

Business Package Insurance Policy



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BUSINESS AND PROFESSIONAL SERVICES PROPERTY RIDER

Words and phrases in quotations have special meaning as defined in Clause 19.

1. PROPERTY AND INTEREST INSURED:

This Rider insures: "property" while at the "premises".

2. PERILS INSURED:

This Rider insures against all risks of direct physical loss or damage not specifically excluded by clauses 5A or 5B.

3. EXTENSIONS OF COVERAGE:

(a) **NEWLY ACQUIRED LOCATIONS** - Coverage under this Rider is extended to property at any acquired location that is owned, rented or controlled by the Insured in whole or in part anywhere in Canada, and in or on vehicles within 100 meters of such acquired location, subject to a Limit of:

\$500,000 in total for any combination of "Building", "Stock" and "Equipment"

This extension attaches at the time of the acquisition and extends for a period of 60 days or to the date such location is specifically added to this Rider by endorsement or to the expiration of this Policy, whichever occurs first.

(b) **TEMPORARY UNNAMED LOCATIONS** - Coverage under this Rider is extended to include "equipment" while temporarily at any unnamed location within Canada or the continental United States of America.

This extension does not apply to:

- (i) property at any location owned or leased by the Insured or occupied by the Insured for any purpose;
- (ii) property at an exhibition, trade show or similar event;
- (iii) property on loan or on rental or sold by the Insured under conditional sale, installment payment or other deferred payment plan, from the time of leaving the Insured's custody;
- (iv) property in the custody of any sales representative employed by the Insured;
- (v) portable computers.

The maximum recovery under this extension, regardless of the number of temporary locations, is limited to \$50,000 for any one occurrence.

(c) **PERMANENT UNNAMED LOCATIONS** - Coverage under this Rider is extended to include "equipment" while at any unnamed location within Canada or the continental United States of America.

This extension does not apply to:

- (i) property at any temporary unnamed locations as provided in Extensions of Coverage clause 3(b);
- (ii) property at an exhibition, trade show or similar event;
- (iii) property on loan or on rental or sold by the Insured under conditional sale, installment payment or other deferred payment plan, from the time of leaving the Insured's custody;
- (iv) property in the custody of any sales representative employed by the Insured;
- (v) portable computers.

The maximum recovery under this extension, regardless of the number of locations, is limited to \$10,000 for any one occurrence.

(d) **EXHIBITION FLOATER** - Coverage under this Rider is extended to include "equipment" while such property is temporarily away from the "premises" only for use at an exhibition, trade show or similar event anywhere in Canada or the continental United States of America. This extension includes coverage for transit between the "premises" and the event site. Insurance under this extension does not apply to:

- (i) property in the custody of a sales representative, nor;
- (ii) property at a location owned by the Insured or occupied by the Insured for any purpose other than such event.

The maximum recovery under this extension is limited to \$25,000 for any one occurrence.

The following extensions of coverage shall not increase the Limit of Insurance shown in the "declarations".

(e) **BAILEE'S CUSTOMERS** - Notwithstanding Clause 5A (h) of this Rider, coverage under this Rider is extended to include all lawful goods and articles belonging to the Insured's customers and clients while:

- (i) on the "premises" for the purpose of the Insured performing the business service or professional service described in the "declarations";
- (ii) in transit if the goods or articles are in the possession of the Insured.

This extension does not apply to loss or damage to goods or articles received for storage, or for which a storage charge has been or will be made. The maximum recovery under this extension is limited to \$10,000 in the aggregate during any one Period of Insurance.

- (f) TRANSIT - \$25,000 for any one occurrence on "equipment" in transit anywhere within Canada and the continental United States of America.

This extension does not apply to:

- (i) property in the custody of a sales representative ;
- (ii) property in transit between the "premises" and the site of an exhibition, trade show or similar event;
- (iii) shipments by courier service or parcel post.

- (g) VALUABLE PAPERS AND RECORDS - \$25,000 In any one occurrence may be applied to additional expense necessarily incurred in the reproduction of the Insured's records, as described in Clause 6(e), due to loss, destruction or damage by a peril not otherwise excluded. The Insurer shall not be liable under this extension for any sums due the Insured which the Insured is unable to collect because of loss of records.

Multi-Peril Common Exclusion (c) does not apply to the coverage provided by this extension.

Insurance under this extension does not apply to loss due to electrical or magnetic injury, computer viruses, or the disturbance or erasure of electronic recordings, except by lightning.

- (h) GROWING PLANTS, TREES, SHRUBS OR FLOWERS IN THE OPEN - This Rider is extended to insure loss or damage to growing plants, trees, shrubs or flowers in the open at the "premises" caused directly by "Named Perils" (with the exception of windstorm or hail as described in clause 1 9(h)) or theft or attempted theft. This extension of coverage shall be limited to a maximum recovery of \$10,000 in the aggregate during any one period of insurance, and \$2,000 for any one item, including debris removal expense.
- (i) PERSONAL PROPERTY OF OFFICERS AND EMPLOYEES - At the option of the Insured, "equipment" also includes personal property of officers and employees of the Insured. The insurance on such property:
- (i) shall not attach if it is insured by the owner unless the Insured is obliged to insure it or is legally liable for its loss or damage;
 - (ii) shall apply only to loss or damage occurring at a location specifically described in the "declarations" or included by the Newly Acquired Locations extension.
- (i) ACCOUNTS RECEIVABLE - The Insurer will indemnify the Insured for up to \$100,000 in any one occurrence with respect to the amount of uncollectible accounts receivable arising from loss or destruction of or damage to the records of such accounts receivable at the "premises" by a peril not excluded.

Multi-Peril Common Exclusion (c) does not apply to the coverage provided by this extension.

Insurance under this extension does not apply to loss due to electrical or magnetic injury, computer viruses, or the disturbance or erasure of electronic recordings, except by lightning.

- (k) EXPEDITING AND EXTRA EXPENSES - Coverage under this Rider is extended to indemnify the Insured for:
- (i) reasonable extra costs including overtime and express or rapid means of transportation, necessary only to make temporary repairs to or expedite "replacement" of the property insured as the direct result of loss or destruction of or damage to such property by peril not excluded;
 - (ii) the necessary "extra expense" incurred by the Insured in order to continue as nearly as practicable the "normal" conduct of the Insured's business following damage to or destruction of "property" at the "premises" by a peril not excluded. The Insurer shall be liable for "extra expense" for only the "period of restoration". As soon as practicable after any loss, the Insured shall resume complete or partial business operations at the "premises" and reduce or dispense with incurred "extra expense".

The maximum recovery under this extension shall not exceed \$25,000 in any one occurrence for expediting expenses and extra expenses combined.

- (l) FIRE DEPARTMENT CHARGES - The Insurer will indemnify the Insured for liability, assumed by contract or agreement before any loss or damage, for fire department charges incurred when the fire department is called to save or protect property Insured from a fire. The maximum liability of the Insurer under this extension shall not exceed \$25,000 in any one occurrence.
- (m) FIRE PROTECTIVE EQUIPMENT RECHARGE COSTS - The Insurer will indemnify the Insured for the reasonable cost of recharging "fire protective equipment", provided such recharging is necessary because of a peril not excluded and the equipment was located on the "premises" at the time it discharged. The maximum liability of the Insurer under this extension shall not exceed \$25,000 in any one occurrence.

- (n) **LOCK REPLACEMENT COSTS** - The Insurer will indemnify the Insured for the reasonable cost of replacing or re-keying locks at the "premises" if the keys for such locks are stolen, provided the theft is reported to the law enforcement agency having jurisdiction. The maximum liability of the Insurer under this extension shall not exceed \$10,000 for any one Period of Insurance.
- (o) **STOCK (Dispensary)** - Coverage under this Rider is extended to include "stock" anywhere within Canada or the continental United States of America. This extension applies to "stock" in transit, except for shipments by courier service or parcel post. The maximum liability of the Insurer under this extension shall not exceed \$10,000 in any one occurrence.
- (p) **DEBRIS REMOVAL** - The provisions concerning Debris removal in the Multi-Peril Insuring Agreement are replaced by the following:
 - (i) **Debris removal:** The Insurer will indemnify the Insured for expenses incurred in the removal from the "premises" of debris of the property insured, occasioned by loss or damage to such property, for which loss or damage Insurance is afforded under this Rider,
 - (ii) **Removal of Windstorm Debris:** The Insurer will indemnify the Insured for expenses incurred in the removal of debris or other property which is not insured by this Rider but which has been blown by windstorm upon a location specified in the "declarations".

Extensions of coverage (p)(i) and (p)(ii) do 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", except as specifically provided in Extension of coverage 3(q), Land and Water Pollution Clean Up.

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

(q) LAND AND WATER POLLUTION CLEAN UP

1. The Insurer will indemnify the Insured for expenses incurred to "clean up" "pollutants" from land or water at the "premises" provided the spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "pollutants"
 - a) is occasioned by loss or damage to property Insured at the "premises" for which loss or damage insurance is afforded under this Rider,
 - b) is sudden, unexpected and unintended from the standpoint of the Insured, and
 - c) first occurs during the Period of Insurance.
2. The maximum amount of Insurance under this extension during any one Period of Insurance shall not exceed \$25,000 in the aggregate.
3. Notwithstanding the Loss Clause in this Rider, following a loss under this extension, the limit of insurance for this extension shall be reduced by the amount payable.
4. The Insurer shall not be liable for:
 - a) 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";
 - b) 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 Rider;
 - c) fines, penalties, aggravated damages, punitive or exemplary damages;
 - d) expenses incurred for the "clean up" of "pollutants" at or from any premises, site or location which is or was at any time used by or for any Insured or others for the handling, storage, disposal, processing or treatment of waste.
5. **A. REPORTING PERIOD**
It is a condition precedent to recovery under this extension that all expenses insured by this extension must be incurred and reported to the Insurer 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.

B. OTHER INSURANCE

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

- (r) **BREAKDOWN OF ELECTRONIC DATA PROCESSING HARDWARE AND SOFTWARE** - Notwithstanding clauses 5A(f) and 5A(g) of this Rider, if "equipment" used for electronic data processing at the "premises" is physically damaged by mechanical breakdown, electrical breakdown or derangement, the Insurer will indemnify the Insured for such damage and for the extra expense necessarily incurred to reprogram or replace any electronic recordings that are disturbed or erased as the direct result of such damage, up to the limits shown in the declarations in the aggregate during any one Period of Insurance.

Multi-Peril Common Exclusion (c) does not apply to the coverage provided by this extension. This extension does not apply to:

- (i) "stock";
- (ii) errors or omissions in data entry or programming;
- (iii) computer viruses.

