, site preparation, landscaping and similar work, provided that the value thereof is included in the amount insured and

then only to the extent that replacement or restoration is made necessary to complete the project; as well as

c. expenses incurred in the removal from the construction site of debris of the property insured, occasioned by loss, destruction or damage to such property and in respect of which insurance is provided by this section.

2. Scope of Coverage:

a. This insurance attaches, within the **policy period**, when the property becomes at Your risk after being unloaded at and while on the construction site.

b. If a limit of liability is stated in the Declarations Page in respect of property at any other location, insurance is provided, subject to such limit, anywhere in Canada or the continental United States excluding Alaska, only with respect to property to enter into and form part of the completed project described in the Declarations Page but excluding such property while in transit, or in any **building** used for manufacturing or processing.

c. If a limit of liability is stated in the Declarations Page in respect of property in transit, insurance is provided, subject to such limit, from the commencement of loading at the original point of shipment anywhere in Canada or the continental United States excluding Alaska, until the completion of unloading at the site of construction, or elsewhere except while in any **building** used for manufacturing or processing.

d. This section ceases to insure the project

i. 10 days after the date of issuance of the Certificate of Total Performance in respect of the project in terms of the contract documents relating to the project; or

ii. acceptance by Your customer or Your interest in the work ends, whichever occurs first; or

iii. on the commencement of use or occupancy of any part or section of the project, unless such use or occupancy is for

(a) installing, testing, or storing equipment or machinery or using the equipment or machinery during the construction of the project to facilitate its completion; or

(b) office or habitational purpose; or

iv. after You abandon the project with no intention to complete it; or

v. on the termination or expiration of this insurance,

whichever first occurs.

3. Property Excluded:

Under this section We will not pay for:

a. contractors tools and equipment, including spare parts and accessories, whether owned, loaned, hired or leased, other than property specified in Covered Property Clause b. of this section.

4. Perils Excluded

This section does not insure:

a. 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 section, resultant damage to the property shall be insured, except that with respect to Named Insured Architects or Engineers such resultant damage shall not be insured and We retain Our right to subrogate against Named Insured Architects or Engineers for such resultant damage.

5. Basis of Settlement

Any loss under this section, at Our option, shall be adjusted with the General Contractor or Owner and any settlement shall be based on the cost of repairing, replacing or reinstating (whichever is the least) with material of like kind and quality and for like occupancy, on the same site without deduction for depreciation provided that

a. liability shall in no event exceed the amount actually and necessarily expended for repairs, replacement or reinstatement; and

b. if repairs, replacement or reinstatement with material of like kind and quality is restricted or prohibited by any by-law, regulation, ordinance or law, any increase in the cost of repairs, replacement or reinstatement due thereto shall not be insured by this section.

6. Coinsurance

All Covered Property, except property in transit, must be insured for its total completed value as of the time of loss or You will incur a penalty. The penalty is that We will pay only the proportion of any loss that the Limit of Insurance at any project site bears to the projected full value of all property at that project site at date of completion. This penalty does not apply to covered property in transit. If the value increases or decreases, You must advise Us of any change for Your protection under this clause. If more than one project is covered by this policy, the foregoing shall apply to each project separately.

SECTION C – MISCELLANEOUS PROPERTY FLOATER

1. Covered Property

Under this section We will pay for accidental loss or damage arising out of any one **occurrence** to the property scheduled on the **Schedule of Insured Property** being:

a. Your property;

b. similar property belonging to others which You are under obligation to keep insured or for which You are legally liable.

2. Property Excluded:

Under this section We will not pay for:

a. Breakage of glass or similar fragile materials.

3. Coinsurance

This clause applies separately to each item as scheduled on the **Schedule of Insured Property** in any one occurrence and only where the total loss exceeds the lesser of 5% of the applicable amount of insurance or $10,000.

You shall maintain insurance provided by this section 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 on the Declarations Page, or one hundred (100) percent if no co-insurance percentage is specified on 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.

SECTION D – RIGGER'S LEGAL LIABILITY

1. Covered Property

Under this section We will pay for accidental loss or damage arising out of any one **lift** to material, machinery, or equipment being the property of others in Your care, custody or control for the purposes of **rigging**.

2. Property Excluded:

Under this section We will not pay for:

a. **Buildings** or structures.

SECTION E – WAREHOUSEMAN'S LEGAL LIABILITY

1. Covered Property

Under this section We will cover Your liability as a warehouseman or bailee under warehouse receipt issued by You for all risks of direct physical accidental loss or damage arising from any one **occurrence** to lawful goods and **merchandise** being the property of others while contained at the location(s) described on the Declarations Page, or if indicated on the Declarations Page, at the location(s) specified on the Statement of Values.

2. Extensions of Cover:

a. Earned Storage Charge:

In the event of loss or damage, the liability for which is insured by this section We will pay in addition to such sums for which We may otherwise be liable, Your earned storage charges not collectible from others. The inclusion, however, of such storage charges in any payment of claim made to any other party making such claim shall relieve Us of liability to also pay such earned storage charges to You.

b. Defence of Suits

We agree to defend in Your name and on Your behalf any suit against You for loss or damage for which coverage is afforded under this section. However, We shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of Our liability has been exhausted by the payment of judgments or settlements. You shall cooperate with Us in obtaining evidence effecting settlements, and conducting suits, hearings and trials. We may, at Our sole discretion settle any legal proceeding commenced against You.

It is specifically understood that the coverages granted under these Extensions of Cover shall not increase the Limits of Insurance shown in the Declarations Page.

3. Exclusions

This section does not cover Your liability for:

a. loss for which You have assumed liability under written or oral contract in excess of liability imposed upon You as a common law warehouseman;

b. loss or damage to property of others in Your custody or control while You are acting as a carrier for hire;

c. illegal sale of property by You;

d. the payment of fines, assessments, damages, legal fees, court costs or any other penalties which You shall be required to pay as a result of the violation of any law or regulation relating to the delay in the payment, denial or settlement of any claim for loss, or any punitive or exemplary damages;

e. loss or damage caused by or resulting from forged warehouse receipts;

f. loss or damage caused by or resulting from any processing operation, including but not limited to cooling, thawing, packaging, repackaging, mixing, ripening or freezing unless loss by fire or explosion ensues, and then only for such ensuing loss;

g. any legal proceeding or order of any civil authority;

h. mis-rotation of covered property; or

i. mis-delivery of covered property.

4. Coinsurance

This clause applies separately to each item in any one **occurrence** for which a co-insurance percentage is specified on the Declarations Page and only where the total loss exceeds the lesser of 5% of the applicable amount of insurance or $10,000.

You shall maintain insurance provided by this section 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 on the Declarations Page, or one hundred (100) percent if no co-insurance percentage is specified on 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.

SECTION F – MOTOR TRUCK CARGO

1. Covered Property

Under this section We will cover Your liability as a motor carrier for accidental loss or damage arising out of any one **occurrence** to the property of others described in the Declarations Page that You have accepted for transportation as a motor carrier under written contract, tariff, bill of lading, or shipping receipt. This coverage is for property in or on a vehicle or, if a Limit of Insurance is stated for Terminal Coverage in the Declarations Page, at a terminal.

Coverage for property in or on a vehicle applies while the covered property;

a. is in due course of transit, including during loading and unloading of covered property to or from an area within 50 feet of the vehicle; and

b. is in Your care, custody or control or is in the custody of connecting carriers.

c. Coverage for property at a **terminal** applies while the covered property;

d. is in due course of transit and is unloaded or on a detached trailer at **terminals**; and

e. is in Your care, custody or control or is in the custody of connecting carriers; and

f. is not at the **terminal** site for a period of time exceeding 30 days.

2. Exclusions

This section does not cover;

a. property at **terminals**, warehouses, garages, spotting areas, transfer points or other similar places of storage or deposit unless the applicable Limits of Insurance are stated for Terminal Coverage in the Declarations Page;

b. intermodal containers, unless included in the value of the shipment;

c. mechanical derangement, but We will pay for such accidental loss caused directly by fire, lightning, explosion, windstorm, flood, earthquake, vandalism, aircraft, rioters, strikers, theft or attempted theft, or by accident to the vehicle carrying the property if these causes of accidental loss would be covered under this section;

d. breakdown of refrigeration or heating equipment;

e. property while in the custody of any other carrier if You have waived or otherwise made unenforceable subrogation rights of this policy.

3. Coinsurance

We shall not be liable under this section for Your liability for loss to covered property on any vehicle or at any **terminal** for a greater percentage of the loss that the respective limit(s) applicable under this policy bears to the total value of the covered property on the vehicle or at the **terminal** at the time of the loss, whether or not it is damaged or lost.

Unless otherwise stated herein, the following applies to all Parts of this Form:

INSURED PERILS

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

PROPERTY EXCLUDED

This Form does not insure loss or damage to:

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

b. licensed self-propelled land vehicles designed for use on public roads, except their attached equipment if shown on the **Schedule of Insured Property**;

c. aircraft or watercraft, or property installed in or on aircraft;

d. money, notes, securities, accounts, bills, evidences of debt or **valuable papers**;

e. eggs, live animals or birds;

f. paintings, statues or other works of art;

g. jewelry, costume jewelry, precious or semi-precious stones, gold, silver, platinum or other precious metals or alloys, furs and articles made of or trimmed with fur;

h. personal belongings or effects;

i. property that has been sold and delivered to customers, including property sold under a deferred payment sales agreement;

j. plans, blueprints, designs or specifications;

k. property while located underground, in caissons or underwater;

l. offshore rigs or property on offshore rigs;

m. property which has become a permanent part of any structure (except covered property in Section B);

n. property while waterborne from the commencement of loading until the completion of discharge except that this form insures while on a ferry, railway car or transfer barge, all in connection with land transportation;

o. loss or damage to property stored or carried gratuitously or as an accommodation;

p. property while insured under an Ocean Cargo Policy;

q. property whilst airborne;

r. trees, shrubbery, lawns, grass or plants;

s. water, land or land values;

t. property leased, rented or loaned to others.

PERILS EXCLUDED

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

a. by or resulting from

   i. the weight of the load imposed on a machine exceeding the capacity for which such machine was designed, or

   ii. the weight of any load (including the loadblock and any and all rigging) exceeding any limits set out in the manufacturer's specifications, capacity tables or rating sheets for the particular unit involved, or

   iii. operating contrary to any instructions or recommendations set out in the manufacturer's specifications or capacity tables;

b. by mechanical breakdown; nor against damage to electrical apparatus caused by artificial generated electrical currents including arcing, unless fire ensues and then only for loss or damage by such ensuing fire;

c. by electric or magnetic injury, disturbance or erasure of electronic recordings, except by lightning;

d. by Your criminal or wilful act or omission;

e. Your voluntary parting with title or possession of any covered property or others to whom the covered property may be entrusted whether or not induced to do so by any fraudulent scheme, trick, device or false pretense;

f. by wear and tear, latent defect, gradual depreciation or deterioration, inherent vice, faulty material or workmanship, or by processing or any work upon the property unless fire or explosion ensues and then only for direct loss or damage caused by such ensuing fire or explosion;

g. by or resulting from penalties or liquidated damages for non-completion of contract or delay in completion of contract or non-compliance with contract conditions or costs incurred solely in an effort to eliminate or reduce penalties or liquidated damages for which You may be contractually liable;

h. by or resulting from delay, loss of use or loss of market;

i. by or resulting from consequential loss of any kind;

j. by or resulting from dampness or dryness of atmosphere, extremes, or changes of temperature, freezing, heating, rust, corrosion, rodents, insects or vermin, marring or scratching, unless such loss or damage to the covered property is caused directly by fire, lightning, windstorm, explosion, strike, riot or civil commotion, collapse of bridges or culverts, collision, upset or overturn, or theft;

k. if sustained while the covered property is actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting or servicing of the covered property (unless fire or explosion ensues and then only for the loss or damage caused by such ensuing fire or explosion);

l. by or resulting from mysterious disappearance or shortage of equipment disclosed on taking inventory;

m. from any dishonest or criminal act on Your part or any other party or interest, employees or agents of yours, or anyone to whom the covered property may be entrusted, bailees for hire excepted, but this exclusion does not apply to physical damage, caused directly by Your employees, which results from a

peril otherwise insured and not otherwise excluded under this Form;

n. resulting from or 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 re-instate the property as it was immediately prior to the loss;

o. by breaking through ice, or by subsidence into muskeg, swamp, sand, or other surface;

p. by earthquake, except ensuing damage which results from fire, explosion, **smoke** or **leakage from fire protective equipment**;

q. by **flood**.

CONDITIONS

The following Conditions apply to coverage provided by the Inland Marine Form. The General Policy Terms and Conditions as well as The General Property Terms and Conditions contained in the policy to which these Conditions are added are applicable except where they are in conflict with any portion of these Conditions, in which case these Conditions will apply.

BASIS OF VALUATION

Unless otherwise stated in this Form, the value of the covered property for each section will be the least of the following amounts:

a. The Limit of Insurance applying to the damaged property;

b. The **actual cash value** of the property;

c. Your legal liability under written contract, shipping receipt, tariff, or bill of lading;

d. The cost of reasonably restoring that property to its condition immediately before the loss; or

e. The cost of replacing that property with used but substantially identical property.

PART IV - EXTENDED COVERAGES

In consideration of the premium charged, and subject to all terms, limitations, deductibles, conditions and exclusions of this policy, the following extensions of coverage are added to the Commercial Building Equipment and Stock Form or Inland Marine Form only if stated on the Declarations Page for the applicable extension of coverage.

1. EARTHQUAKE

Subject to the limit stated in the Declaration Page, coverage is extended to include loss or damage in any one (1) **occurrence** caused directly by the peril of **earthquake**. The limit stated in the Declarations Page for this coverage is an Aggregate Limit and is included within the limit of insurance.

2. FLOOD

Subject to the limit stated in the Declaration Page, coverage is extended to include loss or damage in any one (1) **occurrence** caused directly by the peril of **flood**. The limit stated in the Declarations Page for this coverage is an Aggregate Limit and is included within the limit of insurance.

3. SEWER BACK-UP

Subject to the limit stated in the Declaration Page, coverage is extended to include loss or damage in any one (1) **occurrence** caused directly by the peril of **sewer back-up**. The limit stated in the Declarations Page for this coverage is included within the limit of insurance.

4. REPLACEMENT COST

If **replacement cost** is stated on the Declarations Page, coverage is extended as follows:

a. We agree to amend the basis of settlement from **actual cash value** to **replacement cost** subject to the following provisions:

   i. replacement shall be effected by the Insured with due diligence and dispatch;

   ii. settlement on a **replacement cost** basis shall be made only when replacement has been effected by the Insured and in no event shall it exceed the amount actually and necessarily expended for such replacement;

   iii. failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this extension had not been in effect;

   iv. 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 is applicable shall be on the basis of **replacement cost** as defined herein;

   v. You may rebuild on the same or another site but the cost of rebuilding cannot exceed the replacement cost.

b. Any reference to **actual cash value** in a co-insurance clause in this Policy is deemed to be a reference to **replacement cost** of the property insured.

c. In this extension,

   i. **replacement cost** means the cost of replacing, repairing, construction or re-constructing (whichever is the least) the property on the same site with new property of like kind and quality and for like occupancy without deduction for depreciation; and

   ii. "replacement" includes repair, construction or re-construction with new property of like kind and quality.

d. 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 extension.

e. Exclusions:

This extension does not apply to

a. **stock**;

b. Inland Marine

c. patterns, dies, moulds;

d. 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;

e. 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;

f. any increase in the cost of replacement occasioned by a restriction or prohibition in any bylaw, regulation, ordinance, or law.

5. STATED AMOUNT CO-INSURANCE

Where indicated on the Declaration Page and where of a **Statement of Values** has been filed, the following clause as set out in paragraph a. of this extension applies instead of any percentage co-insurance clause in the policy that would otherwise apply.

a. You shall maintain insurance concurrent with this Policy on the property insured so that the total amount of insurance shall not be less than the total of the **Statement of Values** provided to and accepted by Us and failing to do so, 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 the clause.

b. The **Statement of Values** referred to herein shall be effective for the **policy period** commencing from the effective date of the policy or from the date of acceptance of the **Statement of Values** by Us, whichever is the latest to occur. Upon expiry of each **policy period** the percentage co-insurance clause in the Policy shall apply until a replacement **Statement of Values** is accepted by Us.

PART V - EXTENSIONS OF COVERAGE

Extensions of coverage specified are subject to all terms, definitions, limitations, provisions, exclusions and other conditions of the Form(s) to which this is attached, unless stated otherwise.

1. If an extension of coverage provided is more specifically insured elsewhere in the policy, the extension coverage does not apply.
2. Unless otherwise stated, these Extensions of Coverage are considered sub-limits of liability and are included within and are not in addition to the Limits of Insurance as stated on the Declarations Page. The sub-limit applicable to each extension of coverage is stated in the Schedule of Extensions of Coverage forming part of this policy.
3. Our liability for any amount payable resulting from any one **occurrence** (including all costs, fees, charges and expenses) shall not exceed the applicable limits, as stated on the Schedule of Extensions of Coverage forming part of this policy, for each applicable extension of coverage.
4. Blanket Limit of Extensions of Coverage:
    a. Where a Blanket Limit of Extensions of Coverage option is selected and indicated on the Declarations Page, the Blanket Limit of Extensions of Coverage limit shall apply to one or any combination of the extensions of coverage only if that extension of coverage is listed under the Blanket Limit of Extensions of Coverage section in the Schedule of Extensions of Coverage forming part of this policy.
    b. This blanket limit extension is in addition to the Limits of Insurance and is apportioned at Your option amongst the listed extensions as described above; however, the blanket limit shall not exceed the limit stated in the Declarations Page for Blanket Limit of Extensions of Coverage in the aggregate in any one **policy period**.
    c. If, however, a specific limit is stated in the Declarations page for any of the extensions of coverage listed as being included in the blanket limit, then such extension of coverage is not included in the aggregate Blanket Limit of Extensions of Coverage.
    d. The extensions of coverage provided are not subject to any co-insurance clause unless otherwise indicated herein.
5. An extension of coverage is covered only if:
    a. Extensions of Coverage is stated on the Declarations Page, and
    b. the applicable extension of coverage is listed on the Schedule of Extensions of Coverage along with a corresponding limit.