- (s) **ARSON AND BUGLARY REWARD** - If an arson fire or a burglary occurs at the "premises" resulting in a loss covered by this Rider, the Insurer will pay up to 10% of such loss, but not exceeding \$10,000 in any one occurrence, for information that leads to a criminal conviction in connection with such loss. The Insurer's liability under this extension shall not be increased by the number of persons who provide information.
- (t) **EXPENSE OF PREPARING INVENTORY** - If, as the result of loss or damage insured against by this Rider, the Insurer requests the preparation of inventories to help determine the amount of the loss, the Insurer will indemnify the Insured for the necessary expenses incurred to prepare such inventories up to \$10,000 in any one occurrence. The Insurer shall not be liable under this extension for expenses to prove this Rider insures against a loss, nor for expenses incurred under the condition of this Policy relating to Appraisal.
- (u) **PENALTY REMBUIRSEMENT** - If, as the result of loss or damage insured against by this Rider, the Insured incurs monetary penalties under written contracts with unaffiliated customers or clients because of failure to perform the business or professional service described in the "declarations", the Insurer will indemnify the Insured for such penalties up to \$25,000 in the aggregate during any one Period of Insurance.
- (v) **SALES REPRESENTATIVES' SAMPLES** - Coverage under this Rider is extended to include "equipment" while in the custody of any sales representative employed by the Insured anywhere within Canada and the continental United States of America. Insurance under this extension does not apply to portable computers. The maximum recovery under this extension is limited to \$5,000 per sales representative.
- (w) **BY-LAWS** - Notwithstanding clause 5A(l) of this Rider:
 1. Following loss of or damage to a "building" insured by this Rider by a peril not otherwise excluded, coverage is extended to indemnify the Insured for:
 - A. loss occasioned by the demolition of any undamaged portion of the "building", or
 - B. the cost of demolishing and clearing the "premises" of any undamaged portion of the "building", or
 - C. any increase in the cost of "replacement" of the "building" on the same "premises" or on an adjacent site, of like height, floor area and style, and for like occupancy; arising from the enforcement of any by-law, regulation, ordinance or law which:
 - (a) regulates zoning or the demolition, repair or construction of damaged buildings or structures; and
 - (b) is in force at the time of such loss or damage.
 2. The Insurer shall not be liable under this extension for:
 - (i) losses occasioned by the enforcement of any by-law, regulation, ordinance or law which: prohibits an Insured from rebuilding or repairing on the same "premises" or an adjacent site or prohibits continuance of like occupancy;
 - (ii) loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", nor the cost or expense of any resulting "clean up", but this exclusion does not apply:
 - (a) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is the direct result of a peril not otherwise excluded infer this Rider;
 - (b) to loss or damage caused directly by a peril not otherwise excluded under this Rider;
 - (iii) 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".
- (x) **FINE ARTS** - Coverage is extended to include legitimate works of artistic merit, rarity or historical value while at the "premises", including paintings, etchings, pictures, tapestries, valuable rugs, statuary, marbles, bronze, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass and ornaments. For the purposes of loss adjustment, the basis of valuation for such works shall be the market value at the time of their loss or damage the maximum recovery under this extension is limited to \$25,000 for any one occurrence.
- (y) **COURIER AND PARCEL POST SHIPMENTS** - Coverage for "equipment", if any, shall apply while such property is being shipped by courier service or parcel post away from the "premises" anywhere in Canada or the continental United States. Insurance under this extension does not apply to:
 - (i) property in the custody of a sales representative, nor
 - (ii) property in transit between the "premises" and the site of an exhibition, trade show or similar event.

The maximum recovery under his extension is limited to \$5,000 for any one occurrence.

Coverage under all these extensions is subject to all other terms and conditions of the Policy, except the Co-insurance Clause, and takes effect only if more specific insurance is not provided by other parts.

4. PROPERTY EXCLUDED:

This Rider does not insure loss of or damage to:

- (a) (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; caused directly or indirectly by explosion, rupture, bursting, cracking, burning out or bulging of such property while connected ready for use, but this exclusion does not apply to:
 - (1) manually portable gas cylinders;
 - (2) explosion of natural, coal or manufactured gas;
 - (3) explosion of gas or unconsumed fuel within a furnace or within the gas passages therefrom to the atmosphere,
- (b) money, securities, stamps, evidence of title, evidence of debt, transportation and other tickets, tokens;
- (c) automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, nor motors or other accessories attached to or mounted on such property, but this exclusion shall not apply to watercraft and amphibious vehicles held for sale, nor to unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the "premises";
- (d) gold, silver, platinum and other precious metals and alloys;
- (e) property covered under the terms of any Marine Insurance, and property while waterborne except while on a regular ferry or railway car transfer in connection with land transportation;
- (f) growing plants, trees, shrubs and flowers in the open, except as provided by Extensions of Coverage clause 3(h);
- (g) animals, fish and birds, but this exclusion does not apply to loss or damage caused directly by "Named Perils" or theft or attempted theft;
- (h) furs, fur garments, jewels, jewelry, costume jewelry, watches, pearls, precious and semi-precious stones, and pre-recorded video tapes, but this exclusion does not apply to:
 - (i) the first \$1,000 of any loss not otherwise excluded, nor to
 - (i) any loss or damage caused directly by "Named Perils";
 - (ii) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority unless seizure or confiscation is solely for the purpose of preventing or containing the spread of fire.
 - (i) "Data".

5.A. PERILS EXCLUDED

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

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

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

- (c) to the "building" by settling, expansion or contraction, unless caused by or resulting from a peril not excluded elsewhere by this Rider;
- (d) by dampness or dryness of atmosphere, change of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, contamination, change in colour or texture or finish, rust or corrosion, but this exclusion does not apply to loss or damage caused by or resulting from a peril not otherwise excluded elsewhere by this Rider;
- (e) by delay, loss of market, loss of use or occupancy;

- (f) by disturbance or erasure of electronic recordings by electric or magnetic injury except by lightning, or power surge, or as provided in Extensions of Coverage clause 3(r);
- (g) by centrifugal force, mechanical or electrical breakdown or derangement in or on the "premises", but this exclusion does not apply to
 - (i) Extensions of Coverage clause (r);
 - (ii) ensuing fire, and then only for the loss or damage caused directly by such ensuing fire;
- (h) to "equipment" or "Stock" while actually being worked upon and directly resulting from such work, or caused by any repairing, adjusting or servicing of such property, unless fire or explosion ensues and then only for such ensuing loss or damage;
- (i) by any dishonest or criminal act on the part of the Insured or other party of interest, his or their employees or agents or any person to whom the property may be entrusted (bailees for hire excepted), but this exclusion does not apply to malicious acts (other than theft) committed by an employee of the Insured and not otherwise excluded;
- (j) by mysterious disappearance or shortage of "equipment" and "stock" disclosed on taking inventory;
- (k) by wear and tear, gradual deterioration or 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 Rider, resultant damage to the property is insured;
- (l) or contributed to by the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which by-law, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss, except as provided in Extensions of Coverage clause 3(w);
- (m) by rodents, insects or vermin, but this exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded;
- (n) to the "building" by explosion (except with respect to explosion of natural, coal or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire:
 - (i) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - (ii) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 - (iii) 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 millimeters (24 inches) or less used for the heating and storage of hot water for domestic use;
 - (iv) moving or rotating machinery or parts thereof;
 - (v) any vessels and apparatus and pipes connected therewith while undergoing pressure tests, but this exclusion does not apply to other property insured hereunder that has been damaged by such explosion;
 - (vi) gas turbines;
- (o) to the "building" by snow slide, 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";
- (p) by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- (q)
 - (i) by any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof) or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
 - (ii) by contamination by radioactive material
- (r) by theft or attempted theft from an unattended vehicle, but this exclusion does not apply
 - (i) to property under the control of a common carrier, nor

- (ii) if the vehicle is equipped with a fully enclosed metal body or compartment, the property insured had been locked in such body or compartment, and there is visible evidence of forcible entry.

5.B. This Rider 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", but this exclusion does not apply:
 - (i) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is the direct result of a peril not otherwise excluded under this Rider;
 - (ii) to loss or damage caused directly by a peril not otherwise excluded under this Rider;
- (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".

6. VALUATION:

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

- (a) on unsold "stock"-the actual cash value of the property at the time any loss occurs, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;
- (b) on sold "stock"- the actual invoice cost after allowance for discounts;
- (c) on property of others in the custody or control of the Insured - the amount for which the Insured is liable but in no event, to exceed the actual cash value at the time and place of loss plus allowance for labour and materials expended to such time;
- (d) on tenant's improvements
 - (i) if repaired or replaced with due diligence and dispatch, the amount actually and necessarily expended but in no event exceeding the "replacement cost" 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 of the lease;
- (e) on records, except as provided in Extensions of Coverage clause 3(g):
 - (i) books of accounts, drawings, card index systems and other records, other than as described in (ii) below-the cost of blank books, blank pages or other materials, plus the cost of labour for actually transcribing or copying said records;
 - (ii) media, data storage devices, and program devices for electronic and electro-mechanical data processing or for electronically controlled equipment (notwithstanding that "data" is not insured)-the cost of reproducing such media, data storage devices, and programs 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 "data" for such reproduction.
- (f) on all other "property" - the "replacement cost" of the property at the time any loss occurs, subject to the following provisions:
 - (i) "replacement" shall be effected by the Insured with due diligence and dispatch;
 - (ii) settlement 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 provisions (i) and (ii), settlement shall be made on the basis of the actual cash value of the property at the time the loss occurs.

7. CO-INSURANCE

This clause applies only where the total loss exceeds \$10,000.

The Insured shall maintain insurance concurrent with this Rider on the property insured to the extent of at least the amount produced by multiplying the value of the property (as determined in accordance with clause 6) by the coinsurance percentage specified in the "declarations", 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.

8. DEDUCTIBLE:

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

9. PERMISSIONS:

Permission is granted

- (a) for other insurance concurrent with this Rider;

- (b) to make additions, alterations or repairs;
- (c) to do such work and to keep and use such articles, materials, and supplies in such quantities as are usual or necessary to the Insured's business;
- (d) to cease operation in, and for any individual "building" to remain vacant or unoccupied without limit of time, but the entire "premises" not to cease operations or to be vacant or unoccupied for a period exceeding thirty (30) days at any one time.

10. LOSS CLAUSE

Any loss under this Rider, except as provided in Extensions of Coverage clauses 3(e), 3(h), 3(n), 3(q), 3(r), 3(u), shall not reduce the Limit of Insurance shown in the "declarations".

11. PROPERTY PROTECTION SYSTEMS

It is agreed that the Insured shall notify forthwith the Insurer of any interruption to or flaw or defect, coming to the knowledge of the Insured, in any:

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

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

12. BREACH OF CONDITIONS

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

13. REPAIR CLAUSE

In case of loss, the Insured may immediately begin "replacement", but such work shall at all times be open to the supervision of the Insurer and in case of dispute as to the cost of "replacement", the loss shall be settled in accordance with the terms of this Policy.

14. VERIFICATION OF VALUES:

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

15. PROPERTY OF OTHERS:

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

16. LIBERALIZATION CLAUSE:

If, during the Period of Insurance, there are any forms, endorsements, rules or regulations by which this insurance could be extended or broadened, without additional premium charge, by endorsement or substitution of form, then such extended or broadened insurance shall benefit the Insured as though such endorsement or substitution of form had been made.

17. TITLES OF PARAGRAPHS:

The several titles of the various paragraphs of this Rider are inserted solely for convenience of reference and shall not be deemed in any way to limit or affect the provisions to which they relate.

18. DEFINITIONS:

Whenever used in this Rider and its endorsements:

- (a) "Building" means:
 - any building described in the "declarations" and includes:
 - (i) fixed structures pertaining to the building and located on the "premises";
 - (ii) additions and extensions communicating and in contact with the building;
 - (iii) permanent fittings and fixtures attached to and forming part of the building;
 - (iv) materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to the "building" or for building services;
 - (v) growing plants, trees, shrubs or flowers on the "premises" used for decorative purposes when the Insured is the owner of the "building", subject to Extensions of Coverage clause 3(h).

- (b) "Clean Up" means the clean up, removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to the aforementioned processes.
- (c) "Data" means representations of information or concepts, in any form.
- (d) "Declarations" means the declarations attached to this Policy for the current Period of Insurance.
- (e) "Equipment" means:
 - (i) generally all contents usual to the Insured's business including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances other than "building" or "stock" as herein defined;
 - (ii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable, however this shall not include property of the Insured's customers or clients:
 - (a) which is being used in the performance of the business service or professional service of the Insured (other than leased office equipment);
 - (b) which the Insured is holding in storage for any reason.
 - (iii) tenant's improvements which are defined as building improvements, alterations and betterments made at the expense of the Insured to a "building" occupied by the Insured and which are not otherwise insured, provided the Insured is not the owner of such "building". If the Insured purchased the use interest in tenant's improvements made by a predecessor tenant, this Rider applies as though such tenant's improvements had been made at the expense of the Insured;
 - (iv) growing plants, trees, shrubs or flowers on the "premises" used for decorative purposes when the Insured is not the owner of the "building" but owns or is legally liable for such plants, trees, shrubs or flowers, subject to Extensions of Coverage clause 3(h).
- (f) "Extra expense" means the excess, if any, of the total cost incurred during the "period of restoration" chargeable to the operation of the Insured's business over and above the total cost that would normally have been incurred to conduct the business during the same period had no loss occurred. Any salvage value of property obtained for temporary use during the "period of restoration", which remains after the resumption of "normal" operations, shall be taken into consideration in the adjustment of any loss. In no event shall the Insurer be liable for loss of income.
- (g) "Fire Protective Equipment" includes tanks, water-mains, hydrants, valves and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:
 - (i) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - (ii) any water mains or appurtenances located outside of the described "premises" and forming a part of the public water distribution system;
 - (iii) any pond or reservoir in which the water is impounded by a dam.
- (h) "Named Perils" means:
 - A. FIRE OR LIGHTNING
 - B. EXPLOSION:

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

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

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

 - (a) electric arcing or any coincident rupture of electrical equipment due to such arcing;

- (b) bursting or rupture caused by hydrostatic pressure or freezing;
- (c) bursting or rupture of any safety disc, rupture diaphragm or fusible plug.

C. IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE:

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

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

- (i) caused by land vehicles belonging to or under the control of the Insured or any of his employees;
- (ii) to aircraft, spacecraft or land vehicles causing the loss;
- (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 clause 19(h)(B);
- (iii) due to theft or attempt thereat.

E. SMOKE:

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

F. LEAKAGE FROM FIRE PROTECTIVE EQUIPMENT:

The term Leakage From Fire Protective Equipment means the leakage or discharge of water or other substance from within "fire protective equipment" on the "premises" described in the "declarations" or on adjoining premises, and loss or damage caused by the fall or breakage or freezing of such equipment.

G. WINDSTORM OR HAIL

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

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

- (i) "Normal" means the condition that would have existed had no loss occurred.
- (j) "Period of restoration" means that period of time commencing with the date of loss and not limited by the date of expiration of this Policy, as shall be required with the exercise of due diligence and dispatch to repair, rebuild, or replace the "premises".
- (k) "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.
- (l) "Premises" means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described in the "declarations" and in or on vehicles within 100 meters (328 feet) of such locations.
- (m) "Property" includes "building" and "equipment", except as specifically limited or excluded by clause 4,
- (n) "Replacement" includes repair, construction or re-construction with new property of identical kind and quality, if available, or otherwise new property intended to perform the same function which may include technological advancements.
- (o) "Replacement Cost" means the cost of replacing, repairing, constructing or re-constructing (whichever is the least) the property with new property of like kind and quality and for like occupancy without deduction for depreciation.
- (p) "Stock" means:
 - (i) merchandise of every description usual to the Insured's business;
 - (ii) packing, wrapping and advertising materials; and

- (iii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable, however this shall not include property of the Insured's customer or clients:
 - (a) which is being used in the performance of the business service or professional service of the Insured (other than leased office equipment);
 - (b) which the Insured is holding in storage for any reason.

BUSINESS AND PROFESSIONAL SERVICES LOSS OF INCOME (ACTUAL LOSS SUSTAINED) FORM

Words and phrases in quotations have special meaning as defined in Clause 8.

1. INSURING AGREEMENT:

This Form insures the "income" of the Insured against reduction during the "indemnity period" as a direct result of physical loss, destruction or damage recoverable under the Business and Professional Services Property Rider attached to this Policy.

2. MEASURE OF RECOVERY:

The measure of recovery in the event of loss hereunder shall be the reduction in "income" (as determined in accordance with Clause 5) during the "indemnity period" due to destruction or damage resulting from a peril not otherwise excluded under the Business and Professional Services Property Rider attached to this Policy.

3. EXTENSIONS OF COVERAGE:

Unless otherwise specified in the "declarations", and subject to all other terms and conditions of this Policy, coverage is extended as follows:

- (a) PROHIBITION OF ACCESS - The Insurer will indemnify the Insured for reduction in "income" during the period of time, not exceeding 30 days, during which access to the "premises" is:
 - (i) prohibited by order of civil authority, but only when such order is given as a direct result of physical loss, destruction or damage to property within 1 kilometer of the "premises", or
 - (ii) impassable or unsafe as a direct result of physical loss, destruction or damage to property of others at the "premises".

by a peril which is not excluded in this Form or in clauses 5A or 5B of the Business and Professional Services Property Rider attached to this Policy.

- (b) ACCOUNTANTS' FEES - \$25,000 in any one occurrence may be applied to pay professional accountants for determining on behalf of the Insured the amount of the reduction in "income" when a claim is made under this Form.
- (c) POWER INTERRUPTION - This Form is extended to insure reduction of "income" due to interruption of the public power supply to the "premises", but only when such interruption is the direct result of physical loss or destruction of or damage to a power plant, substation or transformer and transmission lines between them by a peril which is not excluded in this Form or in clauses 5A or 5B of the Business and Professional Services Property Rider attached to this Policy.
- (d) DAMAGE AT SUPPLIERS' & CUSTOMERS' PREMISES - This Form is extended to insure reduction in "income" of the Insured which results directly from physical loss or destruction of or damage to any premises occupied by a supplier or customer of the Insured by a peril which is not excluded in the Form or in clauses 5A or 5B of the Business and Professional Services Property Rider. The maximum liability of the Insurer under this extension shall not exceed \$50,000. Coverage under all these extensions is subject to all other terms and conditions of the Policy, and takes effect only if more specific insurance is not provided by other parts of this Policy.

4. ADDITIONAL EXCLUSIONS:

This Form does not insure that part of any reduction in "income" due to:

- (a) delays or loss of time resulting from:
 - (i) the presence of strikers or other persons or labour disturbances on or about the "premises" interfering with the "replacement" of damaged property, the resumption or continuation of business, or free access to or control of the "premises", or
 - (ii) the action of sympathetic strikers away from the "premises";
- (b) fines or damages for breach of contract for late or non-completion of orders or for any penalties of whatever nature;
- (c) the suspension, lapse or cancellation of any lease or license, contract or order.

5. DETERMINATION OF INCOME REDUCTION:

For the purpose of determining the reduction in "income", the following calculation basis applies:

- (a) reduction of "revenue", meaning the amount obtained by multiplying the "revenue shortfall" by the "income percentage", plus
- (b) increase in operating costs, meaning extra expense necessarily incurred for the sole purpose of avoiding or diminishing the reduction of "revenue" which, except for that expense, would have taken place during the "indemnity period" as a direct result of loss, destruction or damage insured against, but not exceeding the sum obtained by multiplying the amount of the "revenue" reduction avoided by the "income percentage", less
- (c) savings in operating costs during the "indemnity period" that directly result from such loss, damage or destruction. The result of this calculation shall be adjusted to reflect any trend or other circumstances, so that the adjusted result shall represent as nearly as reasonably practicable the result that would have been obtained if no loss, destruction or damage had occurred.

6. WAITING PERIOD:

If a number of hours is shown in the "declarations" with respect to this Form, the "indemnity period" shall begin that number of hours after the physical loss, destruction or damage has ended.

7. PROCEEDS FROM SUBSTITUTE LOCATIONS:

If "business" is conducted during the "indemnity period" away from the "premises" for the benefit of the Insured, proceeds produced by such activity shall be brought into account in arriving at the "revenue" during the "indemnity period".

8. DEFINITIONS

Wherever used in this Form and its endorsements:

- (a) "Building" has the same meaning as in clause 18(a) of the Business and Professional Services Property Rider attached to this Policy.
- (b) "Business" means the business of the Insured as specified in the "declarations".
- (c) "Gross rent and rental value" means the sum of
 - (i) the actual total annual gross rent or rental value of the occupied portions of the "building", plus
 - (ii) the estimated annual rental value of the unoccupied portions of the "building", plus
 - (iii) a fair rental value of the proportions, if any, of the "building" occupied by the Insured.
- (d) "Income" means
 - (i) "revenue", less
 - (ii) variable operating expenses.

In this definition, variable operating expenses comprise all purchases (less discounts received), packing materials, delivery and freight charges and the entire payroll expense for all employees of the Insured, other than salaries for permanent staff and wages for other essential employees whose services would not be discontinued if "business" operations are reduced or interrupted.
- (e) "Income percentage" means the percentage obtained by dividing the "income" by the "revenue" during the financial year immediately before the date of physical loss, destruction or damage.
- (f) "Indemnity period" means the period beginning with the date of physical loss, destruction or damage and ending
 - (i) 30 days afterwards with respect to land and water pollution cleanup and breakdown of electronic data processing hardware and software for which insurance is provided under Extensions of Coverage 3(a) and 3(r) of the Business and Professional Services Property Rider attached to this Policy;
 - (ii) with respect to all other physical loss, destruction or damage, not later than the length of time, not exceeding 12 months, as would be required with due diligence and dispatch for "replacement" of the lost, destroyed or damaged property.
- (g) "Premises" has the same meaning as in clause 18(1) of the Business and Professional Services Property Rider attached to this Policy.
- (h) "Replacement" has the same meaning as in clause 18(n) of the Business and Professional Services Property Rider attached to this Policy.
- (i) "Revenue" means the money paid or payable to the Insured for goods sold and delivered and for services rendered in course of the "business" at the "premises" after allowing for returns and discounts. If the Insured earns rental income from any "building", "revenue" shall also include the "gross rent and rental value".

- (i) "Revenue shortfall" means the amount by which the "revenue" during the "indemnity period" falls short of the expected revenue in consequence of the physical loss, destruction or damage. In this definition, expected revenue means the "revenue" during the period corresponding with the "indemnity period" in the 12 months immediately before the physical loss, destruction or damage.

ELECTRONIC DATA PROCESSING BROAD FORM

Words and phrases in quotations have special meaning as defined in Clause 15.

1. PROPERTY INSURED

This Form insures the following property but only those items for which a Limit of Insurance is specified in the "Declarations":

"E.D.P. EQUIPMENT"

"E.D.P. DATA"

"E.D.P. MEDIA"

"E.D.P. EXTRA EXPENSE"

The above insurance applies only while such property is at the location(s) specified in the "Declarations". The following insurance applies only while the described property is within Canada and the continental United States, and for which a Limit of Insurance is specified in the "Declarations".

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

NEWLY ACQUIRED LOCATION: "E.D.P. Equipment" (other than "Portable Computers") and "E.D.P. Media" at any acquired location that is owned, rented or controlled by the Insured in whole or in part or in or on vehicles within 100 meters of such locations. This limit of insurance attaches at the time of the acquisition and extends for a period of 30 days or to the date of endorsement of this Form adding such location, whichever first occurs.