SECTION I - PROPERTY EXTENSIONS OF COVERAGE

Extensions of Coverage provided under this Section modify insurance provided under the Commercial Building Equipment And Stock Form.

1. Accounts Receivable

This insurance is extended to cover:

a. all amounts due from customers that You are unable to collect as a direct result of loss or damage caused by an **insured peril** to records of accounts receivable;

b. interest charges on any loan required to offset impaired collections pending repayment of such amounts made uncollectible as a direct result of such loss or damage;

c. collection expenses in excess of normal collection expenses that are made necessary because of such loss or damage; and

d. other reasonable expenses incurred by You in re-establishing records of accounts receivable following such loss or damage.

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

This extension does not cover against loss or damage:

a. due to bookkeeping, accounting or billing errors or omissions;

b. where the only proof of such loss is dependent upon an audit of records or an inventory computation;

c. 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. This exclusion applies only to the extent of the wrongful giving, taking, obtaining or withholding.

Basis Of Settlement

a. In the event that You cannot accurately establish the total amount of accounts receivable outstanding as of the date of such loss, We will determine the amount as follows:

   i. the total of the average monthly accounts receivable for the 12 months immediately preceding the month in which the loss occurs will be determined; and

   ii. that total will be adjusted for any normal fluctuations in the amount of accounts receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.

b. The following will be deducted from the total amount of accounts receivable, however the amount is established:

   i. the amount of the accounts evidenced by records not lost or damaged;

   ii. the amount of the accounts that You are able to re-establish or collect;

   iii. an amount to allow for probable bad debts which would normally have been uncollectible by You; and

   iv. all unearned interest and service charges.

In the event that any recoveries are received by You after payment of loss by Us under this extension, all such recoveries shall be shared proportionately between You and Us based on the amount of the loss that has been sustained by each.

2. Brands and Labels

In the event of direct physical loss or damage caused by an **insured peril** to **stock** bearing a **brand**, the sale of which carries or implies the guarantee or the responsibility of You or the manufacturer, We will pay the cost of removing or re-identifying the **brand** from such damaged **stock**.

Any salvage of such damaged **stock** will not be disposed of by sale without Your consent. If removing or re-identifying of the **brand** is not possible or is impractical, We will pay the cost to dispose of the damaged **stock**. You shall have the right to dispose of the salvage in the manner You consider appropriate.

If the salvage of the damaged **stock** is not disposed of by sale by Us, You will allow Us to deduct the salvage value from the amount payable to You. Salvage value will be determined as the value that could have been realized after removal or re-identifying of the **brand**.

3. Building By-Laws

This insurance is extended to cover, as a result of an **insured peril**:

a. loss occasioned by the demolition of any undamaged portion of the **building**;

b. the cost of demolishing and clearing the site of any undamaged portion of the **building**;

c. any increase in the cost of repairing, replacing, constructing or reconstructing the **building** 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** and

b. is in force at the time of such loss or damage.

This extension does not cover against:

a. the enforcement of any by-law, regulation, ordinance or law which prohibits You from rebuilding, or repairing on the same site or adjacent site or prohibits continuance of like occupancy;

b. direct or indirect loss, damage, cost or expense, arising out of **clean up** resulting from any actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release, or escape of **pollutants**;

c. direct or indirect loss, damage, cost or expense, for any testing, monitoring, evaluating or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants**; or

d. the enforcement of any by-law, regulation, ordinance or law which would apply in the absence of a loss.

This extension:

a. applies only to those **buildings** which are insured under this policy on a **replacement cost** basis of valuation; and

b. is subject to the Co-Insurance clause.

4. Building Damaged by Theft

This insurance is extended to cover damage (except by fire) to that part of a **building** occupied by You resulting directly from theft or attempted theft or from vandalism or malicious acts committed on the same occasion, provided You are not the owner of such **building** and are legally liable for such damage and the **building** is not otherwise insured under the Commercial Building Equipment and Stock Form.

5. Building Inflation Protection

This extension applies separately to each **building** insured by this policy.

a. The amount of insurance applicable to **building** shall increase during the **policy period** by the proportion by which the latest published Statistics Canada Non-Residential Building Construction Price 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 Statistics Canada Non-Residential Building Construction Price Index and the appropriate premium charged.

c. If the amount of insurance applicable to **building** is changed at Your request during the **policy period**, the effective date of this extension is deemed to coincide with the effective date of such change.

6. Debris Removal

We will indemnify You for expenses incurred in the removal from the **premises** of debris of the insured property, occasioned by physical loss of or damage to such property, for which loss or damage insurance is afforded under the Form. The amount payable under this extension shall not exceed the greater of either:

a. 25% of the sum of:

   i. the total amount payable for the direct physical loss of or damage to insured property; and

   ii. the amount of the applicable deductible.

b. The limit stated in the Schedule of Extensions of Coverage forming part of this policy.

This extension of coverage does not apply to costs or expenses:

a. to **clean up pollutants** from land or water; or

b. for testing, monitoring, evaluating or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants**.

7. Deferred Payments

This insurance is extended to cover direct physical loss or damage caused by an **insured peril**, to **stock** and **equipment** sold by You under any conditional sale, installment payment or other deferred payment plan, while such **stock** and **equipment** is in the possession of the purchaser.

We will reimburse You to the extent of the unpaid amount due to You at the time of the loss, less any amount that may be recoverable from other insurance available to You.

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

8. Electronic Data Processing Equipment and Media Systems Breakdown Coverage

Systems Breakdown Coverage:

This policy is extended to insure against, for not more than the limit specified in the Schedule of Extensions of Coverage forming part of this policy, against direct physical loss, damage or expense resulting from or caused by:

a. mechanical breakdown or machinery breakdown that is sudden and accidental;

b. short circuit, blow-out, or other electrical disturbance (except interruption of power supply, power surge, blackout or brown-out if the cause of such occurrence took place more than 100 feet (30.5 metres) from the **premises** specified on the Declarations Page;

c. faulty construction, error in design, or actual work upon electronic data processing equipment (this coverage does not apply to **electronic data processing media**);

This extension does not cover **data**.

9. Exhibitions

This insurance is extended to cover direct physical loss or damage caused by an insured peril to **stock** and **equipment**, while temporarily on exhibition at any location that is not owned or usually occupied by You, and while in transit to and from such locations.

10. Fine Arts

This insurance is extended to cover direct physical loss or damage caused by an **insured peril** to **fine arts** while located at the **premises** or while in transit.

In addition to those exclusions found in the Form, the following exclusions apply.

This extension does not cover:

a. breakage of glassware, statuary, marbles, bric-a-brac, porcelains and other fragile articles unless caused by:

   i. **Named perils**, theft or attempted theft, by a falling object striking the exterior of the **building**, or by an accident to a transporting conveyance; or

   ii. **Earthquake** or **flood**, if insured by this policy;

b. loss or damage caused directly or indirectly by any repairing, restoration or retouching process.

It is warranted by You that **fine arts** will be packed and unpacked by competent packers.

11. Fire Department Service Charges

This insurance is extended to cover expenses incurred by You when a fire department is called to save or protect the **insured property** from an **insured peril**.

Our liability shall not increase if more than one fire department responds in any one **occurrence**.

12. Fire Equipment Recharge

This insurance is extended to cover expenses incurred by You to recharge any **fire protective equipment** located on the **premises** that has been discharged as a result of an **insured peril**.

13. Fluctuating Stock Values

This insurance is extended to cover the additional cost to replace raw **stock** when:

a. there has been loss or damage caused by an insured peril to raw **stock** on the **premises**; and

b. such additional cost is due to fluctuations in the market price of such raw **stock**.

This extension applies only when the amount of insurance for **stock** is insufficient solely due to the fluctuations in the market price of such raw **stock** and as a result You are in not in compliance with the Coinsurance clause.

14. Free on Board Shipments

The Transit extension of the Property Extensions of Coverage is extended to cover Your loss of **stock** and **equipment** that has been:

a. sold to the customer; and

b. shipped to such customer at their risk of loss.

Coverage only applies when You cannot obtain payment because:

a. the **stock** and **equipment** has been damaged in shipment by an **insured peril**; and

b. the customer has refused or is unable to pay.

The amount of insurance provided by this extension is part of the Transit amount of insurance specified in the Schedule of Extensions of Coverage.

15. Furs and Jewels

This insurance is extended to cover direct physical loss or damage caused by an **insured peril**, other than a **Named Peril**, to furs, fur garments, jewels, jewellery, watches, pearls, precious and semi-precious stones while located at the **premises**.

16. Green Coverage

This insurance is extended to indemnify You for the following:

a. The additional costs incurred by You, whether by Your election or as may be required by law or ordinance, to repair or replace the damaged property in a manner sufficient to meet the requirements of any or all of the following:

   i. The LEED® Canada Green Building Rating System for New Construction and Major Renovations version 1.0 of the Canada Green Building Council and/or its most recent updates;

   ii. The BOMA (Building Owners and Managers Association of Canada) BEST® certification for Building Environmental Standards Initiative; and

   iii. Equivalent legal, governmental or voluntary requirements applicable to property located in or outside of Canada.

b. As respects the provisions of Paragraph 1 above, if an **insured property** is:

   i. LEED® or BOMA BEST® certified, or

   ii. is not LEED® or BOMA BEST® certified but has experienced a total loss and the replacement of the covered property is required by law or regulation;

   We will also pay for:

   (a) The reasonable and necessary expense to hire a LEED®-Accredited Architect or Design Professional to participate in the design, construction or reconstruction and repair of the damaged property;

   (b) The reasonable and necessary registration and certification charges and fees of the Sponsoring Green Building Certification Program to certify or recertify the restored property;

   (c) The reasonable and necessary expense to conduct air testing and to flush out a reconstructed, repaired or newly constructed **building** with outside air (if required because of failure to meet indoor air quality standards); and

   (d) If a flush out with outside air is deemed necessary; the reasonable and necessary expense to replace air filtration media with new filtration media after two weeks of increased outdoor air ventilation

   iii. This Section is also extended to cover for the increased costs to recycle debris caused by or resulting from a covered loss or damage rather than sending the debris to a landfill if such debris can be recycled.

   All salvage recoveries (if any) derived from such recycling will be used to reduce the total loss hereunder.

17. Growing Plants, Tress, Shrubs or Flowers

This insurance is extended to cover loss of or damage to growing plants, trees, shrubs or flowers outside the **building** at the **premises**, caused directly by **named perils** (with the exception of windstorm or hail), or from theft or attempted theft. This extension does not apply to plants, trees, shrubs or flowers which are **stock**.

This extension is subject to a maximum recovery, including debris removal expense, as specified for this extension on the Schedule of Extensions of Coverage.

18. Installation Floater

The Insurance under this policy is extended to insure, supplies, equipment and materials, except as excluded below, the property of the Insured or the property of others for which the Insured is legally liable, which the Insured has contracted to install or which will be used in completing an installation contract, anywhere in Canada or the Continental United States, while such property is in transit to premises of installation or while at premises of installation, awaiting installation or while being installed, it being agreed that coverage on all property ceases when:

a. the Insured's interest ceases; or

b. the property installed has been accepted as satisfactory; or

c. the policy expires;

whichever occurs first.

Additional Exclusions:

In addition to the exclusions under the form, this extension does not insure loss or damage:

a. to **buildings**, but **building** materials and supplies are covered until such time as they become a permanent part of any installation project completed by the Insured;

b. to plans, blueprints, designs, specifications or any similar property;

c. to tools and contactor's equipment of every description;

d. to any installation or part thereof from the commencement of use or purposes for which it was intended;

e. to property while in airborne transit, unless by scheduled airlines;

f. covered under any guarantee or warranty (expressed or implied) by any contractor, manufacturer or supplier, whether or not such contractor, manufacturer or supplier is an Insured under this extension;

19. Land and Water Pollution Clean Up

We will pay You 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**:

a. is occasioned by loss or damage to **insured property** at the **premises** for which insurance is afforded under the Form;

b. is sudden, unexpected and unintended from Your standpoint; and

c. first occurs during the **policy period**.

d. We shall not be liable for:

e. 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**;

f. 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 policy;

g. fines, penalties, punitive or exemplary damages;

h. 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.

It is a condition precedent to recovery under this extension that all expenses must be incurred and reported to Us 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.

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

20. Lock Re-Keying or Replacement

This insurance is extended to cover all costs of repairing, replacing or reprogramming keys, locks or access cards that control all doors at the **premises** resulting directly from loss or damage to **insured property** caused by an **insured peril**.

21. Newly Acquired Contents

This insurance is extended to cover direct physical loss or damage caused by an insured peril to newly acquired **stock** and **equipment** at the **premises**. This coverage commences from the time of the acquisition and extends for a period of 90 days, or to the date of endorsement of this policy adding such additional **stock** and **equipment**, or until the expiry date of this policy, whichever occurs first. Premium will be payable from the date of acquisition. The Coverage Territory for this extension is limited to Canada.

22. Newly Acquired Location

This insurance is extended to cover direct physical loss or damage caused by an **insured peril** to **property of every description** at any newly acquired location that is owned rented or controlled by You in whole or in part or in or on vehicles within 100 metres (328 feet) of such location. This coverage commences from the time of the acquisition and extends for a period of 90 days, or to the date of endorsement of this policy adding such location, or until the expiry date of this policy, whichever occurs first. There is no coverage under this extension for any **building** that is in the course of construction. Premium will be payable from the date of acquisition. The Coverage Territory for this extension is limited to Canada.

23. Outdoor Property

This insurance is extended to cover direct physical loss or damage caused by an **insured peril** to exterior signs, street clocks, communication towers, or antennae (including satellite receivers) located on the **premises**.

24. Patterns, Moulds and Dies

This insurance is extended to cover loss or damage caused by marring, scratching or crushing of patterns, models, dies, moulds, forms, jigs or other similar property.

25. Peak Season

This insurance is extended to provide an additional amount of insurance for any increase in **stock** caused by seasonal fluctuations. This extension will only apply if the amount of insurance for **stock** at the **premises** is equal to at least 100% of the average monthly values for **stock** at the same **premises** for the 12 months immediately preceding the date of loss or, in the event that You have been in business for

less than 12 months, for such shorter period of time.

This extension shall be limited to a maximum recovery of 25% of the amount of insurance declared to Us for **stock** at the **premises**.

26. Personal Property of Officers, Employees and Volunteers

This insurance is extended to cover direct physical loss or damage caused by an **insured peril** to personal property of Your officers, employees and volunteers. The insurance on such property:

a. shall not apply if it is insured by the owner unless You are obliged to insure it or are liable for its loss or damage; and

b. shall apply only to loss or damage occurring at the **premises** or at any Newly Acquired Location.

27. Preservation of Property – Direct Damage

If any of the **insured property** is necessarily removed from the **premises** to prevent loss of or damage to or further loss of or damage to such property, that part of the insurance under the Form that exceeds the amount of Our liability for any loss already incurred shall, for 7 days only, or for the unexpired term of the policy if less than 7 days, insure the property removed and any property remaining at the **premises** in the proportions which the value of the property in each of the locations bears to the value of the property in them all.

28. Preservation of Property – Expense

This insurance is extended to cover the reasonable and necessary costs incurred by You to temporarily remove or protect the property insured from direct physical loss or damage caused by an **insured peril** at the **premises**.

We will pay You an amount not exceeding whichever is the least of:

a. the value of the property that has been removed or protected; or

b. the amount of insurance specified on the Schedule of Extensions of Coverage.

29. Professional Fees

This Insurance is extended to cover:

a. reasonable costs incurred in the preparation of a proof of loss; and

b. reasonable fees payable to external auditors, accountants, architects, engineers, or other professionals for producing and certifying particulars or details of Your business in order to establish the quantum of a claim.

All such costs and fees must be:

a. incurred by You at Our request; and

b. associated with a claim under the Form for which liability has been otherwise accepted by Us.

This extension does not apply to fees payable to lawyers, public adjusters, loss appraisers or loss consultants or other professionals engaged by You without Our prior written approval.

This extension may also be applied to any loss covered under the Business Income Form or the Business Income Extension of Coverages.

30. Removal of Windstorm Debris:

We will indemnify You 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 the premises.

31. Reward

This insurance is extended to reimburse You for any reward paid to any person or persons (other than to You or officers and partners) for information that directly leads to a conviction for committing loss or damage to insured property. This extension applies only if the crime results in the payment of a claim under this policy. We will be the sole judge as to the person or persons to whom a reward is paid and to the size of the reward.

32. Roadways, Walkways, Parking Lots

This insurance is extended to cover direct physical loss or damage caused by an **insured peril** to roadways, walkways, parking lots and other exterior paved surfaces which are located on the **premises**.

33. Sales Representative

This insurance is extended to cover direct physical loss or damage caused by an **insured peril** to **stock** and **equipment**, whether in transit or otherwise, while in the custody of Your sales representative. This extension does not apply while the **insured property** is located at the **premises**.

34. Service Interruption – Off Premises (Direct Damage)

This insurance is extended to cover direct physical loss of or damage to **stock** and **equipment** on the **premises**, caused by an interruption in **services**. The interruption in **services** must be the direct result of physical loss of or damage to any property, including electrical distribution lines, used to generate or supply **services** to the **premises**. The physical loss or damage must directly result from an **insured peril**.