OTHER TRANSIT: "E.D.P. Equipment" (other than "Portable Computers") and "E.D.P. Media" in transit other than by parcel post.
"PORTABLE COMPUTERS"

2. DEDUCTIBLE

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

3. CO-INSURANCE

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

The Insured shall maintain insurance concurrent with this Form on the property insured to the extent of at least the amount produced by multiplying the actual cash value or "replacement cost" of the property, as the case may be, by the Co-insurance percentage specified in the "Declarations", and, failing so to do, shall only be entitled to recover that portion of any loss that the Limit of Insurance in force at the time of loss bears to the amount of insurance required to be maintained by this clause.

4. PERILS INSURED

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

5 A. PROPERTY EXCLUDED

This Form does not insure loss of or damage to:

- (a) property at locations which, to the knowledge of the Insured, are vacant, unoccupied or shut down for more than thirty (30) consecutive days;
- (b) money, securities, stamps, tickets, evidence of debt or title;
- (c) video recording equipment, video players or pre-recorded video tapes;
- (d) property Insured under the terms of any Marine Insurance, and property while waterborne, except while on a regular ferry or railway car transfer in connection with land transportation;
- (e) property on loan or on rental or sold by the Insured under conditional sale, installment payment or other deferred payment plan, from the time of leaving the Insured's custody;
- (f) "portable computers" away from the "premises", unless a specific Limit of Insurance is shown in the "Declarations" for such property;
- (g) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;

- (h) property that forms part of any manufacturing or processing machinery;
- (i) "stock";
- (j) "E.D.P. Equipment" that requires cooling by water or a climate-controlled environment for safe operation.

5 B. PERILS EXCLUDED

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

- (a) by earthquake, except for ensuing loss or damage which results directly from fire, explosion, smoke or leakage from "fire protective equipment", all as described in Clause 15(i);
 - (b) by flood, including waves, tides, tidal waves, tsunamis, or the rising of, the breaking out or the overflow of, any body of water, whether natural or artificial, but this exclusion does not apply to ensuing loss or damage which results from fire, explosion, smoke, leakage from "fire protective equipment", all as described in Clause 15(j), or leakage from a watermain;
- exclusions (a) and (b) do not apply to property in transit;
- (c)(i) by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings therein, foundations, basement floors, sidewalks, sidewalk lights, or by the backing up of sewers, sumps, septic tanks or drains, unless concurrently and directly caused by a peril not otherwise excluded under this Form;
 - (c)(ii) by the entrance of rain, sleet or snow through doors, window, skylights or other similar wall or roof openings unless through an aperture concurrently and directly caused by a peril not otherwise excluded under this Form;
 - (d) by centrifugal force, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire;
 - (e) by dampness or dryness of atmosphere, changes of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, contamination, change in colour or texture or finish, rust or corrosion, marring, scratching or crushing, but this exclusion does not apply to loss or damage caused directly by "Named Perils", rupture of pipes, theft or attempted theft or accident to transporting conveyance;
 - (f) by smoke from agricultural smudging or industrial operations;
 - (g) by rodents, insects or vermin, but this exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded under this Form;
 - (h) by delay, loss of market, or loss of use or occupancy, except to the extent that coverage is provided for "E.D.P. Extra Expense";
 - (i) by any dishonest or criminal act on the part of the Insured or any other party of interest, employees or agents of the Insured, or any person to whom the property may be entrusted (bailees for hire excepted), but this exclusion does not apply to physical damage, caused directly by employees of the Insured, which results from a peril not otherwise excluded under this Form;

NOR DOES THIS FORM INSURE

- (j) wear and tear or gradual deterioration, provided, however, to the extent otherwise insured and not otherwise excluded under this Form, resultant damage to the property is insured;
- (k) mysterious disappearance or shortage disclosed on taking inventory;
- (l) loss or damage sustained to "E.D.P. Equipment" or "E.D.P. Media" caused by any repairing, adjusting or servicing, unless fire or explosion as described in Clause 15(j) ensues and then only for such ensuing loss or damage;
- (m) depreciation or obsolescence of "E.D.P. Equipment". "E.D.P. Data" or "E.D.P. Media", whether due to technological advances, programming omissions or otherwise;
- (n) loss or destruction of "E.D.P. Data" caused directly or indirectly by a computer virus.

5 C. POLLUTION EXCLUSIONS

This Form does not insure against:

- (a) loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", nor the cost or expense of any resulting "clean up", but this exclusion does not apply:
 - (i) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is the direct result of a peril not otherwise excluded under this Form;

(ii) to loss or damage caused directly by a peril not otherwise excluded under this Form;

(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".

6. EXTENSIONS OF COVERAGE

The following extensions of coverage shall not increase the Limits of Insurance applying under this Form and are subject to all conditions of this Form:

a) Personal Property of Officers and Employees: At the option of the Insured, "E.D.P. Equipment" also includes personal computers belonging to officers and employees of the Insured. The insurance on such property:

- (i) shall not attach if it is insured by the owner unless the Insured is obligated to insure it or is liable for its loss or damage;
- (ii) is, in any event, limited to a maximum recovery of \$1,000 in respect of any one officer or employee;
- (iii) shall apply only to loss or damage occurring at a location specifically described in the "Declarations" or included in Newly Acquired Location.

b) Accounts Receivable: At the option of the Insured, "E.D.P. Data" also includes all sums due to the Insured from customers which the Insured is unable to collect as a direct result of loss of or damage to electronic recordings of accounts receivable.

c) Waived Data Exclusion: Multi-Peril Common Exclusion (c) does not apply to the coverage provided by this Form with respect to "E.D.P. Data".

7. PERMISSION

Permission is granted:

(a) for other insurance concurrent with this Form;

(b) to do such work and to keep and use such articles, materials and supplies in such quantities as are usual or necessary to the Insured's business.

8. BREACH OF CONDITIONS

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

9. REINSTATEMENT

Loss under any item of this Form shall not reduce the applicable Limit of Insurance.

10. PROPERTY PROTECTION SYSTEMS

It is agreed that the Insured shall notify the Insurer immediately of any interruption to, or flaw or defect, coming to the knowledge of the Insured, in any:

(a) sprinkler or other fire extinguishing system; or

(b) fire detection system; or

(c) intrusion detection system;

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

The Insured further agrees that any intrusion detection system will be connected and activated at all times except during normal business hours.

11. VERIFICATION OF VALUES

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

12. VALUATION

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 "E.D.P. Equipment" - the "replacement cost" of the property at the time the loss or damage occurs, provided: "replacement" shall be effected by the Insured with due diligence and dispatch;
 - (i) settlement 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";
 - (ii) failing compliance by the Insured with provisions (i) and (ii), settlement shall be made on the basis of the actual cash value of the property at the time the loss occurs.
- (b) on "E.D.P. Data" - the amount actually and necessarily expended for re-establishing, gathering or assembling information and for replacing instructions to reproduce those lost or destroyed;
- (c) on "E.D.P. "Media" - the cost of reproduction from duplicates or from originals of the previous generation of media, but excluding the cost of re-establishing, gathering or assembling information and of replacing instructions;
- (d) on "E.D.P. Extra Expense" - the amount actually and necessarily expended to temporarily maintain data processing operations, following loss or damage insured against by this Form.

13. PROPERTY OF OTHERS

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

14. LOCKED VEHICLE WARRANTY

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

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

15. DEFINITIONS

Wherever used in this Form and its endorsements:

- (a) "Declarations" means the Declarations attached to this Policy for the current Period of Insurance.
- (b) "E.D.P. Equipment" means
 - (i) electronic devices capable of accepting information, processing it according to a plan or programme, and producing a desired electronic output;
 - (ii) electronic accessories that augment or enhance the functions of such devices;
 - (iii) all other equipment usual to electronic data processing, but not E.D.P. Media".
- (c) "E.D.P. Data" means information, concepts, pictures or instructions which have been electronically converted to a form useable by "E.D.P. Equipment".
- (d) "E.D.P. Media" means all material on which "E.D.P. Data" is electronically recorded and that does not form an integral and permanent part of "E.D.P. Equipment".
- (e) "E.D.P. Extra Expense" means additional costs (that would not be necessary except for the loss or damage) incurred by the Insured in payment for temporary replacement "E.D.P. Equipment", temporary outsourcing of data processing functions and payment of overtime to employees for data entry purposes.
- (f) "Portable Computers" means "E.D.P. Equipment" that is designed to be capable of operation with battery power.
- (g) Stock- means:
 - (i) merchandise of every description usual to the Insured's business;
 - (ii) packing, wrapping and advertising materials; and
 - (iii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable.
- (h) "Premises" means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described in the "Declarations" and in or on vehicles within 100 meters of such locations.
- (i) "Fire Protective Equipment" includes tanks, water mains, hydrants, valves and any other equipment whether used solely for fire protection or jointly for fire protection and other purposes, but does not include:
 - (i) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - (ii) any water mains or appurtenances located outside of the "premises" and forming a part of the public water distribution system;
 - (iii) any pond or reservoir in which the water is impounded by a dam.

- (i) "Named Perils" means:
 - (A) FIRE OR LIGHTNING
 - (B) EXPLOSION: Except with respect to explosion of natural, coal or manufactured gas, there shall in no event be any liability for loss or damage caused by explosion, collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured:
 - (a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - (b) piping and apparatus or 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, except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders;
 - (d) moving or rotating machinery or their parts;
 - (e) any vessels and apparatus and pipes connected therewith while undergoing pressure tests, but this exclusion shall not apply to other property insured that has been damaged by such explosion;
 - (f) gas turbines.

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

 - (a) electric arcing or any coincident rupture of electrical equipment due to such arcing;
 - (b) bursting or rupture caused by hydrostatic pressure or freezing;
 - (c) bursting or rupture of any safety disc, rupture diaphragm or fusible plug.
 - (C) IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE: The terms "Aircraft" and "Spacecraft" include articles dropped therefrom. There shall in no event be any liability due to cumulative damage or for loss or damage:
 - (a) caused by land vehicles belonging to or under the control of the Insured or any of his employees;
 - (b) to aircraft, spacecraft or land vehicles causing the loss;
 - (c) 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 for loss or damage:
 - (a) due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
 - (b) 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 inter Clause 15(j)(B);
 - (c) due to theft or attempt thereat.
 - (E) SMOKE: The term smoke means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability for any cumulative damage.
 - (F) LEAKAGE FROM "FIRE PROTECTIVE EQUIPMENT": The term Leakage from "Fire Protective Equipment" means the leakage or discharge of water or other substance from within "fire protective equipment" at the "premises" or at adjoining premises, and loss or damage caused by the fall or breakage or freezing of such equipment.
 - (G) WINDSTORM OR HAIL: There shall in no event be any liability for loss or damage:
 - (a) to the property insured unless damage occurs concurrently with and results from an aperture caused by winds storm or hail;
 - (b) 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.
 - (k) "Clean-Up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to the aforementioned processes.
 - (l) "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.
 - (m) "Replacement" includes repair or re-construction with new property of identical kind and quality.
 - (n) "Replacement Cost" means the cost of replacing, repairing or re-constructing (whichever is the least) the property with new property of like kind and quality and for like use without deduction for depreciation.

FLOOD EXTENSION ENDORSEMENT

This Endorsement is part of the Property Section of the Policy.

The insurance under this Policy is extended to Include loss or damage caused directly by flood, subject to the following conditions:

1. For the purpose of this extension, except as limited by paragraph 3 below, "flood" means
 - a. waves, tides and tidal waves, and
 - b. the rising, breaking out or overflow of any natural or artificial body of water.

Loss or damage caused directly or indirectly by seabed movements occurring at the same time as and directly resulting from earthquake (tsunami) is not flood within the meaning of this extension.

All flood damage occurring within any consecutive one hundred and sixty-eight hours during the Period of Insurance shall be deemed a single claim.

Notwithstanding the foregoing, this Insurer shall not be liable for any loss or damage caused by any flood that begins before this extension becomes effective or after the expiration of this Policy.

2. The Insurer is liable for the amount by which the loss or damage caused by flood exceeds the deductible shown for this extension in the "declarations".

The Deductible Amount shall apply separately to each claim.

3. This extension does not cover loss or damage caused directly or Indirectly by any of the following perils, whether or not caused by or attributable to flood:
 - a. seepage of water derived from natural sources through basement walls, doors, windows or other openings, foundations, basement floors, sidewalks or sidewalk lights;
 - b. backing up of sewers, sumps, septic tanks or drains;
 - c. leakage from a water-main or from "fire protective equipment";
 - d. theft.
4. The Insurer shall only be liable for that proportion of a loss payable under this extension which the Limit(s) of Insurance under this Policy bear to the total amounts of insurance covering the peril of fire on the same property. If the Policy covers two or more items, this provision shall apply to each item separately.

All other Items and conditions of the Policy remain unchanged

EARTHQUAKE EXTENSION ENDORSEMENT

This Endorsement is part of the Property Section of the Policy.

The insurance under this Policy is extended to include loss or damage caused directly by earthquake, subject to the following conditions:

1. For the purpose of this extension, except as limited by paragraph 3 below, "earthquake" includes, if occurring concurrently with and directly resulting from earthquake:
 - (a) seaquake (tsunami),
 - (b) snowslide, landslide and other earth movements,
 - (c) volcanic eruption.

All earthquake damage occurring within any consecutive one hundred and sixty-eight hours during the Period of Insurance shall be deemed a single claim.

Notwithstanding the foregoing, this Insurer shall not be liable for any loss or damage caused by any earthquake that begins before this extension becomes effective or after the expiration of this Policy.

2. The Insurer is liable for the amount by which the loss or damage caused by any one earthquake exceeds the deductible shown in the "declarations" for this extension. If a percentage is specified, the amount of the deductible shall be that percentage of the value of the insured property or interest or of the Limit(s) of Insurance, whichever is greater.
3. This extension does not cover loss or damage caused directly or indirectly by any of the following perils, whether or not caused by or attributable to earthquake:
 - (a) flood (meaning waves, tides and tidal waves, or the rising or breaking out or overflow of any natural or artificial body of water);
 - (b) high water, waterborne objects or ice;
 - (c) leakage from a watermain or from "fire protective equipment";
 - (d) theft.
4. The Insurer shall be liable for loss or damage to the property insured caused by wind, hail, rain or snow entering a building through an opening directly resulting from earthquake.
5. The Insurer shall only be liable for that proportion of a loss payable under this extension which the Limit(s) of Insurance under this Policy bear to the total amounts of insurance covering the peril of fire on the same property. If the Policy covers two or more items, this provision shall apply to each Item separately.

All other terms and conditions of this Policy remain unchanged.

SEWER BACK-UP DEDUCTIBLE ENDORSEMENT

This Endorsement is part of the Property Section of the Policy.

The deductible amount for loss caused by "sewer back-up" is amended to \$2,500. For the purpose of this endorsement "sewer back-up" means:

- a. backing up of sewers, sumps, septic tanks or drains, and
- b. seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings, foundations, basement floors, sidewalks or sidewalk lights.

All "sewer back-up" damage occurring within any consecutive one hundred and sixty-eight hours during the Period of Insurance shall be deemed a single claim.

All other terms and conditions of the Policy remain unchanged.

MULTI-PERIL (All Provinces except Quebec)

INSURING AGREEMENTS

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

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

- (a) the replacement cost value of the property at the time of loss, destruction or damage;
- (b) the interest of the Insured in the property;
- (c) the Limit of Insurance provided by the Policy in respect of the property lost, destroyed or damaged.

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

It is further provided that the following Co-Insurance provision shall apply:

CO-INSURANCE:

This clause applies only where the total loss exceeds \$10,000.

The Insured shall maintain insurance concurrent with this Rider on the property insured to the extent of at least the amount produced by multiplying the value of the property (as determined in accordance with (a), (b) and (c) of the above INSURING AGREEMENTS) by the co-insurance percentage specified in the "declarations", 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.

The following extensions of coverage, subject to the Policy exclusions, shall not increase the Limit(s) of Insurance applying under this Policy to the property lost, destroyed or damaged.

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

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

The Insurer will indemnify the Insured for expenses incurred in the removal of debris or other property which is not insured by this Policy but which has been blown by windstorm upon a location specified in the Declarations.

This extension, however, 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.

As used in this extension,

"Clean Up" means the clean up, removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of pollutants, including testing which is integral to the aforementioned processes.

"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.

"Premises" means the entire area within the property lines at the locations described in the Declarations and areas under adjoining sidewalks and driveways. Debris removal expense shall not be considered in the determination of actual cash value for the purpose of applying any Co-Insurance Clause.

COMMON EXCLUSIONS

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

- (a) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power
- (b) (i) any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof) or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
 - (ii) contamination by radioactive material;
- (c) (i) erasure, destruction, corruption, misappropriation, misinterpretation of "data",
 - (ii) error in creating, amending, entering, deleting or using "data", or
 - (iii) inability to receive, transmit or use "data".

but this exclusion does not apply to loss or damage to the property insured directly caused by fire, explosion, smoke or leakage from fire protective equipment that results from (i), (ii) or (iii) above.

As used in this exclusion, "data" means representations of information or concepts, in any form.

- (d) or consisting of any "fungi" or "spores", unless such "fungi" or "spores" directly result from a peril not otherwise excluded, nor does this Policy insure the cost or expense for any testing, monitoring, evaluating or assessing of "fungi" or "spores".

As used in this exclusion:

"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.

"spores" includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any "fungi".

- (e) in whole or in part, "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

This exclusion will not apply to that portion of any resultant (or ensuing) loss required to be covered by a property insurance policy under the statute governing the interpretation of that policy. In no event shall this exception be construed to give coverage beyond the strict requirements of that policy and the statute governing that policy.

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

CONDITIONS

This Policy is subject to the terms and conditions set forth herein together with such other terms and conditions as may be endorsed hereon or added hereto. No terms or condition of this Policy shall be deemed to be waived in whole or in part by the Insurer unless the waiver is clearly expressed in writing by the Insurer.

The Statutory Conditions apply to the peril of fire and, as modified or supplemented by riders or endorsements attached, apply as Policy

Conditions to all other perils insured against by this Policy.

STATUTORY CONDITIONS

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 of the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

2. PROPERTY OF OTHERS

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

3. CHANGE OF INTEREST

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

4. MATERIAL CHANGE

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

5. TERMINATION

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

6. REQUIREMENTS AFTER LOSS

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

- other charges upon the property,
- (vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract,
- (vii) showing the place where the property insured was at the time of the loss;
- (c) if required, give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value;
- (d) if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.

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

7. FRAUD

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

8. WHO MAY GIVE NOTICE AND PROOF

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

9. SALVAGE

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

10. ENTRY, CONTROL, ABANDONMENT

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

11. APPRAISAL

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

12. WHEN LOSS PAYABLE

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

13. REPLACEMENT

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

14. ACTION

Every action or proceeding against the Insurer for the recovery of any claim under or by virtue of this contract is absolutely barred unless commenced within one year* next alter the loss or damage occurs.

*two years in Province of Manitoba and Yukon Territory.

15. NOTICE

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 the contract by letter personally delivered to him or by registered mail addressed to him at his latest post office address as notified to the Insurer. In this condition, the expression "registered" means registered in or outside Canada.

ADDITIONAL CONDITIONS**I. NOTICE TO AUTHORITIES**

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

II. NO BENEFIT TO BAILEE

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

III. PAIR AND SET

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

IV. PART

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

V. SUE AND LABOUR

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

VI. BASIS OF SETTLEMENT

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

VII. SUBROGATION

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

VIII. CURRENCY

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

BUSINESS AND PROFESSIONAL SERVICES CRIME BROAD FORM

Words and phrases in quotations have special meaning as defined in Clause 9.

1. INSURING AGREEMENT:

The Insurer agrees to indemnify the Insured for losses insured against that occur during the Period of Insurance shown in the "declarations".

2. LOSSES INSURED AGAINST:

This Form insures against loss directly caused by:

- (a) Theft by an "employee" of "money", "securities" and "property" except there is no coverage for theft by an "employee" if the Insured is engaged in any of the following businesses or professions: accounting, banking, trust, legal services, insurance providers, insurance brokers, and all forms of financial advising and investing services.
- (b) Destruction, disappearance and theft (other than theft by an "employee") of "money" and "securities" anywhere in Canada or the continental United States of America.
- (c) Acceptance in good faith, in exchange for "money", "securities", "stock" or services, of:
 - i) a post office or express company money order which is not paid upon presentation, or
 - ii) counterfeit Canadian or United States paper currency.
- (d) Forgery or illegal alteration (except by an "employee") of a cheque or other similar promise of payment:
 - i) drawn in the Name of the Insured, or
 - ii) drawn upon the Insured.

3. EXTENSIONS OF COVERAGE:

The following extensions of coverage shall not increase the Limit of Insurance Shown in the "declarations".

- (a) **Newly Acquired Organizations**
Any organization which is acquired or formed by the Named Insured during the Period of Insurance is automatically covered by this Form, provided:
 - i) it is not a joint venture,
 - ii) there is no similar coverage in effect in the organization's own name,
 - iii) this extension attaches at the time of the organization's acquisition or formation and extends for a period of 60 days or to the date such organization is specifically added to this Form by endorsement or to the expiration of this Policy, whichever occurs first.
- (b) **Late Discovered Losses**
The Insurer will indemnify the Insured for that part of any loss otherwise insured against which occurred before the inception of this Policy but is first discovered by the Insured during the Period of Insurance shown in the "declarations", subject to the following conditions:
 - i) the loss would be recoverable under this Form had it occurred during the Period of Insurance;
 - ii) the loss occurred no more than 12 months before the inception of this Policy;
 - iii) this extension of coverage is excess of any other insurance for the loss.
- (c) **Robbery Reward**
If a robbery occurs resulting in a loss covered by this Form, the Insurer will pay up to \$2,500 in any one occurrence for information that leads to a criminal conviction in connection with such loss. The Insurer's liability under this extension shall not be increased by the number of persons who provide information.
- (d) **Expense of Preparing Inventory or Audit**
If, as the result of loss or damage insured against by this Form, the Insurer requests the preparation of inventories or an audit to help determine the amount of the loss, the Insurer will indemnify the Insured for the necessary expenses incurred to prepare such inventories or audit up to \$2,500 in any one occurrence. The Insurer shall not be liable under this extension for expenses to prove this Form insures against a loss.
- (e) **Third Party Losses**
The Insurer will pay up to \$2,500 in any one occurrence for the theft of "money", "securities" or "chattel" by an "employee" from any person or organization who has engaged the professional services of the Insured.