This extension does not apply if the property used to generate or supply **services** are:

a. Located on Your **premises**;

b. Owned, operated or controlled by You; or

c. Located beyond 1 kilometre of Your **premises**.

This extension does not cover loss or damage arising from:

a. A discharge of water or sewage due to heavy rainfall or **flood**;

b. Loss of or reduction of **services** due to lack of sufficient capacity;

c. An intentional reduction in the supply of **services**; or

d. An interruption in **services** that does not exceed 24 consecutive hours.

Any insurance provided by this extension will not be considered to be loss or damage to **insured property** by an **insured peril** for the purposes of any business income, business interruption or similar type of time element coverage provided under this policy.

35. Stock Spoilage

The Insurance under this Policy is extended to cover physical loss or damage to **stock** on the **premises** caused by dampness or dryness of atmosphere or change in temperature.

The dampness or dryness of atmosphere or change in temperature must be direct result of a. or b. below.

a. Physical loss of or damage to **building** or **equipment**, including supply or transmission lines and pipes and their connections furnishing **services**, on the **premises**. The physical loss or damage must directly result from an **insured peril**. The part of the **building** or of the **equipment** that sustains loss or damage must be used for refrigeration, cooling, humidifying, dehumidifying, heating or for generating or converting power.

b. Interruption to the supply of **services** to the **premises**. The interruption must be caused by physical loss of or damage to apparatus that generates or supplies such **services** to the **premises**. The physical loss or damage must directly result from an **insured peril**. The apparatus that sustains loss or damage must be located on or within 1 kilometre of the "premises".

Exclusions

This extension does not cover loss or damage resulting from partial or total interruption to the supply of **services** arising from:

a. loss of or damage to any electrical transmission lines or distribution lines or their supporting structures, except for those located on the **premises**;

b. lack of sufficient capacity; or

c. intentional reduction in supply.

36. Temporary Locations

The insurance under this policy is extended to insure "Building" and "Contents" other than at a specified location shown on the "Declarations Page", except while in transit or outside of Canada and the continental United States of America. There shall be no liability under this term at any location owned, rented or controlled in whole or in part by the Insured.

37. Transit

This insurance is extended to cover direct physical loss or damage caused by an **insured peril** to **stock** and **equipment** in the course of transit.

This extension does not apply to insured property:

a. once it has been loaded onto a vessel or aircraft whose destination, or point of origin, is located outside of the Coverage Territory;

b. that is covered under any Ocean Marine policy.

This extension does not apply to the following extensions in Section I – Property Extensions of Coverage.

a. Accounts Receivable;

b. Exhibitions;

c. Fine Arts;

d. Sales Representative; or

e. **Valuable Papers and records**.

38. Unspecified Locations – Contents

This insurance is extended to cover direct physical loss or damage caused by an **insured peril** to **stock** and **equipment** at any location not owned, rented or controlled in whole or in part by You. The Coverage Territory for this extension is limited to Canada.

This insurance does not apply to the following extensions in Section I – Property Extensions of Coverage:

a. Deferred Payments;

b. Exhibitions;

c. Free on Board Shipments;

d. Property in Transit; or

e. Sales Representative

39. Valuable Papers

This insurance is extended to cover direct physical loss or damage caused by an **insured peril** to **valuable papers and records**:

a. in the **premises**; or

b. while temporarily away from the **premises**, including while in transit.

In addition to those exclusions found in the Form the following exclusions apply.

This extension does not cover:

a. loss resulting directly from errors or omissions in processing or copying; or

b. **valuable papers and records** that cannot be replaced with similar property.

Basis Of Settlement

We will pay You an amount not exceeding whichever is the least of:

a. the **actual cash value** of the **insured property** at the time of loss;

b. the cost to repair or replace the **insured property** with similar property;

c. the cost to compile information required and to transcribe or copy the lost or damaged **valuable papers and records**;

d. the amount of insurance specified for this extension on the Schedule of Extensions of Coverage.

40. Work Damage to Stock

This insurance is extended to cover loss of or damage to **stock**:

a. while being worked upon by You and as a result of such work; or

b. caused by any repairing, adjusting or servicing conducted by You.

The most that We will pay under this extension in any one **policy period** is the amount of insurance specified for this extension on the Schedule of Extensions of Coverage.

SECTION II – BUSINESS INCOME EXTENSIONS OF COVERAGE

Unless otherwise stated, Extensions of Coverage under this Section apply only where Business Income is stated on the Declarations Page. The Extensions of Coverage under this section modifies coverage granted under the Business Income Form attached to and forming part of this policy and are subject to the following additional conditions:

1. If a loss covered under an Extension of Coverage also involves a loss under any Part, its Extension of Coverage or an endorsement, then, the maximum limit of insurance will not exceed the highest applicable limit under any one Part, Extension of Coverage or endorsement.
2. If the limit of liability of an Extension applies to the **policy period**, and the **policy period** is extended after issuance for an additional period of less than 6 months, the additional period will be deemed part of the preceding period for the purposes of determining limits.

1. Contingent Business Income

We agree to extend the insurance provided by the Business Income Form to apply to Your loss of **business income** resulting from interruption to Your business due to loss or damage from **named perils**, except windstorm or hail, to **contingent property** anywhere in the Coverage Territory, provided that:

a. such location is not:

i. under Your ownership, controlled or occupied by You; or

ii. a public utility which furnishes heat, light, power, gas or water to You.

b. no other satisfactory products, materials or services are available that could be used to reduce the period of interruption without causing You any prejudice.

Contingent property means:

a. a property which provides You or to anyone else on Your behalf with products, materials or services;

b. a property which receives Your products, materials or services that You produce or sell; or

c. a property that is within one (1) kilometer of Your **premises** and attracts business to Your **premises**.

The inclusion of more than one **contingent property** in any one **occurrence** shall not increase Our liability under this extension.

2. Contractual Penalties

This insurance is extended to cover fines, damages or penalties for breach of a written contract that You are legally liable to pay, solely in consequence of direct physical loss of or damage to **insured property** at the **premises** from an **insured peril**, for late completion or non-completion of orders.

3. Expediting Expenses

In the event of covered loss or damage to Covered Property, We will pay for the reasonable and necessary additional expenses You incur to make temporary repairs to, or expedite the permanent repairs or replacement of the Covered Property at the described premises sustaining loss or damage.

Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation. Expediting expenses do not include expenses You incur for the temporary rental of property or temporary replacement of damaged property.

4. Extra Expense

If Business Income or Extra Expense is not stated on the Declarations Page, this insurance is extended to cover Your incurred necessary **extra expense** as described under the Business Income Form to which this extension applies.

5. Interruption by Civil Authority

We agree to extend the insurance provided by this the Business Income Form to apply to Your loss of **business income**, incurred necessary **extra expense** or loss of **rental value**, if You are denied access to Your **scheduled risk location** by a Government authority, due to damage to other property nearby for up to the number of days specified on the Schedule of Extensions of Coverage for any one **occurrence**. This Extension of Coverage only applies if the other property involved has been damaged by an **insured peril**.

6. Leasehold Interest – Rents

This insurance is extended to cover the increase in Your rent resulting from the cancellation of a lease by the landlord in accordance with the terms of the lease, due to direct physical loss of or damage to **insured property** at the **premises** from an **insured peril**.

We will pay the difference between the higher current rental value, and the rent paid in the original lease. The difference is to be calculated on the basis that You entered into a new lease for **premises** of like kind, location, condition and size for the purpose of continuing Your business activities.

We are not liable for any increase in rent resulting from Your exercising an option to cancel the lease.

This extension of coverage will continue for:

a. the balance of the original lease term; or

b. 12 months from the date the lease was terminated,

whichever occurs first.

7. Newly Acquired Location – BI

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

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

a. You report values to Us;

b. this policy expires;

c. other insurance covering the property takes effect; or

d. 90 days after You acquire the property.

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

8. Service Interruption

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

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

a. located on Your **premises**;

b. under Your control; or

c. located beyond 1 kilometre of Your **premises**.

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

This extension does not cover loss directly or indirectly arising from:

a. a discharge of water or sewage due to heavy rainfall or **flood** or **sewer back-up**;

b. loss of or reduction of services due to lack of sufficient capacity; or

c. an intentional reduction in the supply of **services**.

SECTION III – INLAND MARINE EXTENSIONS OF COVERAGE

Extensions of Coverage provided under this Section modifies insurance provided under the Inland Marine Form.

Extensions applicable to All Inland Marine Sections:

1. Sue and Labour Expenses

We will pay the reasonable and necessary costs You incur, up to the limit stated in the Schedule of Extensions of Coverage, to preserve and protect covered property from imminent loss.

2. Debris Removal Expenses

Coverage is extended to include expenses necessarily incurred by You, in the removal of the debris of the covered property occasioned by a loss not otherwise excluded in this Form. The amount payable under this extension shall not exceed 25% of the sum of:

a. The total amount payable for the direct loss or damage to covered property; and

b. The amount of the applicable deductible plus the dollar amount indicated on the Schedule of Extensions of Coverage.

EXTENSIONS ONLY APPLICABLE TO SECTION A – CONTRACTOR'S EQUIPMENT FLOATER:

1. Rental Expense

Coverage is extended to include rental expense as follows:

a. We will pay You the expense of renting equipment made necessary:

   i. By a loss to covered property insured by Us; and

   ii. To continue as much as possible the normal operations on the work in progress; and

   iii. When You do not have equivalent, idle equipment.

b. Unless a different period is stated in the Schedule of Extensions of Coverage, payment is limited to expense incurred during the period starting 72 hours after the covered loss and ending when the covered property had been:

   i. Replaced, or

   ii. Restored to service, or

   iii. Is no longer needed;

   whichever first occurs.

   Our payment will not be limited by the expiration date of this policy.

c. We will pay the actual daily rental expense, but not more than:

   i. The limit stated in the Schedule of Extensions of Coverage per day, nor

   ii. The limit stated in the Schedule of Extensions of Coverage any one loss.

d. You and We agree that the covered property involved in the loss will be repaired or replaced promptly.

2. Equipment Leased or Rented to Others

Covered property shall include **additional equipment** which is leased or rented by You to others under a written contract.

3. Equipment Leased or Rented from Others

Covered property shall include **additional equipment** not on the **Schedule of Insured Property** which is leased or rented to You under a written contract. It will not include vehicles licensed for road use, cranes, derricks, powered or non-powered hand tools unless stated in the Schedule of Extensions of Coverage.

4. Waterborne Property Extension

Coverage is extended to cover covered property whilst waterborne against direct physical loss to the property insured caused by fire or the stranding, sinking or collision of the vessel, including general average and salvage charges. However, this coverage extension does not apply to covered property insured under the terms of any Marine Insurance.

5. Airborne Property Extension

Coverage is extended to cover covered property whilst airborne.

6. Ice & Muskeg Extension

Coverage is extended to cover loss to covered property resulting from breaking through ice or subsidence of ice, sinking or subsidence in muskeg, swamp or soft soil.

7. Tools

Covered property shall include unscheduled tools while located within the Coverage Territory. This coverage extension shall be limited to no more than the limit stated in the Schedule of Extensions of Coverage for any one item not to exceed the limit stated in the Schedule of Extensions of Coverage for any one **occurrence**.

8. Weight Load Coverage

Coverage is extended to remove weight load restrictions.

9. Contractor's Loss of Earnings

Coverage is extended against loss directly resulting from the necessary interruption of business caused by loss to covered property.

Measure of Recovery

This insurance is limited to loss of **earnings** sustained, less operating expenses which do not necessarily continue, commencing with the date of loss but not limited by the expiration of this insurance as would be required with the exercise of due diligence and dispatch to repair or replace the damaged or destroyed equipment.

This insurance is applicable for only those written contracts of work already scheduled prior to the time of loss, for up to a maximum of 21 days after the date of loss. The coverage provided by the extension does not apply until 48 hours, or as otherwise indicated on the Schedule of Extensions of Coverage, following the loss being reported to Our representative.

Expenses to Reduce Loss

This extension also insures such expenses as are necessarily incurred for the purpose of reducing the interruption of business covered under this extension, but in no event shall the aggregate of such expenses exceed the amount by which the loss under this extension is thereby reduced.

Additional Exclusions

Insurer shall not be liable for:

a. loss due to fines or damages for breach of contract for late or non-completion of orders, of for any penalties of whatever nature;

b. loss due to the suspension, lapse or cancellation of any lease or license, contract or order, which may affect the Insured's **earnings** after the period following any loss during which indemnity is payable;

c. any other consequential loss or remote loss.

Extensions only applicable to SECTION A – CONTRACTOR'S EQUIPMENT FLOATER and SECTION C – MISCELLANEOUS PROPERTY FLOATER:

1. Replacement Cost

Coverage is extended as follows:

a. We agree to amend the basis of valuation from the **actual cash value** to **replacement cost** subject to the following conditions:

i. The equipment is not older than the number of years stated in the Schedule of Extensions of Coverage;

ii. This extension does not apply with respect to:

(a) Tires and batteries, nor

(b) Betterment resulting from the repair or replacement of parts having prior unrepaired damage;

iii. Replacement shall be effected by You with due diligence and dispatch;

iv. Settlement on a replacement cost basis shall be made only when replacement has been effected by You and in no event shall it exceed the amount actually and necessarily expended for such replacement;

v. Failing Your compliance with any of the foregoing provisions settlement shall be made as if this extension had not been in effect;

vi. Any other insured effected by or on behalf of You in respect of the perils insured against by this **section** on the equipment to which this extension is applicable shall be on the basis of **replacement cost** as defined herein;

vii. This extension applies separately to each item(s) listed in the **Schedule of Insured Property**.

b. Any reference to **actual cash value** in a coinsurance clause in this **section** is deemed to be a reference to **replacement cost** of the equipment insured.

c. In the event that new equipment of like kind and quality is not obtainable, new equipment which is as similar as possible to that destroyed and which is capable of performing the same function shall be deemed to be new equipment of like kind and quality for the purposes of this extension.

PART VI – TERRORISM

This Form insures the following property but only those Sections for which an amount of insurance is specified on the Declarations Page.

SECTION A – TERRORISM AND SABOTAGE PHYSICAL LOSS OR PHYSICAL DAMAGE WORDING

1. Insuring Clause

Subject to the exclusions, limits and conditions hereinafter contained, this Insurance insures property as stated on the Declarations attaching and forming part of this Policy against physical loss, physical damage and business income loss occurring during the period of this Policy caused by an **act of terrorism** or **act of sabotage**, as herein defined.

SECTION B – ACTIVE ASSAILANT

1. Coverage

We will indemnify the **Insured** for the following losses occurring during the **policy period**:

a. Property Damage

Physical loss or physical damage to real and personal property, in which the **Insured** has an insurable interest, at an **Insured location** occurring during the **policy period** and directly caused by the actions of an **active assailant** during an **active assailant event**.

b. Business Income

This Policy insures business income losses directly resulting from:

i. Physical loss or physical damage, as covered by a. above; and/or

ii. **Bodily injury** or death to three (3) or more persons solely and directly caused by an **active assailant event** occurring during the **policy period** and at an **insured location** or within two hundred (200) metre of an **insured location** ; and/or

iii. Denial of access to an **Insured location** as a result of an order by a civil or military authority due an **active assailant event** occurring during the **policy period** and within five hundred (500) metre of an **Insured location**.

c. Medical and Dental Expenses

Medical and dental expenses (other than counselling and/or psychiatric care costs) to mitigate the adverse effects of **bodily injury** sustained during an **active assailant event** of any **employee**, contractor, patron, student and/or patient of the **Insured** physically present at an **Insured location** or within two hundred (200) metre of an **Insured location**.

Medical and dental expenses are limited to a maximum of CAD 20,000 per person and applicable only to such costs incurred within thirty (30) days of an **active assailant event**.

d. Counselling Costs

Counselling and/or psychiatric care costs to mitigate the adverse effects of an **active assailant event** of any **employee**, contractor, patron, student and/or patient of the **Insured** physically present at an **insured location** or within two hundred (200) metre of an **insured location**.

Counselling costs are limited to a maximum of CAD 10,000 per person for those physically present at the **insured location** and physically injured during an **active assailant event** and CAD 5,000 per

person for those physically present at the **insured location** but not physically injured during an **active assailant event**.

Counselling costs must be incurred within twenty four (24) months of an **active assailant event**.

e. Crisis Management Service

Costs for a crisis management consultant We retain to assist the **Insured** in responding to and managing the situation after an **active assailant event** at an **insured location** or within two hundred (200) metre of an **insured location**.

Crisis management costs are limited to a maximum of CAD 10,000 per **active assailant event** and must be incurred within twelve (12) months of an **active assailant event**.

f. Employee Retraining Costs

Job retraining costs for **Employee**s physically present and physically injured during an **active assailant event** at the **insured location** or within two hundred (200) metre.

Job retraining costs are limited to a maximum of CAD 10,000 per person and applicable only to such costs incurred within one hundred and twenty (120) days of an **active assailant event**.

g. Replacement Employee Recruitment Costs

Recruitment costs to replace **employees** physically present and physically injured during an **active assailant event** at an **insured location** or within two hundred (200) metre and consequentially unable to continue working as a result of their injuries, applicable only to such costs incurred within one hundred and twenty (120) days of an **active assailant event**.

h. Other Expenses

Any other costs incurred with Our prior written consent to mitigate the adverse effects of an **active assailant event** at an **insured location**.

SECTION D- LOSS OF ATTRACTION

1. Coverage

This Policy includes coverage for **loss of attraction** suffered by the **Insured's** during the **period of liability** directly resulting from an **act of terrorism, act of sabotage** or **active assailant event** that occurs within the **policy period** at an **insured location(s)** or an **attraction property**, provided that the **loss of attraction** exceeds the **franchise**.