The person or organization must own or be legally liable for the stolen "money", "securities" or "chattel". The "employee" must have committed the offence working on behalf of the Insured.

Coverage under these extensions is subject to all other terms and conditions of the Policy.

4. LOSSES EXCLUDED:

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

- (a) dishonesty of the Insured, a partner in the Insured, or a director or trustee of the Insured who is not an "employee";
- (b) that part of any theft by an "employee" which
 - (i) depends entirely upon an inventory computation or a profit and loss computation to prove it took place, or
 - (ii) occurred before or after the Period of Insurance shown in the "declarations", except as provided in Extensions of Coverage clause 3(b), or
 - (iii) is discovered more than twelve months after the expiration of this Policy;
- (c) dishonesty of any "employee" whom the Insured knows has previously committed theft;
- (d) accounting or arithmetical errors or omissions;
- (e) failure to receive interest, dividends and similar potential income because of a loss insured against;
- (f) the awarding of aggravated, exemplary or punitive damages;
- (g) determining the existence or amount of a loss, except as provided in Extension of Coverage clause 3(d);
- (h) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- (i)
 - i) any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof) or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
 - ii) contamination by radioactive material;
- (j) theft or attempted theft from an unattended vehicle, but this exclusion does not apply if the vehicle is equipped with a fully enclosed metal body or compartment, the property insured had been locked in such body or compartment, and there is visible evidence of forcible entry.

5. VALUATION:

For the purpose of loss adjustment, the following valuation basis applies:

- (a) On "property" - the basis described in Clause 6 of the Business and Professional Services Property Rider;
- (b) On "securities" - the basis described in Clause 14 (b) Valuation of Property Insured in the Burglary Robbery Standard Conditions of this section of the Policy.

6. DEDUCTIBLE:

If a deductible amount is shown for this Form in the "declarations", the Insurer is liable for the amount by which a loss Insured against exceeds the amount of such deductible in any one occurrence.

7. LIMITS OF INSURANCE:

The Limit of Insurance shown for this Form in the "declarations" is the most the Insurer will pay:

- (a) for all losses due to theft by any one "employee" during the Period of Insurance;
- (b) for all losses due to forgery or illegal alterations by any one person during the Period of Insurance;
- (c) for each loss due to any cause except (a) and (b) above.

The Limit of Insurance is in Canadian currency.

8. INSURED'S RECORDS:

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

9. DEFINITIONS:

Whenever used in this Form and its endorsements:

- (a) "Chattel" means:
 - i) furniture, furnishings, fittings, machinery, tools, utensils, appliances and merchandise of every description usual to the person's or organization's business; and

- ii) personal effects belonging to the person or organization.
- (b) **"Declarations"** means the declarations attached to this Policy for the current Period of Insurance.
- (c) **"Employee"** means a natural person:
 - i) engaged during the Period of Insurance in the regular service of the Insured in the ordinary course of the Insured's business within Canada and the continental United States of America, and
 - ii) whom the Insured compensates, and
 - iii) whom the Insured has the right to govern and direct in the performance of such service.
- (d) **"Money"** means currency, coins, bank notes and bullion.
- (e) **"Property"** has the same meaning as In the Business and Professional Services Property Rider attached to this Policy.
- (f) **"Securities"** means all negotiable and non-negotiable instruments or contracts representing "money" or other property, including revenue and other stamps in current use, tokens and tickets.
- (g) **"Stock"** has the same meaning as in the Business and Professional Services Property Rider attached to this Policy.

BURGLARY – ROBBERY STANDARD CONDITIONS (All Provinces except Quebec)

1. INSURING AGREEMENT

The Insurer, in consideration of the payment of the premium, in reliance upon the statements in the Declarations made a part of this Policy and subject to all the terms and conditions of this Policy and the riders and endorsements attached, agrees with the Named Insured as specified in the insuring agreements of the riders and endorsements attached hereto.

This Policy is subject to the terms and conditions set forth herein together with such other terms and conditions as may be endorsed hereon or added hereto. No term or condition of this Policy shall be deemed to be waived in whole or in part by the Insurer unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by the Insurer.

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

2. Declarations:

By acceptance of this Policy, the Named Insured agrees that the statements in the Declarations are his agreement 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.

3. Ownership of Property Insured:

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

4. Changes:

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

5. Assignment

Assignment of interest under this Policy shall not bind the Insurer until its consent is endorsed hereon: if, however, the Named Insured shall die or be adjudged bankrupt or insolvent within the policy period, this Policy, unless cancelled, shall, if written notice be given to the Insurer within sixty days after the date of such death or adjudication, cover the Named Insured's legal representative as the Named Insured.

6. Alarm System and Protective Services:

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

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

7. Inspection:

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

8. War Risk Exclusion:

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

9. Data Exclusion:

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

- (i) erasure, destruction, corruption, misappropriation, misinterpretation of "data",
- (ii) error in creating, amending, entering, deleting or using "data", or
- (iii) inability to receive, transmit or use "data".

As used in this exclusion, "data" means representations of information or concepts, in any form.

10. Terrorism Exclusion:

This Policy does not insure loss or damage caused directly or indirectly, in whole or in part, by “terrorism” or by any activity or decision of a government agency or other entity to prevent, respond to or terminate “terrorism”. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

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

11. Notice of Loss:

The Insured, upon knowledge of loss, shall give immediate notice thereof to the Insurer or to the authorized representative through whom the policy was issued and shall also give immediate notice of any loss due to violation of law to the public police or other peace authorities having jurisdiction.

If securities are insured under this Policy, the Insured shall take all reasonable means to prevent their negotiation, sale or retirement in the event of loss thereof.

12. Reinstatement

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

13. Proof of Loss and Prosecution:

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

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

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

14. Valuation of Property Insured:

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

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

15. Procedure in Event of Claim for Property of Persons Other Than the Insured:

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

16. Provision for Insurer to Repair or Replace:

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

17. Other Insurance:

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

18. Subrogation:

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

19. Recoveries:

Any property for which the Insurer has paid indemnity shall become the property of the Insurer but the Insured shall be entitled to it upon reimbursing the Insurer the indemnity paid for such property. The party to this contract recovering any such property shall immediately notify the other party in writing.

20. Action Against Insurer:

No suit shall be brought under the Policy until ninety days after proof of loss as required herein has been furnished nor at all unless commenced within two years from the date upon which the loss was discovered by the Insured.

21. Cancellation - Termination:

- (a) This Policy may be terminated
 - (i) by the Insurer in case of non payment of premium giving to the Named Insured 15 days' notice of termination by registered mail or 5 days written notice of termination personally delivered;
 - (ii) by the Named Insured at any time on request. Otherwise the insurer must provide 90 days notice of termination of insurance.
- (b) Where the Policy is terminated by the Insurer, the Insurer will refund the excess of the paid premium for the time the Policy has been in force, calculated prorata.
- (c) Where the Policy is terminated by the Named Insured, the Insurer will refund the excess of the paid premium above the short rate premium for the time the Policy has been in force calculated in accordance with the short rate premium table in use by the Insurer, subject to the retention of the minimum premium, if any, provided by the Policy.
- (d) Refund of premium may be made by money, postal or express company money order or by cheque payable at par.
- (e) The fifteen days mentioned above in this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

22. Currency

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

COMMERCIAL GENERAL LIABILITY POLICY

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

The word "Insured" means any person or organization qualifying as such under SECTION II - WHO IS AN INSURED. Other words and phrases that appear in quotation marks have special meaning as defined in SECTION V - DEFINITIONS.

SECTION I - COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

This insurance applies only when an EACH OCCURRENCE LIMIT is shown on the "Coverage Summary".

1. Insuring Agreement

- a) The Insurer will pay those sums that the Insured becomes legally obligated to pay as "compensatory damages" because of "bodily injury" or "property damage" to which this insurance applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - Applicable to Coverages A., B., and D. This insurance applies only to "bodily injury" and "property damage" which occurs during the Policy Period. The "bodily injury" or "property damage" must be caused by an "occurrence". The "occurrence" must take place in the "coverage territory". The Insurer will have the right and duty to defend any "action" seeking those "compensatory damages".

But:

- (i) the amount the Insurer will pay for "compensatory damages" is limited as described in SECTION III - LIMITS OF INSURANCE;
- (ii) the Insurer may investigate and settle any claim or "action" at the Insurer's discretion; and
- (iii) the Insurer's right and duty to defend end when the Insurer has used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A., B. or D. or medical expenses under Coverage C.
- b) "compensatory damages" because of "bodily injury" include "compensatory damages" claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury";
- c) "property damage" that is loss of use of tangible property that is not physically injured shall be deemed to occur at the time of the "occurrence" that caused it.

2. Exclusions

This insurance does not apply to:

- a) "bodily injury" or "property damage" expected or intended from the standpoint of the Insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.
- b) "bodily injury" or "property damage" for which the Insured is obligated to pay "compensatory damages" by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for "compensatory damages":
- (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 "insured contract"; or
- (ii) that the Insured would have in the absence of contract or agreement.
- c) any obligation of the Insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.
- d) "bodily injury" to an employee of the Insured while employed in violation of the law with the actual knowledge of the Named Insured or of any executive officer of the Named Insured.

This exclusion applies:

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

This exclusion does not apply to:

- (i) liability assumed by the Insured under an "insured contract"; or
- (ii) employees on whose behalf contributions are made by or required to be made by the Insured under the provisions of any workers' compensation law, in respect of whom liability has been denied by any workers' compensation authority.
- e) (i) "bodily injury" or "property damage" arising out of the ownership, use, operation or entrustment to others by or on behalf of any Insured of:
- any "automobile";
- any motorized snow vehicle or its trailers;
- any vehicle while being used in any speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity; or
- 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 at the site of the use or operation of such equipment.

- (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.

This Exclusion e) does not apply to "bodily injury" to an employee of the Insured on whose behalf contributions are made by or required to be made by the Insured under the provisions of any workers' compensation law.

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

This exclusion does not apply to:

a watercraft while ashore on premises the Named Insured owns or rents;

a watercraft the Named Insured does not own that is: 8 metres (26 feet) long or less; and not being used to carry persons or property for a charge.

"bodily injury" to an employee of the Insured on whose behalf contributions are made by or required to be made by the Insured under the provisions of any workers' compensation law.

- g) (i) "bodily injury" or "property damage" arising out of the ownership, maintenance, use, operation, loading or unloading, or entrustment to others, by or on behalf of any Insured of:

any aircraft; or

any air cushion vehicle.

"bodily injury" or "property damage" arising out of the ownership, existence, use, operation or entrustment to others by or on behalf of any Insured of any premises for the purpose of an airport or aircraft landing area and all operations necessary or incidental thereto.

- h) "property damage" to:

(i) property owned or occupied by or rented to the Insured;

(ii) premises the Insured sells, gives away or abandons, if the "property damage" arises out of any part of those premises;

(iii) property loaned to the Insured;

(iv) personal property in the care, custody or control of the Insured;

(v) that particular part of real property on which the Insured or any contractor or subcontractor working directly or indirectly on the Insured's behalf is performing operations, if the "property damage" arises out of those operations; or

(vi) that particular part of any property that must be restored, repaired or replaced because "the Named Insured's work" was incorrectly performed on it.

Paragraph (ii) of this exclusion does not apply if the premises are "the Named Insured's work" and were never occupied, rented or held for rental by the Insured. Paragraphs (iii), (iv), (v) and (vi) 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".