This policy also provides coverage for the cost of a forensic accountant necessarily incurred to assess and review the computation of the measurable downturn as a result of an **act of terrorism** or **active assailant event** at an **insured location** or an **attraction property**. Coverage for the costs of a forensic accountant is limited to CAD 15,000 and applicable only to such costs incurred within twelve (12) months of the **act of terrorism** or **active assailant event** which has triggered the coverage.

There applies to this policy a 5% **franchise** of the measurable downturn in the **Insured's** actual turnover (or other measure as agreed with Us) during the **period of liability**.

The **period of liability** applicable to this coverage is sixty (60) days.

2. Loss Notification

Following a loss of the type insured hereunder in this **loss of attraction** coverage, the **Insured** must file a detailed proof of loss report with Us within three (3) months of the incident date.

In any claim and / or action, suit or proceeding to enforce a claim for loss, the burden of proving that the loss is recoverable under this policy shall fall on the **Insured**.

SECTION E – THREAT

1. Coverage

This Policy includes Business Income coverage for losses suffered by the **Insured** during the **period of liability** directly resulting from one of the following circumstances triggered by a **threat event** that occurs within the **policy period:**

a. Evacuation

i. Evacuation of an **insured location** by order of a civil or military authority as a direct result of a **threat event**; or

ii. Evacuation of an **insured location** triggered by the **Insured** in response to a **threat event**, but only where such has been reported and confirmed in writing to a civil or military authority within twenty four (24) hours of the **threat event** occurring and where the civil or military authority has confirmed that the threat is credible within seven (7) days of receiving the threat notification.

b. Emergency Lockdown

i. Emergency lockdown of an **insured location** by order of a civil or military authority as a direct result of a **threat event**

ii. Emergency lockdown of an **insured location** triggered by the **Insured** in response to a **threat event**, but only where such has been reported and confirmed in writing to a civil or military authority within twenty four (24) hours of the **threat event** having first been made and where a civil or military authority has confirmed that the threat is credible within seven (7) days of receiving the threat notification.

c. Denial of Access

i. Denial of access to an **insured location** as a result of an order by a civil or military authority due to a **threat event** within one three hundred and fifty (350) meters of an **insured location**.

This policy also provides coverage for the cost of a forensic accountant necessarily incurred to assess and review the computation of the time element loss suffered by the **Insured** as a result of a **threat event**. Coverage for the costs of a forensic accountant is limited to CAD 15,000 and applicable only to such costs incurred within twelve (12) months of the **threat event** which has triggered the coverage.

The **period of liability** applicable to this coverage is sixty (60) days.

2. Loss Notification

Following a loss of the type insured hereunder in this Threat coverage, the **Insured** must file a detailed proof of loss report with Us within three (3) months of the incident date.

In any claim and / or action, suit or proceeding to enforce a claim for loss under this policy, the burden of proving that the loss is recoverable under this policy shall fall on the **Insured**.

GENERAL TERRORISM DEFINITIONS

1. **Act of terrorism** means an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes that causes direct physical damage.
2. **Act of sabotage** means a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

3. **Active assailant** means a person or group of persons actively engaged in killing or attempting to cause serious **bodily injury** to three (3) or more persons by means of the use of a vehicle, explosive device or any **handheld weapon.**

4. **Active assailant event** means a premeditated attack by an **active assailant** located at the **Insured location** causing property damage and / or **bodily injury** to three (3) or more persons at the **Insured location** and / or within two hundred (200) metre of the **Insured location**

   The duration and extent of any one **active assailant event** shall be limited to all losses sustained by the **Insured** at an **Insured location** during any period of seventy two (72) consecutive hours arising out of the same purpose or cause. However no such period of seventy two (72) consecutive hours may extend beyond the expiration of this Policy unless there is direct physical loss or direct physical damage or **bodily injury** or death at an **Insured location** as a result of an **active assailant event** prior to expiration and within said period of seventy two (72) consecutive hours nor shall any period of seventy two (72) consecutive hours commence prior to the attachment of this Policy.

5. **Attraction property** means a third party location which located within three hundred and fifty (350) meters of an **Insured location** and which attracts business to that **insured location**.

   Attraction property is limited to:

   a. Transportation hubs

   b. Iconic or historic **buildings** open to the public

   c. National monuments

   d. Stadia, sports and entertainment venues

   e. Shopping malls

   f. Theme parks

   g. Religious centres or major places of worship

   h. Hotels

6. **Bodily injury** means all physical injury to a person including death, sickness, disease, or disability and all mental injury, anguish or shock to such persons resulting from such physical injury.

7. **Franchise** means the minimum percentage by which the **Insured's** monthly turnover (each month to be a 30 day period, the first such period beginning on the date that **loss of attraction** commences) must have decreased as the sole and direct result of an **act of terrorism** or **active assailant event** at an **insured location** or **attraction property** in order for Us to have any liability.

8. **Employee** means any person who is:

   a. Under a contract of service or apprenticeship with the **Insured**; or

   b. Supplied to or hired or borrowed by the **Insured**; or

   c. Under any work experience or similar scheme with the **Insured**

   Whilst employed by the **Insured** or engaged by and under the control of the **Insured** in connection with the **Insured's** business.

9. **Finished stock** means stock manufactured by the **Insured** which in the ordinary course of the **Insured's** business is ready for packing, shipment or sale.

10. **Handheld weapon** means any instrument in the possession of an **active assailant** or **Hostage Taker** that could be used to harm, maim or kill, including acid(s).

11. **Insured** means the entity names on the Declarations.

12. **Insured location(s)** means any property specified on the Declarations

13. **Loss of attraction** means the portion of measurable downturn in the **Insured's** actual turnover (or other measure as agreed with Us) as shown on the **Insured's** financial statements, which commences within sixty (60) days of an **act of terrorism** or **active assailant event** and which is the sole and direct result of an **act of terrorism** or **active assailant event**. **loss of attraction** shall be calculated as that portion of the amount by which the **Insured's** actual turnover (or other measure as agreed with Us) during the **period of liability** is less than it is estimated that the **Insured's** turnover would have been during the **period of liability** had the **act of terrorism** or **active assailant event** not occurred, taking into account the trends of the business, seasonality and any other factors a forensic accountant deems would have impacted the estimated turnover, less any savings resulting from the reduction in sales revenue.

14. **Merchandise** means goods kept for sale by the **Insured** which are not the product of manufacturing operations conducted by the **Insured**.

15. **Normal** means the condition that would have existed had no loss occurred.

16. **Occurrence** means an **act of terrorism** or **active assailant event** or **loss of attraction.**

    An **act of terrorism** or **active assailant event** arising out of the same purpose or cause and carried out by the same person or group of persons in any one period of seventy two (72) consecutive hours will be deemed to be one **occurrence**.

    No such period of seventy two (72) consecutive hours may extend beyond the expiration of this Policy, unless there is direct physical loss or direct physical damage **bodily injury** at an **insured location** or **attraction property** as a result of an **act of terrorism** or **active assailant event** prior to the expiration of this Policy, nor shall any period of seventy two (72) consecutive hours commence prior to the inception date of this Policy.

    Threat Event:

    Any one loss and or series of losses arising out of and directly occasioned by one **threat event** or a series of **threat events** committed for the same purpose or cause. The duration and extent of any one **occurrence** shall be limited to all losses sustained by the **Insured** at an **insured location** during any period of seventy two (72) consecutive hours arising out of the same purpose or cause. However no such period of seventy two (72) consecutive hours may extend beyond the expiration of this Policy nor shall any period of 72 consecutive hours commence prior to the attachment of this Policy.

17. **Ordinary Payroll** means the entire payroll expense for all **employees** of the **Insured**, except officers, executives, department managers and **employees** under contract

18. **Period of liability** means the **period of liability** applying to all time element coverages is as follows:

    a. For **buildings** and equipment, the period:

        i. Starting from the time of physical loss or damage to the type insured against; and

        ii. Ending when, with due diligence and dispatch, the **building** and equipment could be:

            (a) Repaired or replaced; and

            (b) Made ready for operations

        under the same or equivalent physical and operation conditions that existed prior to the damage.

        iii. Not to be limited by the expiration of this Policy.

    b. For physically damaged exposed films, records, manuscripts and drawings, the time required to copy from backups or from originals of a previous generation. This time does not include research, engineering or any other time necessary to restore or recreate lost information.

c. For **bodily injury** or death, the time required by the order of the authorities to remove the injured or dead from the **insured location**.

19. **Policy period** means the period of time during which this policy is in force, as shown on the Declarations.

20. **Raw stock** means material in the state in which the **Insured** receives it for conversion into **finished stock**.

21. **Stock in process** means **raw stock** which has undergone any ageing, seasoning, mechanical or other process of manufacture at the **insured location** but which has not become **finished stock**.

22. **Threat event** means a specific threat to:

    a. inflict **bodily injury**; or

    b. threaten to damage, destroy or contaminate any property;

    for reasons influenced by political, religious or ideological motivations, including the intention to influence any government and/or to put the public in fear for such purposes, which is received by the **Insured** or which affects the **Insured** due to an **insured location** being deemed at risk by a civil or military authority.

GENERAL TERRORISM EXCLUSIONS

1. Losses Excluded

This Policy does not insure against:

a. Loss or damage arising directly or indirectly from nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination may have been caused.

b. Loss or damage occasioned directly or indirectly by war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or local government entities, civil war, rebellion, revolution, insurrection, martial law, usurpation of power, or civil commotion assuming the proportions of or amounting to an uprising.

c. Loss by seizure or legal or illegal occupation unless physical loss or damage is caused directly by an **act of terrorism**, **act of sabotage** or **active assailant event**.

d. Loss or damage caused by confiscation, nationalisation, requisition, detention, embargo, quarantine, or any result of any order of public or government authority which deprives the **Insured** of the use or value of its property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade.

e. Loss or damage directly or indirectly arising from or in consequence of the seepage and or discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

f. Loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind.

g. Loss or damage arising directly or indirectly from or in consequence of asbestos emission, release, discharge, dispersal or escape or asbestos exposure of any kind.

h. Any fine or penalty or other assessment which is incurred by the **Insured** or which is imposed by any court, government agency, public or civil authority or any other person.

i. Loss or damage by electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorised instructions or code or the use of any electromagnetic weapon.

   This exclusion shall not operate to exclude losses (which would otherwise be covered under this Policy) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

j. Loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labour unrest, riots or civil commotion.

k. Loss or increased cost occasioned by any public or government or local or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any property insured hereunder.

l. Loss or damage caused by measures taken to prevent, suppress or control actual or potential **act of terrorism, act of sabotage** or **active assailant event** unless agreed by Us in writing prior to such measures being taken.

m. Any consequential loss or damage, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality, or increased cost of working.

n. Loss or damage caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service.

o. Loss or increased cost as a result of threat or hoax.

p. Loss or damage caused by or arising out of burglary, house - breaking, looting, theft or larceny domestic violence, road rage, gang related crime and or organised crime.

q. Loss or damage caused by or arising out of arson.

r. Any sexual misconduct, including without limitation, any physical acts, gestures, spoken or written words of a sexual nature, sexual molestation, sexual assault, sexual battery, sexual abuse, sexual harassment, or sexual exploitation.

s. Any cash and / or marketable securities, goods or services provided by way of ransom or other response to extortion or hostage demands.

t. Any third party liability including, but not limited to, any liabilities arising under employers' liability, workers' compensation, unemployment compensation, social security or disability laws, statutes or regulations

u. Loss or damage caused by mysterious disappearance or unexplained loss.

v. Loss or damage directly or indirectly caused by mould, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

w. Increase in loss resulting from interference at the **insured location**, by strikers or other persons, with rebuilding, repairing or replacing the property or with the resumption or continuation of operation.

x. Increase in loss caused by the suspension, lapse, or cancellation of any lease, licence, contract, or order, unless such results directly from the **Insured** Interruption of Business, and then We shall be liable for only such loss as affects the **Insured**'s earnings during, and limited to, the period of indemnity covered under this Policy.

y. Increase in loss caused by the enforcement of any ordinance or law regulating the use, reconstruction, repair or demolition of any property insured hereunder.

z. Loss of market or any other consequential loss, except as specifically covered under Section D **loss of attraction**.

aa. Any refunds or compensation or any costs relating to event rescheduling or relocation

bb. Any loss caused by an **act of terrorism**, **act of sabotage** or **active assailant event** at a facility supplying gas, electric, water or telephone facilities to an **insured location** unless caused by an event within two hundred (200) meters of an **insured location**.

cc. Any increase in loss due to:

i. Suspension, cancellation or lapse of any lease, contract, license or orders

ii. Fines or damages for breach of contract for late or non-completion of orders

iii. For penalties of any nature.

dd. Any loss during any idle period, including but not limited to when production, operation, service or delivery or receipt of goods would cease, or would not have taken place or would have been prevented due to:

i. Planned or rescheduled shutdown

ii. Strikes or other work stoppage.

2. Property Excluded

This Policy does not cover physical loss or physical damage to:

a. Land or land values.

b. Power transmission, feeder lines or pipelines not on the **insured location**.

c. Any **building** or structure, or property contained therein, while such **building** or structure is vacant or unoccupied or inoperative for more than thirty days, unless the property is intended to be unoccupied in its **normal** operations.

d. Aircraft or any other aerial device, or watercraft.

e. Any land conveyance, including vehicles, locomotives or rolling stock, unless such land conveyance is declared hereon and solely whilst located at the property insured herein at the time of its damage.

f. **Data**.

g. Animals, plants and living things of all types.

h. Property in transit not on the **insured location**.

GENERAL TERRORISM CONDITIONS

1. Abandonment

There shall be no abandonment to Us of any property.

2. Burden of Proof

In any claim and/or action, suit or proceeding to enforce a claim for loss under this Policy, the burden of proving that the loss is recoverable under this Policy and that no limitation or exclusion of this Policy applies and the quantum of loss shall fall upon the **Insured**.

3. Notification Of Claims

The **Insured**, upon knowledge of any **occurrence** likely to give rise to a claim hereunder, shall give Us written advice as soon as reasonably practicable and or the Broker, named for that purpose on the Declarations, who is to advise Us within seven (7) days of such knowledge of any **occurrence** and it is a condition precedent to Our liability that such notification is given by the **Insured** as provided for by this Policy.

If the **Insured** makes a claim under this Insurance he must give Us such relevant information and evidence as may reasonably be required and co-operate fully in the investigation or adjustment of any claim. If required by Us, the **Insured** must submit to examination under oath by any person designated by Us.

4. Proof Of Loss

The **Insured** shall render a signed and sworn proof of loss within sixty (60) days after the **occurrence** of a loss (unless such period be extended by Our written agreement) stating the time, place and cause of loss, the interest of the **Insured** and all others in the property, the sound value thereof and the amount of loss or damage thereto.

If We have not received such proof of loss within two years of the expiry date of this Policy, they shall be discharged from all liability hereunder.

In any claim and/or action, suit or proceeding to enforce a claim for loss under this Policy, the burden of proving that the loss is recoverable under this Policy and that no limitation or exclusion of this Policy applies and the quantum of loss shall fall upon the **Insured**.

5. Arbitration

If We and the **Insured** fail to agree in whole or in part regarding any aspect of this policy, each party shall, within ten (10) days after the demand in writing by either party, appoint a competent and disinterested arbitrator and the two chosen shall before commencing the arbitration select a competent and disinterested umpire. The arbitrators together shall determine such matters in which We and the **Insured** shall so fail to agree and shall make an award thereon, and if they fail to agree, they will submit to their differences to the umpire and the award in writing of any two, duly verified, shall determine the same.

The parties to such arbitration shall pay the arbitrators respectively appointed by them and bear equally the expenses of the arbitration and the charges of the umpire.

6. Due Diligence

The **Insured** (or any of the **Insured's** agents, sub or co-contractors) must use due diligence and do (and concur in doing and permit to be done) everything reasonably practicable, including but not limited to taking precautions to protect or remove the insured property, to avoid or diminish any loss herein insured and to secure compensation for any such loss including action against other parties to enforce any rights and remedies or to obtain relief or indemnity.

The **Insured** agrees to pursue any available recovery under any government compensation plan or other similar scheme for Our benefit. The **Insured** shall allow Us and Our representatives access to all necessary information, documentation and accounting data in respect of any such recovery.

7. Deductible

Each **occurrence** shall be adjusted separately and from each such amount the sum stated in the Schedule shall be deducted.

8. Debris Removal

This Policy also covers, within the sum Insured, expenses incurred in the removal from the **insured location** of debris of property stated on the Declarations damaged by an **act of terrorism** or an **act of sabotage**.

The cost of removal of debris shall not be considered in determination of the valuation of the property covered.

9. Experts Fees

This policy includes, within the limit of liability, the necessary and reasonable fees of architects, surveyors, consulting engineers and other professional experts which are incurred in reinstating or repairing the **insured property** following damage insured under this policy.

10. False Or Fraudulent Claims

If the **Insured** shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this policy shall become void and all claims and benefit hereunder shall be forfeited.

11. Incorrect Declaration Penalty

If the declared values as stated on the Declarations are less than the correct insured values as determined in the Valuation condition, then any recovery otherwise due hereunder shall be reduced in the same proportion that the values declared bear to the values that should have been declared, and the **Insured** shall co insure for the balance.

12. Legal Action Against Us

No one may bring a legal action against Us unless:

a. There has been full compliance by the **Insured** with all of the terms of this Policy; and

b. The action is brought within two (2) years after the expiry or cancellation of this Policy

13. Limits of Liability and Excess

We shall not be liable under this Policy for more than the Limit of Liability stated on the Declarations in respect of any one **occurrence** and in the aggregate for the **policy period**.

Any payment by Us is subject to the Deductible and Waiting Period stated on the Declarations. During the waiting period, We will not be liable to make any payment which they would otherwise be required to make under the provisions of this Policy.

14. Material Changes

The **Insured** shall notify Us of any change of circumstances which would materially affect this Policy.

15. Misrepresentation

If the **Insured** has concealed or misrepresented any material fact or circumstance relating to this insurance, this Policy shall become void. If the **Insured** is unsure what constitutes material fact(s) or circumstance(s), they should consult their broker or agent.

16. Multiple Insureds

Where there are multiple **Insureds**, Our total liability for any loss, damage, cost or expense of any nature sustained by any one or more of the **Insureds** under this Policy will not exceed the Limit of Liability shown on the Declarations.

17. Other Insurance

Where the **Insured** has the benefit of cover under any other Policy or government pooling arrangement or otherwise, for losses insured under this Policy, this Policy shall apply only in respect of any excess beyond the amount which is or would have been covered under that other Policy if this Policy had not been effected.

Where the **Insured** has the benefit of cover under any other Policy for loss insured in this Policy for Medical Expenses, Counselling Costs, Crisis Management Service, Employee Retraining Costs, Replacement Employee Recruitment Costs and or Other Expenses, We will deal with the claim under this Policy without waiting for the outcome of any contribution proceedings, but without prejudice to any right We may have against the insurer of that other Policy.

18. Protection Maintenance

It is agreed that any protection provided for the safety of the property insured shall be maintained in good order throughout the currency of this Policy and shall be in use at all relevant times, and that such protection shall not be withdrawn or varied to the detriment of Our interests without Our consent.

19. Rights Of Third Parties Exclusion

This Policy is effected solely between Us and the **Insured**.

This Policy shall not confer any benefits on any third parties, including shareholders, and no such third party may enforce any term of this Policy.

This clause shall not affect the rights of the **Insured.**

20. Salvage And Recoveries

All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this Policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by the parties hereto.

21. Sanctions

We shall not be deemed to provide cover and We shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose Us to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the Canada, European Union, United Kingdom or United States of America.

22. Several Liability

Our obligations under this Policy are several and not joint and are limited solely to the individual subscriptions. We are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

23. Situation

This Policy insures property located at the addresses stated on the Declarations.

24. Subrogation

Any release from liability entered into in writing by the **Insured** prior to loss hereunder shall not affect this Policy or the right of the **Insured** to recover hereunder. The right of subrogation against any of the **Insured's** subsidiary or affiliated companies or any other companies associated with the **Insured** through ownership or management is waived;

In the event of any payment under this Policy, We shall be subrogated to the extent of such payment to all the **Insured's** right of recovery therefor. The **Insured** shall execute all papers required, shall cooperate with Us and, upon Our request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, attaining the attendance of witnesses and in the conduct of suits and shall do anything that may be necessary to secure such right. We will act in concert with all other interests concerned (including the **Insured**) in the exercise of such rights of recovery. If any amount is recovered as a result of such proceedings, such amount shall be distributed in the following priorities:

Any interest, (including the **Insured's**), exclusive of any deductible, waiting period or self-insured retention, suffering a loss of the type covered by this Policy and in excess of the coverage under this Policy shall be reimbursed up to the amount of such loss (excluding the amount of the deductible);

Out of the balance remaining, We shall be reimbursed to the extent of payment under this Policy;

The remaining balance, if any, shall inure to the benefit of the **Insured**, or any insurer providing insurance primary to this Policy, with respect to the amount of such primary insurance, deductible, waiting period, self-Insured retention, and/or loss of a type not covered by this Policy.

The expense of all proceedings necessary to the recovery of any such amount shall be apportioned between the interests concerned, including that of the **Insured**, in the ratio of their respective recoveries as finally settled. If there should be no recovery and proceedings are instituted solely on Our initiative, the expense thereof shall be borne by Us.

25. Valuation

In respect of property damage, settlement shall be based upon the cost of repairing, replacing or reinstating (whichever is the least) property on the same site, or nearest available site (whichever incurs the least cost) with material of like kind and quality without deduction for depreciation, subject to the following provisions:

a. The repairs, replacement or reinstatement (all hereinafter referred to as "replacement") must be executed with due diligence and dispatch;

b. Until replacement has been effected the amount of liability under this Policy in respect of loss shall be limited to the **actual cash value** at the time of loss;

c. If replacement with material of like kind and quality is restricted or prohibited by any by-laws, ordinance or law, any increased cost of replacement due thereto shall not be covered by this Policy.

Our liability for loss under this Policy shall not exceed the smallest of the following amounts:

a. The Policy limit applicable to the destroyed or damaged property,

b. The replacement cost of the property or any part thereof which was intended for the same occupancy and use, as calculated at the time of the loss,

c. The amount actually and necessarily expended in replacing said property or any part thereof.

We will normally expect the **Insured** to carry out repair or replacement of the insured property, but if We and the **Insured** agree that it is not practicable or reasonable to do this, We will pay the **Insured** an amount based on the repair or replacement costs, less an allowance for fees and associated costs which are not otherwise incurred. We will only pay the **Insured** up to the Limit of Liability shown on the Declarations.

26. Non USA Legal Service

Any summons, notice or process to be served upon Us for the purpose of instituting any legal proceedings against them in connection with this insurance may be served upon those who have authority to accept service on Our behalf.

PART VII - STATUTORY CONDITIONS

Where the terms and conditions of this policy and forms attached hereto are in conflict with the applicable provincial statutes, the interpretation most favourable to You shall prevail.

ALL PROVINCES EXCEPT ALBERTA, BRITISH COLUMBIA AND QUEBEC:

Where the Insured is domiciled in, or the **insured property** is located in, provinces or territories other than Alberta, British Columbia or Quebec, all of the Statutory Conditions below apply to the peril of fire and, as modified or supplemented by forms or endorsements attached, apply as Policy Conditions to all other perils insured by property coverage on this policy.

Statutory Conditions

(Common Law Jurisdictions only)

1. MISREPRESENTATION

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

2. PROPERTY OF OTHERS

The Insurer is not liable for loss or damage to property owned by a person other than the Insured unless

a. otherwise specifically stated in the contract, or

b. the interest of the Insured in that property is stated in the contract.

3. CHANGE OF INTEREST

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

4. MATERIAL CHANGE IN RISK

a. The Insured must promptly give notice in writing to the Insurer or its agent of a change that is

   i. material to the risk, and

   ii. within the control and knowledge of the Insured.

b. If an Insurer or its agent is not promptly notified of a change under subparagraph i. of this condition, the contract is void as to the part affected by the change.

c. If an Insurer or its agent is notified of a change under subparagraph i. of this condition, the Insurer may

   i. terminate the contract in accordance with Statutory Condition 5, or

   ii. notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within fifteen days after receipt of the notice, pay to the Insurer an additional premium specified in the notice.

d. If the Insured fails to pay an additional premium when required to do so under subparagraph c. ii. of this condition, the contract is terminated at that time and Statutory Condition 5 b. i. applies in respect of the unearned portion of the premium.

5. TERMINATION OF INSURANCE

a. This contract may be terminated,

   i. by the Insurer giving to the Insured fifteen days' notice of termination by registered mail or five days' written notice of termination personally delivered, or

   ii. by the Insured at any time on request.

b. If the contract is terminated by the Insurer,

   i. the Insurer must refund the excess of premium actually paid by the Insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and

   ii. the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.

c. If the contract is terminated by the Insured, the Insurer must refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.

d. The fifteen day period referred to in subparagraph a. i. of this condition starts to run on the day the registered letter or notification of it is delivered to the Insured's postal address.

6. REQUIREMENTS AFTER LOSS

a. On the happening of any loss of or damage to insured property, the Insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Conditions 9, 10 and 11,

   i. immediately give notice in writing to the Insurer,

   ii. deliver as soon as practicable to the Insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration,

      (a) giving a complete inventory of that property and showing in detail quantities and costs of that property and particulars of the amount of loss claimed,

      (b) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes,

      (c) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the Insured,

      (d) stating the amount of other insurances and the names of other Insurers,

      (e) stating the interest of the Insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,

      (f) stating any changes in title, use, occupation, location, possession or exposures of the property since the contract was issued, and

      (g) stating the place where the **insured property** was at the time of loss,

   iii. if required by the Insurer, give a complete inventory of undamaged property, showing in detail quantities and cost of that property, and

   iv. if required by the Insurer and if practicable,

      (a) produce books of account and inventory lists,

      (b) furnish invoices and other vouchers verified by statutory declaration, and

(c) furnish a copy of the written portion of any other relevant contract.

b. The evidence given, produced or furnished under subparagraphs a. iii. and iv. of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

7. FRAUD

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

8. WHO MAY GIVE NOTICE AND PROOF

Notice of loss under Statutory Condition 6 a. i. may be given and the proof of loss under Statutory Condition 6 a. ii. may be made;

a. by the agent of the Insured, if

i. the Insured is absent or unable to give the notice or make the proof, and

ii. the absence or inability is satisfactorily accounted for, or

b. by a person to whom any part of the insurance money is payable, if the Insured refuses to do so or in the circumstances described in clause a. of this condition.

9. SALVAGE

a. In the event of loss or damage to insured property, the Insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.

b. The Insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the Insured under subparagraph a. of this condition.

10. ENTRY, CONTROL, ABANDONMENT

After loss or damage to insured property, the Insurer has

a. an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and

b. after the Insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but

i. without the Insured's consent, the Insurer is not entitled to the control or possession of the insured property, and

ii. without the Insurer's consent, there can be no abandonment to it of the insured property.

11. IN CASE OF DISAGREEMENT

a. In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process* set out in the Insurance Act, whether or not the Insured's right to recover under the contract is disputed, and independently of all other questions.

b. There is no right to a dispute resolution process under this condition until

i. a specific demand is made for it in writing, and

ii. the proof of loss has been delivered to the Insurer.

*Dispute Resolution process in AB & BC only-Appraisal process in all other jurisdictions

12. WHEN LOSS PAYABLE

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

13. REPAIR OR REPLACEMENT

a. Unless a dispute resolution process has been initiated, the Insurer, instead of making payment, may repair, rebuild, or replace the insured property lost or damaged, on giving written notice of its intention to do so within thirty days after receiving the proof of loss.

b. If the Insurer gives notice under subparagraph (1) of this condition, the Insurer must begin to repair, rebuild, or replace the property within forty-five days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

14. ACTION

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

15. NOTICE

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.

b. Written notice to the Insured may be personally delivered at, or sent by registered mail addressed to, the Insured's last known address as provided to the Insurer by the Insured.

STATUTORY CONDITIONS APPLICABLE TO ALBERTA AND BRITISH COLUMBIA:

The following applies where the Insured is domiciled in, or the **insured property** is located in, the Provinces of Alberta or British Columbia.

1. LIMITATION OF ACTION: Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act.

2. STATUTORY CONDITIONS:

The conditions set forth under the title Statutory Conditions apply as follows:

a. 1 and 6 to 13 apply only to property coverage;

b. 2 to 5 and 15 apply to all policy coverage;

c. 14 does not apply.

GENERAL CONDITIONS – QUEBEC

To comply with the Civil Code of Quebec, this policy is subject to these General Conditions. Reference to Civil Code articles in some instances is for easier reading only and should not be construed as exact quotations of the wording of such articles. These General Conditions apply to all coverages included in this policy except where noted as inapplicable. If there is conflict between these General Conditions and any other provisions in this

policy, such conflict will be settled in favour of the insured.

1 STATEMENTS

1.1 Representation of risk (Article 2408)

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

1.2 Material change in risk (Articles 2466 and 2467)

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

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

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

Any misrepresentation or concealment of relevant facts mentioned in section 1.1 and in the first paragraph of section 1.2 by the client or the insured nullifies the contract at the instance of the insurer, even in respect of losses not connected with the risk so misrepresented or concealed.
Unless the bad faith of the client or of the insured is established or unless it is established that the insurer would not have covered the risk if he had known the true facts, the insurer remains liable towards the insured for such proportion of the indemnity as the premium he collected bears to the premium he should have collected.

1.4 Warranties (Article 2412)

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

2 GENERAL PROVISIONS

2.1 Insurable Interest (Articles 2481 and 2484)

(Applicable only to property insurance)

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

2.2 Changes (Article 2405)

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

2.3 Assignment (Articles 2475 and 2476)

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

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

2.4 Books and records

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

2.5 Inspection

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

2.6 Currency

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

3 LOSSES

3.1 Notice of loss (Article 2470)

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

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

3.2 Information to be provided (Article 2471)

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

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

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

3.3 False representation (Article 2472)

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

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

3.4 Intentional Fault (Article 2464)

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

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

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

3.5 Notice to police (applicable to property insurance only)

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

3.6 Safeguarding and examination of property (Article 2495)

(applicable to property insurance only)

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

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

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

3.7 Admission of liability and cooperation

The insured shall cooperate with the insurer in the processing of all claims. (The following two paragraphs are applicable to liability insurance only: article 2504)

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

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

3.8 Right of Action (Articles 2501 and 2502)

(applicable to liability insurance only)

An injured third person may bring an action directly against the insured or against the insurer, or against both. The option chosen in this respect by the third person injured does not deprive him of his other recourses.

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

SHORT RATE CANCELLATION TABLE

As per Statutory Condition 5. c., if this policy is cancelled by the Insured, it will be subject to a short-rate cancellation formula as outlined in the following table. The minimum retained premium is the amount that is stated in the Policy.

(% of Premium Refund) Only applies to policies with a Policy Period of Insurance Equal to 12 months											
Time-on-Risk (Days)	Refund %	Time-on-Risk (Days)	Refund %	Time-on-Risk (Days)	Refund %	Time-on-Risk (Days)	Refund %	Time-on-Risk (Days)	Refund %	Time-on-Risk (Days)	Refund %
1	95	37 - 40	79	97 - 98	63	154 - 156	47	219 - 223	31	292 - 296	15
2	94	41 - 43	78	99 - 102	62	157 - 160	46	224 - 228	30	297 - 301	14
3 - 4	93	44 - 47	77	103 - 105	61	161 - 164	45	229 - 232	29	302 - 305	13
5 - 6	92	48 - 51	76	106 - 109	60	165 - 167	44	233 - 237	28	306 - 310	12
7 - 8	91	52 - 54	75	110 - 113	59	168 - 171	43	238 - 241	27	311 - 314	11
9 - 10	90	55 - 58	74	114 - 116	58	172 - 175	42	242 - 246	26	315 - 319	10
11 - 12	89	59 - 62	73	117 - 120	57	176 - 178	41	247 - 250	25	320 - 323	09
13 - 14	88	63 - 65	72	121 - 124	56	179 - 182	40	251 - 255	24	324 - 328	08
15 - 16	87	66 - 69	71	125 - 127	55	183 - 187	39	256 - 260	23	329 - 332	07
17 - 18	86	70 - 73	70	128 - 131	54	188 - 191	38	261 - 264	22	333 - 337	06
19 - 20	85	74 - 76	69	132 - 135	53	192 - 196	37	265 - 269	21	338 - 342	05
21 - 22	84	77 - 80	68	136 - 138	52	197 - 200	36	270 - 273	20	343 - 346	04
23 - 25	83	81 - 83	67	139 - 142	51	201 - 205	35	274 - 278	19	347 - 351	03
26 - 29	82	84 - 87	66	143 - 146	50	206 - 209	34	279 - 282	18	352 - 355	02
30 - 32	81	88 - 91	65	147 - 149	49	210 - 214	33	283 - 287	17	356 - 360	01
33 - 36	80	92 - 94	64	150 - 153	48	215 - 218	32	288 - 291	16	361 - 366	00

STANDARD MORTGAGE CLAUSE

It is hereby provided and agreed that:

a. **Breach of Conditions by Mortgagor, Owner or Occupant** – This insurance and every documented renewal thereof – as to the interest of the Mortgagee 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(s) (if known) of any vacancy or non-occupancy extending beyond thirty(30) consecutive days, or of any transfer of interest or increase of 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.

b. **Right of Subrogation** – Whenever the Insurer(s) pay the Mortgagee any loss award under this Policy and claims that – as to the Mortgagor or Owner – no liability therefore 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(s), or the Insurer(s) may at its option pay the Mortgagee all amounts 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.

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

d. **Who May Give Proof of loss** – In the absence of the Insured, or the inability, refusal or neglect of the Insured to give notice of loss or deliver the required Proof of Loss under the policy, then the Mortgagee may give the notice upon becoming aware of the loss and deliver as soon as practicable the Proof of Loss.

e. ***Termination** – The term of this mortgage clause coincides with the term of the Policy: PROVIDED ALWAYS that the Insurer(s) reserve the right to cancel the policy as provided by Statutory provision but agree that the Insurer(s) will neither terminate nor alter the policy to the prejudice of the Mortgagee without the notice stipulated in such Statutory provision.

f. ****Termination** – The term of this mortgage clause coincides with the term of the Policy: PROVIDED ALWAYS that the Insurer(s) reserves the right to cancel the policy as provided by Articles 2567 and 2568 of the *Civil Code of the Province of Quebec*, but agrees that the Insurer(s) will neither terminate nor alter the policy to the prejudice of the Mortgagee without fifteen (15) days' notice to the Mortgagee by registered letter.

g. **Foreclosure** – 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 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.

*Termination Clause applicable to All Provinces except Quebec

**Termination Clause applicable to the Province of Quebec

PART VIII - PROPERTY TERMS AND CONDITIONS

All Parts and Coverage Forms included in this policy are subject to the following General Property Terms and Conditions except where these conditions are either modified or supplemented by the Coverage Forms, riders or endorsement(s) attached, or where this policy and its forms are in conflict with the Civil Code of the Province of Quebec. Where the terms and conditions of this policy and its forms attached are in conflict with the Civil Code, such terms and conditions are amended to conform to the Civil Code. No term or condition of this Policy shall be deemed to be waived in whole or in part by Us unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by Us.