- i) "property damage" to "the Named Insured's product" arising out of such products or any part of such products.

- j) "property damage" to "the Named Insured's work" arising out of such work or any part of such work and included in the "products-completed operations hazard". This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on the Insured's behalf by a subcontractor.

- k) "property damage" to "impaired property" or property that has not been physically injured, arising out of:

(i) a defect, deficiency, inadequacy or dangerous condition in "the Named Insured's product" or "the Named Insured's work"; or

(ii) a delay or failure by the Insured or anyone acting on the Insured's behalf to perform a contract or agreement in accordance with its terms.

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

- l) any loss, cost or expense incurred by the Insured or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

(i) "the Named Insured's product";

(ii) "the Named Insured's 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 organization because

of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

- m) "property damage" arising out of:
 - (i) the use of explosives for blasting;
 - (ii) vibration from pile driving or caisson work; or
 - (iii) the removal or weakening of support of any property, building or land whether such support be natural or otherwise.

This exclusion does not apply:

- (i) to "property damage" arising out of work performed on behalf of the Named Insured by any contractor or subcontractor;
 - (ii) to "property damage" included within the "products-completed operations hazards"; or
 - (iii) to "property damage" for which liability is assumed by the Insured under an "insured contract".
- n) liability for:
 - (i) erasure, destruction, corruption, misappropriation, misinterpretation of "data", or
 - (ii) erroneously creating, amending, entering, deleting or using "data", and any loss of use arising therefrom.
 - o) Pollution Liability - See COMMON EXCLUSIONS.
 - p) Nuclear Liability - See COMMON EXCLUSIONS.
 - q) War Risks - See COMMON EXCLUSIONS.
 - r) Professional Liability - See COMMON EXCLUSIONS.
 - s) Silica Liability - See COMMON EXCLUSIONS.
 - t) Asbestos Liability - See COMMON EXCLUSIONS.
 - u) Fungi and Fungal Derivatives Liability - See COMMON EXCLUSIONS.
 - v) Lead Liability - See COMMON EXCLUSIONS,
 - w) Terrorism - See COMMON EXCLUSIONS.

COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY

This insurance applies only when a PERSONAL AND ADVERTISING INJURY LIMIT is shown on the "Coverage Summary".

1. Insuring Agreement

- a) The Insurer will pay those sums that the Insured becomes legally obligated to pay as "compensatory damages" because of "personal and advertising injury" to which this insurance applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - Applicable to Coverages A., B. and D. The Insurer will have the right and duty to defend any "action" seeking those "compensatory damages". But:
 - (i) the amount the Insurer will pay for "compensatory damages" is limited as described in SECTION III - LIMITS OF INSURANCE;
 - (ii) the Insurer may investigate and settle any claim or "action" at the Insurer's discretion;
 - (iii) the Insurer's right and duty to defend end when the Insurer has used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A., B. or D. or medical expenses under Coverage C.
- b) This insurance applies to "personal and advertising injury" only if caused by an offence:
 - (i) committed in the "coverage territory" during the Policy Period; and
 - (ii) arising out of the conduct of the Named Insured's business.

2. Exclusions

This insurance does not apply to:

- a) Knowing Violation Of Rights Of Another
 "Personal and advertising injury" caused by or at the direction of the Insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".
- b) Material Published With Knowledge Of Falsity
 "Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the Insured with knowledge of its falsity.

- c) Material Published Prior To Policy Period
"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the Policy Period.
- d) Criminal Acts
"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the Insured.
- e) Contractual Liability
"Personal and advertising injury" for which the Insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for "compensatory damages" that the Insured would have in the absence of the contract or agreement.
- f) Breach of Contract
"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in the Named Insured's "advertisement".
- g) Quality or Performance of Goods - Failure To Conform To Statements
"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in the Named Insured's "advertisement".
- h) Wrong Description of Prices
"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in the Named Insured's "advertisement".
- i) Infringement Of Copyright, Patent, Trademark or Trade Secret
"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in the Named Insured's "advertisement", of copyright, trade dress or slogan.

- j) Insureds In Media and Internet Type Businesses
"Personal and advertising injury" committed by an Insured whose business is:
 - (i) Advertising, broadcasting, publishing or telecasting;
 - (ii) Designing or determining content of web-sites for others; or
 - (iii) An Internet search, access, content or service provider.

However, this exclusion does not apply to paragraph 12. a), b) and c.) of "personal and advertising injury" under the Definitions Section.

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

- k) 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.
- l) Unauthorized Use Of Another's Name or Product
"Personal and advertising injury" arising out of the unauthorized use of another's name or product in the Named Insured's e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.
- m) Professional Liability - See COMMON EXCLUSIONS,
- n) Pollution Liability - See COMMON EXCLUSIONS.
- o) Silica Liability - See COMMON EXCLUSIONS.
- p) Asbestos Liability - See COMMON EXCLUSIONS.
- q) Fungi and Fungal Derivatives Liability - See COMMON EXCLUSIONS.
- r) Lead Liability - See COMMON EXCLUSIONS
- s) Nuclear Liability - See COMMON EXCLUSIONS,

- t) War Risks - See COMMON EXCLUSIONS,
- u) Terrorism - See COMMON EXCLUSIONS.

COVERAGE C. MEDICAL PAYMENTS

This insurance applies only when a MEDICAL EXPENSE LIMIT is shown on the "Coverage Summary".

1. Insuring Agreement

- a) The Insurer will pay medical expenses as described below for "bodily injury" caused by an accident:
 - (i) on premises the Named Insured owns or rents;
 - (ii) on ways next to premises the Named Insured owns or rents; or
 - (iii) because of the Named Insured's operations;

provided that:

- (i) the accident takes place in the "coverage territory" and during the Policy Period;
- (ii) the expenses are incurred and reported to the Insurer within one (1) year of the date of the accident; and
- (iii) the injured person submits to examination, at the Insurer's expense, by physicians of the Insurer's choice as often as the Insurer reasonably requires.

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

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

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

COVERAGE D. TENANTS' LEGAL LIABILITY

This insurance applies only when a TENANT'S LEGAL LIABILITY LIMIT is shown on the "Coverage Summary".

1. Insuring Agreement

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

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

2. Exclusions

This insurance does not apply to:

- a) "property damage" expected or intended from the standpoint of the Insured.
- b) "property damage" for which the Insured is obligated to pay "compensatory damages" by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for "compensatory damages" that the Insured would have in the absence of the contract or agreement.
- c) "property damage" for wear and tear, gradual deterioration, normal upkeep, latent defect, or inherent vice.
- d) "property damage" for the cost of making good
 - (i) faulty or improper material;
 - (ii) faulty or improper workmanship;
 - (iii) faulty or improper design;
 provided, however, to the extent otherwise insured and not otherwise excluded under this form, resultant "property damage" to the property is insured.
- e) liability for:
 - (i) erasure, destruction, corruption, misappropriation, misinterpretation of "data", or
 - (ii) erroneously creating, amending, entering, deleting or using "data", and any loss of use arising therefrom.
- f) Pollution Liability - See COMMON EXCLUSIONS.
- g) Nuclear Energy Liability - See COMMON EXCLUSIONS,
- h) War Risks - See COMMON EXCLUSIONS.
- i) Professional Liability - See COMMON EXCLUSIONS,
- j) Silica Liability - See COMMON EXCLUSIONS,
- k) Asbestos Liability - See COMMON EXCLUSIONS.
- l) Fungi and Fungal Derivatives Liability — See COMMON EXCLUSIONS.
- m) Lead Liability - See COMMON EXCLUSIONS,
- n) Terrorism - See COMMON EXCLUSIONS.

COMMON EXCLUSIONS

Applicable to Coverages A., B., C. and D.

This insurance does not apply to:

1. Professional Liability

- a) "Bodily injury" (other than Incidental Medical Malpractice Injury) or "property damage" or "personal and advertising injury" due to the rendering of or failure to render by or on behalf of any "Insured" any professional service for others which shall include but not be limited to:
 - (i) Medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection therewith;
 - (ii) Any service or treatment conducive to health or of a professional nature;
 - (iii) The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
 - (iv) The handling of deceased human bodies or performing autopsies thereon;
 - (v) Any cosmetic, ear piercing, tonsorial, massage, physiotherapy, chiroprody, hearing aid, optical or optometrical service or treatments;
 - (vi) The preparation or approval of maps, drawings, plans, opinions, reports, surveys, change orders, designs or specifications;
 - (vii) Supervisory, inspection, architectural or engineering services; or
 - (viii) Accountants', lawyers', notaries' (Quebec), public notaries', real estate brokers' or agents', insurance brokers' or agents', travel agents', financial institutions', or consultants' professional advices or activities.
- b) Incidental Medical Malpractice injury means "bodily injury" arising out of the rendering of or failure to render, during the Policy Period, the following services:

- (i) medical, surgical, dental, x-ray or nursing services or treatment, or the furnishing of food or beverages in connection therewith;
 - (ii) the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
- by any Insured or any indemnitee causing the Incidental Medical Malpractice Injury who is not engaged in the business or occupation of providing any of the services described in (i) and (ii) above.

2. Pollution Liability

- a) "Bodily injury" or "property damage" or "personal and advertising injury" arising out of the actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":
 - (i) at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any Insured;
 - (ii) at or from any premises, site or location which is or was at any time used by or for any Insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (iii) which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any Insured or any person or organization for whom the Insured may be legally responsible; or
 - (iv) at or from any premises, site or location on which any Insured or any contractors or sub-contractors working directly or indirectly on any Insured's behalf are performing operations:
 - (a) if the "pollutants" are brought on to the premises, site or location in connection with such operations by such Insured, contractor or sub-contractor; or
 - (b) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify, decontaminate, stabilize, remediate or neutralize, or in any way respond to or assess the effect of "pollutants"; or
 - (v) any "bodily injury" or "property damage" or "personal and advertising injury" arising from pollution incidents commencing and known to any "Insured" prior to the Policy Period shown on the "Coverage Summary".

Sub-paragraphs (i) and (iv)(a) of paragraph 2.a) of this exclusion do not apply to "bodily injury" or "property damage" caused by heat, smoke or fumes from, or fire extinguishing substances used to fight a fire which becomes uncontrollable or breaks out from where it was intended to be.

- b) any loss, cost or expense arising out of any request, demand or order that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify, decontaminate, stabilize, remediate or neutralize or in any way respond to or assess the effect of "pollutants" unless such loss, cost or expense is consequent upon "bodily injury" or "property damage" covered by this insurance.

"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.

3. Silica Liability

- a) "Bodily injury", "property damage" or "personal and advertising injury" arising out of, resulting from, caused by, or contributed to by either silica and/or silica dust or silica and/or silica dust in combination with other particulate suspensions or dust(s);
- b) Any damages or any loss, cost or expense arising out of any (1) claim or suit by or on behalf of any governmental authority or any other alleged responsible party because of, or (2) request, demand, order or statutory or regulatory requirement that any insured or any other person or entity should be, or should be responsible for:
 - (i) Assessing the presence, absence or amount or effects of silica or silica dust;
 - (ii) Identifying, sampling or testing for, detecting, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, abating, disposing of or mitigating silica or silica dust; or
 - (iii) Responding to silica or silica dust in any way other than as described in b)(i) and (ii) above;
- c) Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with any of the subsections above; or
- d) Any obligation to share damages with or repay someone else who must pay damages as described in any of the subsections above.