1. CLAIMS AGAINST THIRD PARTIES

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

2. ABANDONMENT

There can be no abandonment to Us of any property.

3. IMPAIRMENT OF RECOVERY RIGHTS

Any act or agreement by You before or after a loss or damage whereby any of Your rights to recover in whole or in part for loss or damage to property covered under the terms of this agreement against any carrier, bailee or other party liable therefor, is released, impaired or lost, will render this insurance null and void, but Your right to retain or recover the premium will not be affected. We are not liable for any loss or damage which, without Our written consent, has been settled or compromised by You.

You may, without prejudice to this insurance, accept the ordinary bills of lading or shipping receipts issued by carriers limiting their liability to less than the actual value.

4. NO BENEFIT TO BAILEE

You warrant that this policy will in no way be used directly or indirectly to the benefit of any carrier or other bailee for hire.

5. INSURANCE UNDER MORE THAN ONE PART

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

6. PROPERTY OF OTHERS

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

7. OTHER INSURANCE

We will not be liable if, at the time of loss or damage, there is any other insurance that would attach in absence of this insurance; except that this insurance shall apply only as excess over any other valid and collectible insurance and in no event as contributing insurance, and then only after all other insurance has been exhausted.

8. SUBROGATION

Upon making any payment or assuming liability under this policy, We shall be subrogated to all rights of Your recovery against others and may bring action to enforce such rights. Notwithstanding the foregoing and unless otherwise stated, 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 Us and You in the proportion in which the loss or damage has been borne by each respectively.

Any release from liability entered into by You prior to loss shall not affect Our right to recover.

9. DEDUCTIBLE CLAUSE

For the purposes of this policy:

a. We are liable for the amount by which the loss or damage, including any business income or interruption loss, caused by any of the perils insured against exceeds the amount of the deductible specified on the Declarations Page in any one **occurrence**, for each location and each item in the applicable **Schedule of Insured Property**.

b. Unless stated otherwise, if two or more deductibles (or waiting periods) apply to an **occurrence** at a location, the total deducted will not exceed the largest applicable deductible (or longest single waiting period).

c. If separate property damage and business interruption loss deductibles or waiting periods are stated on the Declarations Page or elsewhere in this policy, then the deductibles or waiting periods shall apply separately.

d. If a percentage deductible is specified on the Declarations Page or elsewhere in this policy, the amount of the deductible shall be that percentage of the total insured values for each location separately as specified on Declarations Page, or per the location value on the **Statement of Values** where one is relied upon, and each item in the applicable **Schedule of Insured Property**. However, if both an amount and a percentage are specified on the Declarations Page whichever deductible is greater shall apply.

e. If a waiting period deductible is specified on the Declarations Page, Our liability for each interruption of business resulting from covered direct physical loss begins only when the period of interruption exceeds the number of consecutive hours as specified on the Declarations Page and We are liable only for that part of the loss in excess of the number of hours specified on the Declarations Page.

10. PREVENTION OF LOSS

You, Your employees, partners, directors and officers will employ their best efforts to take all reasonable precautions to prevent accidents or losses and prevent or cease any activity which may give rise to loss or damage and shall take all reasonable steps to observe and comply with all statutory or local laws, obligations and requirements.

11. NOTICE TO AUTHORITIES

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

12. VERIFICATION OF VALUES

We or Our duly authorized representative shall be permitted at all reasonable times during the term of the policy or within three years after termination or expiration of the policy to:

a. inspect the premises and the receptacles in which the records of accounts receivable are kept by You;

b. examine and audit Your books, records and such policies as relate to any property insured hereunder;

c. verify statements of any outstanding record of accounts receivable submitted by You and the amount of recoveries of accounts receivable on which the Insurer has made any settlement.

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

13. PREMIUM ADJUSTMENT

If any part of the premium of this policy is based on estimates furnished by You, You shall keep an accurate record containing all relative particulars, including but not limited to stock values, equipment values, sales records, and shall allow Us to inspect such record. You shall supply such particulars as We may require within one month from the expiry of each Period of Insurance and the premium shall thereupon be adjusted by Us, subject to any minimum premium that may apply. At Our request You shall supply an auditor's certificate in support of such particulars.

14. LIMITS OF INSURANCE

For the purposes of this policy:

a. Our liability for any amount payable under this policy resulting from any one **occurrence** (including all defence costs) shall not exceed the Limits of Insurance or any applicable sub-limits, as stated on the Declarations Page, for each applicable part, section, item or coverage.

b. Unless otherwise stated in the policy, any sub-limits of liability are included within and are not in addition to the Limits of Insurance as stated on the Declarations Page.

c. Where a Policy Limit of Loss is stated on the Declarations Page or elsewhere within this policy, Our liability for any amount payable under this policy in any one **occurrence**, including any Business Income or interruption loss, shall not exceed the Policy Limit of Loss as stated. This applies whether the policy is written on a scheduled limits basis or blanket limits basis.

d. An aggregate limit, when applicable as stated on the Declarations Page or elsewhere within this policy, is the most We will pay during the **policy period** for the corresponding coverage regardless of the number of **occurrences**.

e. Limits of Insurance, or any applicable sub-limit, shall be exclusive of the applicable deductible as shown in the Declarations Page for the applicable Policy Period.

f. Unless otherwise stated in the policy, where property is described as being scheduled, the limit shown opposite each item in the applicable **Schedule of Insured Property** is the maximum amount We are liable to pay in respect of any loss or damage to that property in any one **occurrence**.

15. REINSTATEMENT

Unless otherwise stated in this policy, loss under this policy shall not reduce the applicable amount of insurance.

16. COVERAGE TERRITORY

This insurance applies to **occurrences** anywhere in Canada and the contiguous United States of America.

17. PAIR, SETS OR PARTS

a. Pair and Set

Subject to the provisions of this policy, in the case of loss to each such article or articles, whether scheduled or unscheduled, which are a part of a set, the measure of loss will be a reasonable and fair proportion of the total value of the set, but in no event will loss be construed to mean total loss of set.

b. Parts

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

PART IX - PROPERTY DEFINITIONS

Wherever used in this policy and not more specifically defined by any section:

1. **Actual cash value** means the amount it would cost to repair or replace insured property, on the date of loss, with material of like kind and quality, with proper deduction for obsolescence and physical depreciation.
2. **Additional equipment** means property regularly used in Your business to perform Your services.
3. **Brand** means **brands**, labels or trademarks, or other identifying characteristics.
4. **Business income** means the sum of:
   a. Profits; and
   b. Your incurred necessary **extra expense;** and
   c. Your rental value.
5. **Building** means:
   a. the **building(s)** described on the Declarations Page and includes:
   b. fixed structures pertaining to the **building(s)** and located on the premises;
   c. additions and extensions communicating and in contact with the **building(s)**;
   d. permanent fittings and fixtures attached to and forming part of the **building(s)**;
   e. materials, equipment and supplies on the premises for maintenance of, and normal repairs and minor alterations to the **building** or for **building** services;
   f. growing plants, trees, shrubs or flowers inside the **building** used for decorative purposes when You are the owner of the **building**.
6. **Business premises** means the interior of that portion of any **building** at a location specified on the Declarations Page that is occupied by You.
7. **Clean up** means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of **pollutants**, including testing which is integral to any of these processes.
8. **Client** means any entity by which You are contracted to provide Your business services.
9. **COED** means contents of every description.
10. **Computer system** means any computer, hardware, software, application, process, code, programme, information technology and communications system or electronic device owned or operated by the Insured or any other party, including any similar system or any configuration or networking of the aforementioned. This includes any associated input, output or data storage device, networking equipment or back up facility.
11. **Computer virus** means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. **Computer virus** includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'
12. **Contents of every description** means equipment and stock as defined.
13. **Covered direct physical loss** means loss of or damage to **insured property** by an **insured peril** during the term of this Policy.

14. **Cyber Incident** means any incident or series of incidents, regardless of time and place, or the threat or hoax thereof involving the use or operation of any **computer system** or the access to, processing, transmission, storage or use of any **data** (including any reduction in or loss of ability to perform these functions, or any error or omission or accident in respect of any **computer system** or **data**).

15. **Data** means any information capable of being accessed, processed, transmitted or stored by a **computer system**, including but not limited to text, figures, voice, images or any machine readable **data**, irrespective of the way it is used or rendered.

16. **Data problem** means:

    a. erasure, destruction, corruption, misappropriation, misinterpretation of **data**;

    b. error in creating, amending, entering, deleting or using **data**; or

    c. inability to receive, transmit or use **data**.

17. **Due course of transit** means from the time covered property is in Your exclusive care, custody and control for transportation and continuing while the covered property is actually moving to destination, including reasonable, ordinary and customary stops.

18. **Earnings** are defined as the sum of (i) net profits, (ii) payroll expenses and (iii) all other operating expenses earned by the business.

19. **Earthquake** means snowslide, landslide, or other earth movements occurring concurrently with and directly resulting from seismic activity, whether natural or man-made, or volcanic eruption.

20. **EDP** means electronic **data** processing media.

21. **Electronic data processing media** means any material on which **data** is electronically recorded or stored, except for all such property that is obsolete or deteriorated due to usage.

22. **Emergency** means the first statutory declaration of an **emergency**:

    a. with respect to a situation or an impending situation that constitutes a danger of major proportions that could result in serious harm to persons or substantial damage to property and that is caused by the forces of nature, a disease or other health risk, an accident or an act whether intentional or otherwise; or

    b. as provided for by the relevant governing legislation if different from a.

    but does not include any subsequent statutory declaration(s) that may be issued relating to the same event.

23. **Equipment** means:

    a. all contents usual to Your business including furniture, furnishings, fittings, fixtures, machinery, tools, utensils, **electronic data processing media** and appliances other than **building** or **stock** as herein defined;

    b. similar property belonging to others which You are under obligation to keep insured or for which You are legally liable;

    c. tenant's improvements which are defined as **building** improvements, alterations and betterments made at Your expense to a **building** occupied by You and which are not otherwise insured, provided You are not the owner of such **building**. If You 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 Your expense.

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

    a. all other direct or indirect loss or damage to property, and any expense for physical property unless incurred to reduce **extra expense** loss (and then not to exceed the amount by which such loss is reduced with due consideration for salvage value of such property), and
    b. loss of **profits**.

25. **Fine arts** means paintings, etchings, pictures, tapestries and other bona fide works of art (such as valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass and bric-a-brac) or other articles of rarity, historical value or artistic merit.

26. **Finished stock** means **stock** manufactured, owned and held by You for sale, which in the ordinary course of Your business is ready for packing, shipment, or sale. **Finished stock** does not include **stock** You have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Form.

27. **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:

    a. branch piping from a joint system where such branches are used entirely for purposes other than fire protection;

    b. any watermains or appurtenances located outside of the described **premises** and forming a part of the public water distribution system;

    c. any pond or reservoir in which the water is impounded by a dam.

28. **Fissionable substance** means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.

29. **Flood** means a general and temporary condition of partial or complete inundation of normally dry land or structure(s) caused by:

    a. The unusual and rapid accumulation or runoff of surface waters, waves, tides, tidal waves, tsunami, the release of water, the rising, overflowing or breaking of boundaries of natural or man-made bodies of water; or the spray therefrom, all whether driven by wind or not; or

    b. Mudflow or mudslides caused by accumulation of water on, through, or under the ground.

    Flood also includes **sewer back-up** caused in whole or part by **flood**.

30. **Fungi** means mold, yeast, mushroom, mildew, fungus, **spores** or other microorganism of any type, nature, or description, whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any **fungi** or **spores** or resultant mycotoxins, allergens or pathogens.

31. **Goods in process** means raw **stock** which has undergone any aging, seasoning, mechanical or other process of manufacture but which has not become **finished stock**.

32. **Insured peril** means perils insured under the Commercial Building Equipment and Stock Form of this policy and not otherwise excluded in this policy.

33. **Insured property** means property insured under the Commercial Building Equipment and Stock Form of this policy and not otherwise excluded in this policy.

34. **Lift** means the movement of covered property through the use of slings, hoists, or other devices to pick up, lower or move such covered property. **Lift** does not mean covered property in transit.

35. **Leakage from fire protection 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.

36. **Merchandise** means goods You keep for sale which are not the product of manufacturing operations You conduct.

37. **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 You:

        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:

        i. electric arcing or any coincident rupture of electrical equipment due to such arcing;

        ii. bursting or rupture caused by hydrostatic pressure or freezing;

        iii. bursting or rupture of any safety disc, rupture diaphragm or fusible plug.

    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;

iii. 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 **named perils** b. Explosion;

iii. due to theft or attempt thereat.

e. **Smoke**

f. **Leakage From Fire Protective 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.

38. **Nuclear energy hazard** means the radioactive, toxic, explosive, or other hazardous properties of radioactive material.

39. **Nuclear facility** means:

a. any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;

b. any equipment or device designed or used for:

i. separating the isotopes of plutonium, thorium and uranium or any one or more of them,

ii. processing or utilizing spent fuel, or

iii. handling, processing or packaging waste;

c. any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the Insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

d. any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste radioactive material;

e. the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.

40. **Occurrence** means:

    a. the sum of all individual losses (including all defence costs) which are occasioned by any one cause, disaster, accident or loss, or series of causes, disasters, accidents or losses, arising out of one event.

    b. An **occurrence** commences at the first such individual loss sustained by You.

    c. The duration and extent of any one **occurrence** shall be limited to all individual losses sustained by You occurring during the period of 168 (one hundred and sixty-eight) consecutive hours arising out of and occasioned by the same event, except that the term **occurrence** shall be further defined as follows:

        i. As regards windstorm, hail, tornado, hurricane, cyclone, including ensuing collapse and water damage, all individual losses sustained by You occurring during any period of 96 (ninety-six) consecutive hours arising out of and occasioned by the same event.

        ii. As regards riot, riot attending a strike, civil commotion, vandalism and malicious mischief, all individual losses sustained by You occurring during any period of 72 (seventy-two) consecutive hours arising out of and occasioned by the same event. The maximum duration of 72 (seventy-two) consecutive hours may be extended in respect of individual losses which occur beyond such 72 (seventy-two) consecutive hours during the continued occupation of an Insured's premises by strikers, provided such occupation commenced during the aforesaid period.

    d. It is understood that losses arising from a combination of 2 (two) or more perils as a result of the same event may be considered as having arisen from one **occurrence**.

41. **Ordinary payroll** means payroll expenses for all Your employees except:

    a. officers;

    b. executives;

    c. department managers; and

    d. employees under contract.

42. **POED** means property of every description.

43. **Policy period** means the period of time stated in the Declarations but subject to prior termination when cover terminates in accordance with the Policy conditions. If this period is less than or greater than one year, then the Limits of Liability stated in the Declarations shall constitute Our maximum Limits of Liability for the entire period.

44. **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.

45. **Premium due date** means the inception or renewal date of the policy. **Premium due date** does not mean the date on which any periodic instalment of the premium is payable.

46. **Premises** means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described on the Declarations Page and in or on vehicles within 100 metres (328 feet) of such locations.

47. **Profits** means:

    a. the estimated annual net income (Net Profit or Loss before income taxes) from all Your business operations; and

    b. continuing normal operating expenses incurred, including payroll.

    For manufacturing risks only, net income includes the net sales value of production.

48. **Project** means any location, development, or work site where You are:

    a. In the process of constructing, erecting, or fabricating a **building** or structure; or

    b. Involved in an installation or construction project.

49. **Property of every description** means **building(s)**, **equipment** and **stock** as defined. Raw **stock** means material in the state in which You receive it for conversion into **finished stock**.

50. **Radioactive material** means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances which may be designated by any nuclear liability act, law or statute, or any law amendatory thereof, as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy.

51. **Rental value** means the sum of the:

    a. total anticipated annual rental income from tenant occupancy of the **scheduled risk location**(s) as furnished and equipped by You; and

    b. amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be Your obligations; and

    c. estimated annual rental value of the unoccupied portion of the **scheduled risk location(s)**; and

    d. fair rental value of any portion of the **scheduled risk location(s)** which is occupied by You.

52. **Replacement cost** means:

    a. the cost of replacing, repairing, construction or re-constructing (whichever is the least) the property on the same site with new property of like kind and quality and for like occupancy without deduction for depreciation; and

    b. "replacement" includes repair, construction or re-construction with new property of like kind and quality.

53. **Rigging** means hoisting, lifting, loading, unloading, assembling, dismantling or erection.

54. **Schedule of Insured Property** means either the schedule attached to this policy or the most recent schedule supplied by You, accepted and agreed to by Us, and referenced on the Declarations Page.

55. **Scheduled risk location** means:

    a. the location(s) specified on the Declarations Page, or

    b. if indicated on the Declarations Page, the location(s) specified on the **Statement of Values.**

56. **Section** means those sections outlined in the Inland Marine Form.

57. **Services** means:

    a. electricity, gas, water or steam;

    b. communication supply services (excluding satellites); or

    c. a utility system for removing wastewater and sewage, other than a system designed primarily for draining storm water.

58. **Sewer back-up** means the backing up or escape of water or sewage from sewers, sumps, septic tanks, or drains, whether located within or outside of the premises.

59. **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.

60. **Spores** includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any fungi.

61. **Statement of Values** means the most current **Statement of Values** supplied by You, accepted and agreed to by Us, and referenced on the Declarations Page.

62. **Stock** means:

    a. **merchandise** held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping; and

    b. similar property belonging to others which is under Your obligation to keep insured or for which You are legally liable.

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

64. **Terminal** means any **buildings**, platforms, docks, sidetracks or grounds within the legal boundaries of the property described in the Declarations Page.

65. **Vacant** means:

    a. when the insured is a tenant, **vacant** means;

        i. a unit or suite which does not contain enough equipment to conduct customary operations; or

        ii. where such customary operations have not been conducted.

    b. when the Insured is an owner or general lessee of a **building**, **vacant** means;

        i. a **building** where the customary operations of either the insured, lessee or sub-lessee, are not conducted in at least 51% of its total square footage.

    Buildings under construction or renovation are considered **vacant**.

66. **Valuable papers and records** means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts, but does not include money, securities and **electronic data processing media**.

PART X - GENERAL PROPERTY EXCLUSIONS

ALL PROPERTY AND INLAND MARINE PARTS AND COVERAGE FORMS INCLUDED IN THIS POLICY ARE SUBJECT TO THE FOLLOWING GENERAL PROPERTY EXCLUSIONS.

This applies regardless of any other cause or event that contributed concurrently or in any sequence to such injury, damage, loss, cost, or expense. This supersedes any coverage or condition to the contrary that may be included in any Coverage Form or endorsement that is part of this policy. Any Liberalization clause in this policy will not apply.

1. WAR AND TERRORISM EXCLUSION

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes liability, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

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

b. **Terrorism**.

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

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

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

This war and **terrorism** exclusion does not apply to any applicable coverage provided under the Markel Terrorism Insurance Section.

2. NUCLEAR AND RADIOACTIVE CONTAMINATION EXCLUSION

With regards to coverage provided the Property and Forms of this policy, this insurance does not apply to:

a. Any loss, damage, claim, cost or expense directly or indirectly caused by, arising or resulting from nuclear reaction, nuclear explosion, nuclear radiation or radioactive contamination, however such reaction, explosion, radiation or contamination may have been caused.

3. DATA EXCLUSION

Data shall not be considered as property and shall not be covered under this Policy.

4. BIOLOGICAL OR CHEMICAL MATERIALS EXCLUSION

This insurance excludes liability, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

5. FUNGI AND SPORES EXCLUSION

This Policy does not insure:

a. loss or damage consisting of or caused directly or indirectly, in whole or in part, by any **fungi** or **spores**. This exclusion does not apply:

i. if the **fungi** or **spores** are directly caused by a peril not otherwise excluded in this Policy; or

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

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

6. POLLUTION EXCLUSION

This insurance does not insure against:

a. loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants**, nor the cost or expense of any resulting **clean up**. This exclusion does not apply:

i. if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants** is directly caused by **named perils**; or

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

b. cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants**.

This exclusion does not apply to the Land and Water Pollution Clean Up coverage extension provided under **PART V - EXTENSIONS OF COVERAGE**.

7. SANCTION LIMITATION AND EXCLUSION

It is understood and agreed that We will not be deemed to provide cover and shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose Us to any sanction, prohibition or restriction under United Nations resolutions or the trade and economic sanctions, laws, or regulations of Canada, United Kingdom, European Union or United States of America.

8. CYBER ACT EXCLUSION

No claim can be made under this Property Policy which is directly or indirectly caused by or contributed to or resulting from a **cyber incident**, regardless of any other cause or event, including those by a third party, contributing concurrently or in any other sequence to the claim. For the purposes of this clause, the following definitions apply.

9. VIRUS, BACTERIA, DISEASE AND CONTAGION EXCLUSION

We will not be deemed to provide cover no coverage for any loss, damage, claim, cost or expense in any way caused by, arising out of or resulting from any virus, bacteria, disease or contagion, including that designated as such by any of the following:

a. a Federal, Provincial, Territorial or Municipal authority or agency;

b. a Minister of the Federal, Provincial or Territorial Crown;

c. a person occupying the position of Chief Medical Officer of Health (or similar position) of a Province, Territory or Municipality;

d. the World Health Organisation;

e. the Center for Disease Control/Centre for Disease Control of

i. Canada or any Canadian Province or Territory;

ii. the United Kingdom of Great Britain and Northern Ireland; or

iii. of the United States of America and any American State or Territory.

For purposes of this Endorsement, disease or contagion so designated shall include:

a. any derivative, mutation or variation of the virus, bacteria, disease or contagion;

b. any fear or threat of the spread of the virus, bacteria, disease or contagion;

c. any failure to prevent, contain or eradicate the virus, bacteria, disease or contagion.

For purposes of greater clarity the following are examples of virus, bacteria, disease or contagion that are excluded by this endorsement:

a. Coronavirus disease (COVID-19);

b. Severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2);

c. Ebola;

d. Avian Influenza (Avian Bird Flu); and,

e. Legionella (Legionnaire's Disease).

CRIME EXTENSION

The Crime Extension applies only to loss that You sustain resulting directly from a **crime occurrence**:

1. taking place during the Policy Period shown on the Declarations Page, except as otherwise specified in Condition 8 - Loss Sustained During Prior Insurance Issued by the Insurer or Any Affiliate and Condition 9 - Loss Sustained During Prior Insurance Not Issued by the Insurer or Any Affiliate of the Crime Policy; and
2. taking place within the Coverage Territory, except as otherwise specified in the coverage items of the Crime Policy; and
3. that is **discovered** by You during the Policy Period shown on the Declarations Page, or during the period of time provided for under Condition 5 - Extended Discovery Period of the Crime Policy.

The most We will pay for loss under the Crime Policy of this policy arising directly from a **crime occurrence** taking place during the Policy Period is as specified on the Declarations Page.

PART A – COVERAGE ITEMS

1. Claims Preparation Costs

This insurance covers:

a. reasonable costs incurred in the preparation of a proof of loss; or

b. reasonable fees payable to external auditors, accountants, or other professionals for producing and certifying particulars or details of Your business in order to establish the quantum of a claim.

All such costs and fees must be:

a. incurred by You at Our request; and

b. associated with a claim under the Crime Policy for which liability has been otherwise accepted by Us.

This coverage item does not apply to fees payable to lawyers, public adjusters, loss consultants or other professionals engaged by You without Our prior written approval.

2. Computer Theft & Funds Transfer Fraud

This insurance covers loss sustained by You resulting directly from:

a. the theft of **money** and **securities** through the use of a computer to fraudulently transfer from inside the **business premises** or **banking premises** to a person (other than a **messenger**) or to a place outside those premises; or

b. the loss of **money** and **securities** from a **fraudulent instruction** directing a financial institution located within the coverage territory to transfer, pay or deliver **money** and **securities** from Your transfer account.

Clause a. of this coverage item applies to loss sustained by You due to a **crime occurrence** taking place anywhere in the world.

This insurance does not cover:

a. loss, or that part of any loss, the proof of which, either to its existence or amount is dependent upon an inventory computation or a profit and loss computation;

b. loss resulting from the use or purported use of credit, debit, charge, access, identification, **cash cards** or other cards or the information contained on such cards.

3. Customers Interest

Coverage item 4 - Employee Dishonesty is extended to cover loss resulting directly from the theft of **money**, **securities** or **other property**, by an **employee** acting alone or in collusion with others, which is sustained by a **client** within the **client**'s premises.

a. We will not be liable under this coverage item for any settlement negotiated by You with the **client** without Our prior written consent.

b. Irrespective of the amount of insurance provided for Employee Dishonesty in coverage item 4, the most We will pay for coverage item 3 - Customers Interest arising directly from a **crime occurrence** is as specified for this coverage item on the Schedule of Extensions of Coverage, or if applicable, as specified on the Declarations Page.

4. Employee & Volunteer Dishonesty

This insurance covers loss sustained by You of **money**, **securities**, or **other property** resulting directly from one or more dishonest acts committed by an **employee**, whether identified or not, acting alone or in collusion with others with the manifest intent to:

a. cause You to sustain loss or damage; and

b. obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:

   i. any **employee**; or

   ii. any other person or organization.

This coverage item will also insure loss caused by any **employee** while outside of the coverage territory for a period of not more than 90 days.

This insurance does not cover:

a. loss, or that part of any loss, the proof of which, either to its existence or amount is dependent upon an inventory computation or a profit and loss computation. However, where You establish with evidence that is independent from such computations that they have sustained a loss, then You may offer their inventory records and actual physical count of inventory in support of the amount of loss claimed;

b. loss caused by Your **employee**, or Your predecessor, for whom prior similar Employee Dishonesty insurance has been declined or cancelled and has not been reinstated.

5. Forgery or Alteration

This insurance covers loss sustained by You resulting directly from forgery or alteration of any cheque, draft, promissory note, credit card receipt, bill of exchange, or similar written promise, order or direction to pay a sum certain in **money** that are:

a. made or drawn by or drawn upon You, or that are purported to have been so made or drawn; or

b. made or drawn by anyone acting as Your agent, or that are purported to have been so made or drawn.

If You are sued for refusing to pay any instrument covered above, on the basis that it has been forged or altered, and You have Our prior written consent to defend against the action, We will pay for any reasonable legal expenses that You incur in that defence. The amount that We will pay for Your defence is included within any applicable amount of insurance for this coverage item.

This coverage item applies to loss sustained by You due to a **crime occurrence** taking place anywhere in the world.

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

6. Money and Securities

This insurance covers loss or damage resulting directly from:

a. the actual destruction, disappearance, robbery or theft of **money** and **securities**:

   i. at the business premises or at any banking premises committed by a person present inside such business premises or banking premises;

   ii. outside the business premises while:

      (a) being conveyed by a **messenger** or any armoured transportation service; or

      (b) located in the ordinary residence of any **messenger**.

b. robbery or attempted robbery, theft or attempted theft:

   i. to a locked safe, vault, cash register, cash box or cash drawer located at the **business premises**, including **other property** contained within;

   ii. to the **business premises** or its exterior provided You are the owner or are legally liable for such damage;

   iii. of other property outside the business premises:

      (a) while being conveyed by a **messenger** or any armoured transportation service; or

      (b) that is located in the ordinary residence of any **messenger**.

Any coverage provided above with respect to **money**, **securities** or **other property** being conveyed by an armoured transportation service is in excess of any reimbursement available to You from such armoured transportation service.

This insurance does not cover:

a. loss resulting from accounting or arithmetical errors or omissions;

b. loss resulting from the giving or surrendering of **money** or **securities** or **other property** in any exchange or purchase;

c. loss of manuscripts, books of account or records;

d. loss of **money** contained in any **money** operated device, unless the amount of **money** can be verified by a continuous recording instrument in the device;

e. loss or damage resulting from fire, however caused, except:

   i. to a safe or vault; and

   ii. to money and securities;

f. loss of or damage to **money**, **securities** and **other property** that has been transferred or surrendered to a person or place outside the **business premises** or **banking premises**:

   i. on the basis of unauthorized instructions;

   ii. as a result of a threat to do bodily harm to any person;

   iii. as a result of a threat to do damage to any property;

   iv. as a result of a threat to introduce a denial of service attack into Your computer system;

   v. as a result of a threat to introduce a virus or other malicious instruction into Your computer

system which is designed to damage, destroy or corrupt **data** or computer programs stored within Your computer system;

vi. as a result of a threat to contaminate, pollute or render substandard Your products or goods; or

vii. as a result of a threat to disseminate, divulge or utilize Your confidential information or weaknesses in the source code within Your computer system.

This exclusion does not apply to loss of **money**, **securities** or **other property** while outside the **business premises** in the care and custody of a **messenger** if You:

(a) had no knowledge of any threat at the time the conveyance began; or

(b) had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

7. Money Orders and Counterfeit Paper Currency

This insurance covers loss resulting directly from You having accepted in good faith, in exchange for merchandise, **money** or services, any:

a. money order issued by any post office, express company or bank that is not paid upon presentation; or

b. counterfeit Canadian or United States paper currency that is acquired during the regular course of business.

8. Telephone Fraud

This insurance covers long distance telephone charges incurred by You resulting directly from the fraudulent access and use of You **telephone systems** whether or not access is initiated from the **business premises**.

This coverage item does not apply unless the loss is reported to Us within 30 days of the fraudulent long distance telephone charges having appeared on Your statement of account.

This coverage item applies to loss sustained by You due to a **crime occurrence** taking place anywhere in the world.

9. Unauthorized Business Card Use

This insurance covers loss sustained by You resulting directly from the unauthorized use of credit, debit and charge cards issued in Your business name.

This coverage item does not apply:

a. to any loss unless the provisions, conditions and other terms under which such card was issued are fully complied with; and

b. unless You are legally liable to the issuer of the card involved in the loss.

If You are sued for refusing to pay any transaction on any credit or charge card, due to unauthorized use of such card, and You have Our prior written consent to defend against the action, We will pay for any reasonable legal expenses that You incur in that defence. The amount that We will pay for Your defence is included within any applicable amount of insurance for this coverage item.

PART B - DEDUCTIBLE

If a deductible endorsement is applicable to a coverage item under the Crime Policy, We will not pay for loss resulting directly from a **crime occurrence** that does not exceed the deductible amount. If the amount of loss is larger than the deductible amount for the Crime Policy shown on the Declarations Page We will pay for the amount of the loss that is in excess of the deductible amount, up to the amount of insurance.

PART C - EXCLUSIONS

The Crime Policy does not cover loss directly or indirectly resulting from:

1. theft or any other dishonest act committed by You, or Your partner, whether acting alone or in collusion with other persons;
2. loss of potential income including interest and dividends, not realized by You because of a loss covered under this insurance;
3. all damages for which You are legally liable, except compensatory damages arising directly from a loss covered under this insurance;
4. the payment of costs, fees or other expenses You incur in establishing either the existence or the amount of loss;
5. **trading** in Your name, or in a genuine or fictitious account;
6. the seizure or destruction of property by order of governmental authority;
7. any misappropriation, theft or infringement of any:
   a. patent, trade mark, copyright, trade secret or other intellectual property right;
   b. confidential or proprietary information;
8. You, or anyone acting on Your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property;
9. legal fees, costs and expenses incurred by You which are related to any legal action. This exclusion does not apply to coverage item 5 - Forgery & Alteration and coverage item 9 - Unauthorized Business Card Use;
10. any theft or any other dishonest act committed by Your **employee**, director, trustee or authorized representative whether acting alone or in collusion with others. This exclusion does not apply to coverage item 53 - Employee Dishonesty.

PART D - CONDITIONS APPLICABLE TO THE CRIME POLICY

The following Conditions apply to coverage provided by the Crime Policy. The General Policy Terms and Conditions as well as any General Property Terms and Conditions contained in the policy to which these Conditions are added are applicable except where they are in conflict with any portion of these Conditions, in which case these Conditions will apply.

The Crime Policy is subject to the following conditions:

1. Cancellation as to Any Employee

Coverage is cancelled in relation to any **employee**:

a. immediately upon **discovery** by:
   i. You; or
   ii. any of Your partners, managers, officers, directors or trustees not acting in collusion with the

employee;

of theft or any other dishonest act committed by that **employee** whether before or after becoming employed by You.

b. on the date specified in a notice mailed to the first Named Insured. That date will be at least 30 days after the date of mailing. We will mail or deliver their notice to the first Named Insured's last mailing address known to them. If notice is mailed, proof of mailing will be sufficient proof of notice.

2. Concealment or Misrepresentation

The Crime Policy is void if You or any other Insured intentionally conceals or misrepresents any material fact or circumstance relating to this policy of insurance at any time.

3. Consolidation – Merger

If through consolidation or merger with, or acquisition of the majority share ownership of, or acquisition of the assets of some other entity You establish additional **business premises** or hire additional employees, the Crime Policy will automatically apply to such **business premises** and employees subject to the following:

a. This coverage only applies to acts committed or events occurring within the first 90 days after the effective date of such consolidation, merger or acquisition.

b. You must give Us written notice within 90 days of such consolidation, merger or acquisition.

c. Additional premium will be pro-rated from the date or consolidation, merger or acquisition to the end of the current Policy Period.

4. Duties in the Event of Loss

After You **discover** a loss or a situation that may give rise to a claim, You must:

a. notify Us or Our authorized representatives, as soon as practicable. If You have reason to believe that any loss involves a violation of law, You must also notify the local law enforcement authorities;

b. submit to examination under oath at Our request and give Us a signed statement of Your answers;

c. produce for Our examination all pertinent records for investigation;

d. provide Us with a detailed sworn proof of loss within 120 days of the loss being **discovered**;

e. co-operate with Us in the investigation and settlement of any claim; and

f. include with the proof of loss any document that is the basis of the claim for loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss. This duty only applies to coverage item 5 - Forgery or Alteration and coverage item 9 - Unauthorized Business Card Use.

5. Extended Discovery Period

In the event that this insurance is terminated, a 1-year extended discovery period will apply in respect of any loss that is subsequently **discovered** arising from a **crime occurrence** taking place prior to termination during the time that this insurance had been in effect, provided that the loss must be reported to Us within 1 year of the date of termination. However, this extended discovery period terminates immediately upon the effective date of any other insurance obtained by You replacing in whole or in part this insurance.

6. Joint Insured

If there is more than one Insured named on the Declarations Page the following conditions apply:

a. The first Named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first Named Insured ceases to be an insured under this Policy, then the next Named Insured will become the first Named Insured.

b. If any Insured, or partner, or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.

c. An **employee** of any Insured is considered to be an **employee** of every Insured under this insurance.

d. Payments for loss made to the first Named Insured will constitute full settlement of the claim with respect to any Insured.

7. Legal Action Against Insurer

You may not bring any legal action against Us involving loss:

a. unless You have complied with all the terms of this insurance;

b. until 90 days after You have filed proof of loss with Us or as otherwise provided by the relevant provincial or territorial legislation; and

c. unless brought within the limitation period described in the relevant provincial or territorial legislation.

8. Loss Sustained During Prior Insurance Issued by the Insurer or Any Affiliate

a. Loss Sustained Partly During this Policy and Partly During Prior Insurance

If You **discover** loss during the Policy Period shown on the Declarations Page, resulting directly from a **crime occurrence** taking place:

i. partly during the Policy Period shown on the Declarations Page; and

ii. partly during the Policy Period(s) of any prior cancelled, terminated or expired insurance that We or any affiliate had issued to You or any predecessor in interest;

and the Crime Policy of this endorsement became effective at the time of cancellation, termination or on the expiry date of the prior insurance, We will first settle the amount of loss that You sustained during the Policy Period shown on the Declarations Page up to the amount of insurance shown on the Schedule of Extensions of Coverage, or if applicable, on the Declarations Page. We will then settle the remaining amount of loss that You sustained during the Policy Period(s) of the prior insurance in accordance with condition 8. c..

b. Loss Sustained Entirely During Prior Insurance

If You **discover** loss during the Policy Period shown on the Declarations Page, resulting directly from a **crime occurrence** taking place entirely during the Policy Period(s) of any prior cancelled, terminated or expired insurance that You or any affiliate issued to You or any predecessor in interest, We will pay for the loss provided:

i. The Crime Policy of this endorsement became effective at the time of cancellation, termination or on the expiry date of the prior insurance; and

ii. The loss would have been covered under the Crime Policy had it been in effect at the time of the **crime occurrence**.

We will first settle the amount of loss that You sustained during the most recent prior insurance. We will then settle any remaining amount of loss that You sustained during the Policy Period(s) of any other prior insurance.

c. Limit of Liability

The most We will pay for the entire loss under this condition 8 is the highest single amount of insurance applicable during the period of loss, regardless of whether such limit was written under this he Crime Policy or was written under the prior insurance issued by Us. If the Crime Policy is issued to You to replace insurance previously provided by Us pursuant to a Comprehensive Dishonesty, Disappearance and Destruction form, You and We agree that any rights of yours under such prior policy are terminated by the issuance of insurance pursuant to this coverage section, and the total insurance available to You in respect of losses occurring in whole or in part during any prior policy term are limited by this condition 8.

d. Deductible

If a deductible endorsement is applicable to a coverage item under the Crime Policy, We will apply the deductible amount specified on the Declarations Page for such endorsement to the amount of loss sustained during the Policy Period shown on the Declarations Page. If no loss was sustained during such Policy Period, We will apply the deductible amount to the amount of loss sustained during the most recent prior insurance.

If the deductible amount is larger than the amount of loss sustained during the Policy Period and the most recent prior insurance, We will apply the remaining deductible amount to the remaining amount of loss sustained in any prior insurance.

9. Loss Sustained During Prior Insurance Not Issued by Insurer or Any Affiliate

a. If You **discover** loss during the Policy Period shown on the Declarations Page, resulting directly from any **crime occurrence** taking place, in whole or in part, during the Policy Period of any prior cancelled, terminated or expired insurance that was issued to You or any predecessor in interest by another insurer, and the period of time to **discover** loss under that insurance had expired, We will pay for the loss under the Crime Policy, provided:

i. The Crime Policy became effective at the time of cancellation, termination or on the expiry date of the prior insurance; and

ii. The loss would have been covered under the Crime Policy had it been in effect at the time of the **crime occurrence**.

b. The most We will pay for the entire loss under this condition is the lesser of the amounts of insurance applicable during the period of loss, whether such limit was written under this Crime Policy or was written under the prior cancelled, terminated or expired insurance.

The insurance provided under this condition is subject to the following:

i. If loss covered under this condition is also partially covered under condition 8, the amount recoverable under this condition is part of, not in addition to, the amount recoverable under condition 8.

ii. For loss covered under this condition that is not subject to paragraph i. the amount recoverable under this condition is part of, not in addition to, the amount of insurance applicable to the loss covered under this The Crime Policy and is limited to the lesser of the amount recoverable under:

(a) The Crime Policy as of its effective date;

(b) The prior cancelled, terminated or expired insurance had it remained in effect.

c. If a deductible endorsement is applicable to a coverage item under the Crime Policy, We will apply the deductible amount specified on the Declarations Page for such endorsement to the amount of loss sustained under the prior cancelled, terminated or expired insurance.

10. Non Accumulation of Liability

Regardless of the number of years that You maintain continuous crime coverage in effect with Us or any affiliate and whether the crime coverage was provided by Us under the same policy or under a series

of successive policies which may have included a variety of policy forms and varying terms, the amounts of insurance for any **crime occurrence** will not be cumulative from year to year or Policy Period to Policy Period.

The inclusion of more than one Insured shall not increase the maximum amount of insurance specified on the Declarations Page.

11. Other Insurance

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

12. Ownership of Property - Interests Covered

The property covered under the Crime Policy is limited to:

a. property You own or lease;

b. property You hold for others whether or not You are legally liable for the loss of such property; or

c. property inside the premises of a **client** of yours, but only to the extent of coverage provided under Item 3 - Customers Interest.

However, this insurance is for Your benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this insurance must be made by You.

13. Property of Others

At Our option, any loss may be paid to You or adjusted with and paid to the owner of the property.

14. Recoveries

Any recoveries, less the cost of obtaining them, made after settlement of loss covered by the Crime Policy will be distributed as follows:

a. to You, until You are reimbursed for any loss that You have sustained that exceeds the amount of insurance and the deductible amount, if any;

b. then to Us, until We are reimbursed for the settlement made; and

c. then to You, until You are reimbursed for that part of the loss equal to the deductible amount, if any.

Recoveries do not include:

a. recovery from insurance, suretyship, reinsurance, security or indemnity taken for Our benefit; or

b. recovery of original **securities** after duplicates have been issued.

15. Reinstatement

Loss under any coverage item of the Crime Policy will not reduce the applicable amount of insurance.

16. Valuation - Settlement

The value of the following items will be determined as follows:

a. **Money**, at its face value;

b. **Securities**, at an amount up to and including their value at the close of business on the day the loss was **discovered**. We may, at Our option:

   i. pay the value of such **securities** or replace them in kind, in which event You must assign to Us all rights, title and interest in and to those **securities**; or

   ii. pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the

securities. However, We will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:

(a) value of the **securities** at the close of business on the day the loss was **discovered**; or

(b) the amount of insurance.

c. All **other property**, or loss from damage to the **business premises** or its exterior, for the **actual cash value** at the time of loss.

17. Coverage Territory

This insurance applies to **crime occurrences** anywhere in Canada and the contiguous United States of America.

PART E – CRIME DEFINITIONS

The following Definitions apply to coverage provided by the Crime Policy.

1. **Banking premises** means the interior of that portion of any building which is occupied by a banking institution.
2. **Business premises** means the interior of that portion of any building at a location specified on the Declarations Page that is occupied by You.
3. **Cash cards** means cards designed to store a cash value by electronic means as a mode of payment, without a personal identification number and without direct access to a bank or other account.
4. **Client** means any entity by whom You are contracted to provide Your business services.
5. **Crime occurrence** with respect to:
   a. Coverage item 4 - Employee Dishonesty and coverage item 3 - Customers Interest means an act or series of acts, whether or not related, involving one or more **employees**;
   b. Coverage item 5 - Forgery or Alteration means an act or series of acts, whether or not related, caused by any person acting alone or in collusion with others, involving one or more instruments;
   c. Coverage item 9 - Unauthorized Business Card Use means an act or series of acts, whether or not related, caused by any person acting alone or in collusion with others, involving one or more transactions or instruments;
   d. all other coverage items in The Crime Policy means an act or event, or a series of acts or events, whether or not related, caused by any person acting alone or in collusion with others.
6. **Data** means any information capable of being accessed, processed, transmitted or stored by a **computer system**, including but not limited to text, figures, voice, images or any machine readable **data**, irrespective of the way it is used or rendered.
7. **Discover, discovery or discovered** means:
   a. the time when You first became aware of facts that would cause a reasonable person to assume that a loss of a type covered by the Crime Policy has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of the loss may not then be known; or
   b. the time when You first received notice of an actual or potential claim in which it is alleged that You are liable to a third party under circumstances which, if true, would constitute a loss under the Crime Policy.
8. **Employee** means any natural person:

a.

i. while in Your regular employment or for 30 consecutive days after termination of employment;

ii. who You compensate directly by salary, wages or commissions; and

iii. who You have the right to direct and control in the performance of such employment.

b. Who is noncompensated other than one who is a fund solicitor, while performing services for You that are usual to the duties of an **employee**.

Employee does not mean:

i. any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character;

ii. any person leased to You by a labour leasing firm; or

iii. any director or trustee, except while performing acts coming within the scope of the usual duties of an **employee**.

9. **Fraudulent instruction** means:

a. an electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by You, but which was in fact fraudulently transmitted by someone else without Your knowledge or consent;

b. a written instruction (other than those described in coverage item 54 - Forgery or Alteration) issued by You, which was forged or altered by someone other than You without Your knowledge or consent, or which purports to knowledge or consent, or which purports to have been issued by You, but was in fact fraudulently issued without Your knowledge or consent; or

c. an electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by You which purports to have been transmitted by an **employee** but which was in fact fraudulently transmitted by someone else without Your or the **employee**'s knowledge or consent.

10. **Messenger** means You, or a partner of yours, or any **employee** who is duly authorized by You to have the care and custody of Your property outside the **business premises**.

11. **Money** means:

a. currency, coins and bank notes in current use and having a face value;

b. bullion, **cash cards**; and

c. traveller's cheques, register cheques and money orders held for sale to the public.

12. **Other property** means any tangible property other than **money** and **securities** that has intrinsic value. **Other property** does not include computer programs, **data** or any property specifically excluded under the Crime Policy.

13. **Premium due date** means the inception or renewal date of the policy. **Premium due date** does not mean the date on which any periodic instalment of the premium is payable.

14. **Replacement cost** means the cost of replacing, repairing, constructing, or re-constructing (whichever is the least) with a new equipment of like kind and quality without deduction for depreciation.

15. **Services** means:

a. electricity, gas, water or steam;

b. communication supply services (excluding satellites); or

c. a utility system for removing wastewater and sewage, other than a system designed primarily for

draining storm water.

16. **Securities** means all negotiable and non-negotiable instruments or contracts representing **money** or **other property** and includes:

    a. tokens, tickets, revenue or other stamps (whether represented by actual stamps or unused value in a meter) in current use;

    b. cheques, drafts;

    c. warehouse receipts or bills of lading;

17. **Telephone systems** means a private branch exchange (PBX) or electronic key system, with or without adjuncts including but not limited to voice mail, automated call attendant and automated call directors, that are owned or exclusively leased by You and located on Your **business premises**.

18. **Trading** means any transaction that deals in securities, commodities, futures, options, currencies, foreign exchange or any similar transaction.

19. **Transfer account** means an account maintained by You at a financial institution from which You can initiate the transfer, payment or delivery of **money** and **securities**:

    a. by means of electronic, telegraphic, cable, teletype, facsimile or telephone instructions communicated directly through an electronic funds transfer system; or

    b. by means of written instructions (other than those described in coverage item 54 - Forgery or Alteration) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

GENERAL POLICY TERMS AND CONDITIONS

All Parts and their applicable Coverage Forms included in this Policy are subject to the following General Policy terms and conditions except where these conditions are either directly modified or supplemented by the Coverage Forms, riders or endorsement(s) attached, or where this policy and its forms are in conflict with the Civil Code of the Province of Quebec. Where the terms and conditions of this policy and its forms attached are in conflict with the Civil Code, such terms and conditions are amended to conform to the Civil Code. No term or condition of this Policy shall be deemed to be waived in whole or in part by Us unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by Us.

1. ASSIGNMENT

Assignment of this policy will not be valid except with Our written consent. However, in the event of Your death, the insurance afforded by this policy will apply to Your legal representative but only while acting within the scope of his or her duties as such. Until Your legal representative is appointed, anyone having proper temporary custody of Your property will have Your rights and duties but only with respect to that property.

2. CONFORMITY WITH STATUTE

Where the terms of this policy and forms attached hereto are in conflict with the statutes of the province or territory in which the premises insured are located, such terms are amended to conform to such statutes.

3. INSPECTIONS AND SURVEYS

a. We have the right to:

   i. Make inspections and surveys at any time;

   ii. Give You reports on the conditions We find; and

   iii. Recommend changes.

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

   i. Are safe or healthful; or

   ii. Comply with laws, regulations, codes or standards.

c. Paragraphs a. And b. of this condition apply not only to Us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

d. Paragraph b. of this condition does not apply to any inspections, surveys, reports or recommendations We make relative to certification, under provincial, territorial, or municipal statutes, ordinances, bylaws or regulations, of boilers, pressure vessels or elevators.

4. LIBERALIZATION

If, unless otherwise stated in this policy, during the Policy Period, We adopt a coverage change to this insurance, or rules or regulations affecting the policy are revised by statute or otherwise, so as to broaden the insurance coverage without an additional premium charge, such extended or broadened insurance will become a term of this policy and will be used to Your benefit.

5. TERMINATION OF INSURANCE

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

a. We agree that where notice of termination is not personally delivered and termination is for any reason other than non-payment of premium, We will not terminate this Policy without first giving You thirty (30) days' written notice of termination by registered mail or five (5) days' notice if personally delivered.

b. Except in the Province of Quebec, the thirty (30) days mentioned in sub condition a. of this provision commences to run on the day following receipt of the registered letter at the post office to which it is addressed.

c. In the Province of Quebec, the thirty (30) days mentioned in sub condition a. of this provision commences to run from the date of receipt of the notice of termination at Your latest known address.

d. If a different notice period is stated on the Declaration Page, the thirty (30) days throughout this provision may be extended to the number of days as stated on the Declaration Page.

e. The Policy Period will end on the date cancellation takes effect.

In this condition, notice to the first Insured named on the Declarations Page will constitute notice to all Insureds.

6. WAIVER OF TERM OR CONDITION

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

7. BREACH OF CONDITIONS

If You do not comply with a condition of this insurance, any claim for subsequent loss or damage is not recoverable. We will not deny a claim for this reason if You prove that the non-compliance neither caused nor worsened the loss or damage. Coverage will not be affected if You fail to comply with a condition in part of the premises over which You have no control.

8. LOSS PAYABLE CLAUSE

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

9. BANKRUPTCY

Your bankruptcy or insolvency or Your estates' bankruptcy or insolvency will not relieve Us of Our obligations under this policy.

10. CURRENCY CLAUSE

All limits of insurance, premiums and other amounts as expressed in this policy are in the currency stated on the Declarations Page. If no such currency is displayed the default currency shall be Canadian Dollars (CAD).

11. CHANGES

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

12. PREMIUMS

The first Named Insured shown on the Declarations Page:

a. Is responsible for the payment of all premiums; and

b. Will be the payee for any return premiums We pay.

13. REPRESENTATIONS

By accepting this policy, You agree:

a. The statements on the Declarations Page are accurate and complete;

b. Those statements are based upon representations You made to Us; and

c. We have issued this policy in reliance upon those representations, written or otherwise made by You or on Your behalf.

14. PERIOD OF INSURANCE OR POLICY PERIOD

The insurance coverage afforded under this policy will be effective after the commencement date shown in the Declarations Page and will terminate after the expiry date shown in the Declarations Page, beginning and ending at 12:01AM, standard time, at the mailing address of the first Named Insured. This condition is subject to a prior termination when cover terminates in accordance with the Termination of Insurance condition.

15. POLICY JURISDICTION

This policy shall be deemed to have been made under and shall be governed by the laws and decisions of the province or territory shown in the mailing address of the Frist Named Insured, as it is shown in the Declarations Page. The Courts in the province or territory in which the first Named Insured is located shall have exclusive jurisdiction in case of a coverage dispute.

16. PROPERTY PROTECTION SYSTEMS

a. You warrant to maintain in proper working order, connected both electrically and physically, all:

   i. sprinkler or other fire extinguishing systems, which will be activated at all times; or

   ii. fire detection systems which will be activated at all times; or

   iii. intrusion detection systems which will be activated when the occupiers are absent from the premises;

   within the property insured.

b. You warrant to notify Us immediately of the cancellation or non-renewal of any contract which provides monitoring or maintenance services to any of the systems in (a) above or of the notification of the suspension of police service in response to any such systems.

c. You warrant, if owner or lessee of the fire extinguishing system, to provide for regular inspection and maintenance of the equipment as recommended by the Manufacturer's authorized representative, for the term of this policy.

d. You warrant to notify Us without delay of the cancellation or non-renewal of any contract which provides monitoring or maintenance services to any of the systems in (a) above or of the notification

of the suspension of police service in response to any such systems.

17. DECLARATION OF EMERGENCY – Extension of Termination or Expiry Date

The effective date of termination of this policy by Us or the expiry date of this policy is extended, subject to the conditions and definitions set out below, as follows when an **emergency** is declared by a Canadian public authority designated by statute for the purpose of issuing such an order.

a. The **emergency** must have a direct effect or impact on:

   i. You, the insured site or **insured property** located in the declared emergency area; or

   ii. Our operations or Our agent/broker located in the declared emergency area.

b. 1. Any time limitation described in the Termination condition of this policy, with respect to termination of this policy by Us, will not continue to run until the emergency is terminated plus the lesser of:

   i. 30 days; or

   ii. The number of days equal to the total time the **emergency** order was in effect.

b. 2. If this policy is due to expire during an emergency, it will continue in force until the **emergency** is terminated plus the lesser of:

   i. 30 days; or

   ii. The number of days equal to the total time the **emergency** order was in effect.

c. In no event shall the total term of this extension exceed 120 consecutive days.

You agree to pay the pro rata premium earned for the additional time We remain on risk as a result of the above.