This exclusion does not apply to "bodily injury" resulting from:

- a) The ingestion of goods intended for human consumption; or sudden asphyxiation caused by the collapse of any storage pile or container.

4. Asbestos Liability

Any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses, damage, cost or expense directly or indirectly caused by, resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity. This exclusion applies regardless of any other cause that contributes concurrently or in any sequence to

the loss, damage, cost or expense.

5. Fungi and Fungal Derivatives Liability

- a) Any cost, loss or expense incurred by others, arising directly or indirectly, from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any "fungi" or "spores" however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of "fungi" or "spores"; or
- b) any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with a) above; or
- c) any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in a) or b) above.

This exclusion applies regardless of the cause of the loss or damage, other causes of the injury, damage, expense or costs or whether other causes acted concurrently or in any sequence to produce the injury, damage, expenses or costs.

This exclusion shall not apply to any cost, loss or expense incurred by others, in any way relating to, or arising directly or indirectly from, "Fungi" that are, or are contained in, the "Named Insured's product" or "Spores" derived therefrom, if such product was intended to be a Food. As used herein, Food means any article manufactured, sold or represented for use as food or drink for human beings, chewing gum, and any ingredient that may be mixed with food for any purpose whatever.

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

"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.

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

6. Lead Liability

- a) "Bodily injury", "property damage" or "personal and advertising injury" arising or caused by the actual or alleged:
 - (i) exposure to or existence of lead, paint containing lead, or any other material or substance containing lead; or
 - (ii) manufacture, distribution, sale, resale, rebranding, installation, repair, removal, encapsulation, abatement, replacement or handling of lead, paint containing lead or any other material or substance containing lead.

Whether or not the lead is or was at any time airborne as a particle contained in a product ingested, inhaled, transmitted in any fashion, or found in any form whatsoever;
- b) Any legal obligation of any insured for indemnification or contribution due to damages arising out of "bodily injury", "property damage" or "personal and advertising injury" caused by lead, paint containing lead, or any other material or substance containing lead;
- c) Any loss, cost, expense or damages, whether direct or consequential, arising out of any:
 - (i) request, demand or order that any insured or others test for, monitor, clean up, remove, abate, contain, treat, or neutralized lead, paint containing lead, or any other material or substance containing lead, or in any way respond to, or assess the effects of lead; or
 - (ii) claim or suit relating to, testing for, monitoring, cleaning up, removing, abating, containing, treating, or neutralizing lead, paint containing lead, or any other material or substance containing lead or in any way responding to or assessing the effects of lead.

7. Nuclear Energy Liability

- a) Liability imposed by or arising from any Nuclear Liability Act, law or statute, or any law amendatory thereof;
- b) "bodily injury" or "property damage" with respect to which an Insured under this Form is also insured under a contract of nuclear energy liability insurance (whether the Insured is unnamed in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an Insured under any such policy but for its termination upon exhaustion of its limit of liability;
- c) "bodily injury" or "property damage" resulting directly or indirectly from the nuclear energy hazard arising from:
 - (i) the ownership, maintenance, operation or use of a nuclear facility by or on behalf of an Insured;
 - (ii) the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction,

- maintenance, operation or use of any nuclear facility;
- (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.

As used in this Form:

- 1) the term "nuclear energy hazard" means the radioactive, toxic, explosive, or other hazardous properties of radioactive material;
- 2) the term "radioactive material" means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances which may be designated by 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;
- 3) the term "nuclear facility" means
 - (a) any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
 - (b) any equipment or device designed or used for
 - (i) separating the isotopes of plutonium, thorium, uranium or any one or more 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.

- 4) the term "fissionable substance" means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.

8. War Risks

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

9. Terrorism

"Bodily injury" "property damage" or "personal and advertising injury" arising directly or indirectly, in whole or in part, out of "terrorism" or out of any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism". This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

SUPPLEMENTARY PAYMENTS

Applicable to Coverages A., B. and D.

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

- a) all expenses the Insurer incurs.
- b) the cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. The Insurer does not have to furnish these bonds.
- c) all reasonable expenses incurred by the Insured at the Insurer's request to assist the Insurer in the investigation or defence of the claim or "action", including actual loss of earnings up to one hundred dollars (\$ 1 00) a day because of time off from work.
- d) all costs taxed against the Insured in the "action" and any interest accruing after entry of judgment upon that part of the judgment which is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

SECTION II - WHO IS AN INSURED

1. If the Named Insured is shown on the "Coverage Summary" as:
 - a) an individual, the Named Insured and the Named Insured's spouse are insureds, but only with respect to the conduct of a business of which the Named Insured is the sole owner.
 - b) a partnership or joint venture, the Named Insured is an Insured. The Named Insured's members, the Named Insured's volunteers, the Named Insured's partners, and their spouses are also insureds, but only with respect to the conduct of the Named Insured's business.
 - c) an organization other than a partnership or joint venture, the Named Insured is an Insured. The Named Insured's executive

officers and directors are Insureds, but only with respect to their duties as the Named Insured's officers or directors. The Named Insured's stockholders are also insureds, but only with respect to their liability as stockholders.

2. Each of the following is also an Insured:
 - a) The Named Insured's employees and or any person or organization under your management control and for which you are responsible for arranging insurance, but only with respect to your premises, your operations, your work or your products other than the Named Insured's executive officers, but only for acts within the scope of their employment by the Named Insured. However, none of these employees is an Insured for:
 - (i) "bodily injury" or "personal and advertising injury" to the Named Insured or to a co-employee while in the course of his or her employment; or
 - (ii) "bodily injury" or "personal and advertising injury" to any person who at the time of injury is entitled to benefits under any workers' compensation or disability benefits law or similar law; or
 - (iii) "bodily injury" or "personal and advertising injury" arising out of his or her providing or failing to provide professional health care services; or
 - (iv) "property damage" to property owned, occupied or used by or rented or loaned to or in the care, custody or control of or over which physical control is being exercised for any purpose by that employee, any of the Named Insured's other employees, or any of the Named Insured's partners or members (if the Named Insured is a partnership or joint venture).
 - b) Any person (other than the Named Insured's employee) or any organization while acting as the Named Insured's real estate manager.
 - c) Any person or organization having proper temporary custody of the Named Insured's property if the Named Insured dies, but only:
 - (i) with respect to liability arising out of the maintenance or use of that property; and
 - (ii) until the Named Insured's legal representative has been appointed.
 - d) The Named Insured's legal representative if the Named Insured dies, but only with respect to duties as such. That representative will have all the Named Insured's rights and duties under this form.
3. Any organization the Named Insured newly acquires or forms, other than a partnership or joint venture, and over which the Named Insured maintains ownership or majority interest, will be deemed to be a Named Insured if there is no other similar insurance available to that organization. However:
 - a) coverage under this provision is afforded only until the ninetieth (90th) day after the Named Insured acquires or forms the organization or the end of the Policy Period, whichever is earlier;
 - b) Coverages A. and D. do not apply to "bodily injury" or "property damage" that occurred before the Named Insured acquired or formed the organization; and
 - c) Coverage B. does not apply to "personal and advertising injury" arising out of an offence committed before the Named Insured acquired or formed the organization.

No person or organization is an Insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured on the "Coverage Summary".

SECTION III - LIMITS OF INSURANCE

1. The limits of insurance shown on the "Coverage Summary" and the rules below fix the most the Insurer will pay regardless of the number of:
 - a) Insureds;
 - b) claims made or "actions" brought; or
 - c) persons or organizations making claims or bringing "actions".
2. The AGGREGATE LIMIT is the most the Insurer will pay under Coverage A. for the sum of all "compensatory damages" arising out of the "products-completed operations hazard".
3. Subject to 2. above, the EACH OCCURRENCE LIMIT is the most the Insurer will pay for the sum of:
 - a) "compensatory damages" under Coverage A. and Coverage D.; and
 - b) medical expenses under Coverage C.;

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

All "compensatory damages" arising out of one lot of goods or products prepared or acquired by the Named Insured, or by another trading under that name, shall be considered as arising out of one "occurrence" as regards to "bodily injury" and "property damage".

4. The PERSONAL AND ADVERTISING INJURY LIMIT is the most the Insurer will pay under Coverage B. for the sum of all "compensatory damages" because of all "personal and advertising injury" sustained.
5. Subject to 3 above, the MEDICAL EXPENSE LIMIT is the most the Insurer will pay under Coverage C. for all medical expenses because of "bodily injury" sustained by any one person.
6. Subject to 3 above, the TENANTS' LEGAL LIABILITY - LIMIT ANY ONE PREMISES is the most the Insurer will pay under Coverage D. for "compensatory damages" because of "property damage" to any one premises.

The limits of this Form apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the Policy Period shown in the "Coverage Summary", unless the Policy Period is extended after issuance for an additional period of less than twelve (12) months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the limits of insurance.

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy.
Bankruptcy or insolvency of the Insured or of the Insured's estate will not relieve the Insurer of the Insurer's obligations hereunder.
2. Canadian Currency Clause.
All limits of insurance, premiums and other amounts as expressed in this Form are in Canadian currency.
3. Termination.
 - a) This contract may be terminated:
 - (i) by the Insurer giving to the first Named Insured fifteen (15) days' notice of termination by registered mail or five (5) days' written notice of termination personally delivered for non-payment of premium; or ninety (90) day's notice of termination by mail for any other reason;
 - (ii) by the first Named Insured at any time on request.
 - b) Where this contract is terminated by the Insurer:
 - (i) the Insurer shall refund the excess of premium actually paid by the first Named Insured over the pro rata premium for the expired time, but in no event shall the pro rata premium for the expired time be deemed to be less than any minimum retained premium specified;
 - (ii) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
 - c) Where this contract is terminated by the first Named Insured, the Insurer shall refund, unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable, the excess of premium actually paid by the first Named 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.
 - d) The refund may be made by money, postal or express company money order or cheque payable at par.
 - e) The fifteen (15) days mentioned in subcondition (i) of Clause a) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

In Quebec, the following conditions apply:

This contract may be terminated at any time:

- (i) by mere written notice from each of the Named Insureds. Termination takes effect upon receipt of the notice and the Insured shall therefore be entitled to a refund of the excess of premium actually paid over the short-term rate for the expired time.
- (iii) by the Insurer giving written notice to each Named Insured. Termination for non-payment of premium takes effect fifteen (15) days following receipt of such notice by the Insured at his last known address (90 days notice of termination for any other reason delivered by mail) and the Insurer shall refund the excess of premium actually paid over the pro rata premium for the expired time. If the premium is subject to adjustment or determination as to amount, the refund shall be made as soon as practicable.

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

In this condition, the words "premium actually paid" mean the premium actually paid by the Insured to the Insurer or its

representative, but do not include any premium or part thereof paid to the Insurer by a representative unless actually paid to the representative by the Insured.

4. This policy contains all the agreements between the Named Insured and the Insurer concerning the insurance afforded. The first Named Insured shown on the "Coverage Summary" is authorized to make changes in the terms of this Form with the Insurer's consent. This Form's terms can be amended or waived only by endorsement or amendment issued by the Insurer and made a part of this policy.
5. Deductibles.
 - a) (i) The Insurer's obligation under Coverage A. to pay as "compensatory damages" because of "property damage" applies only to the amount of "compensatory damages" in excess of the deductible amount shown on the "Coverage Summary". The limit of insurance applicable to EACH OCCURRENCE LIMIT for liability under SECTION 1 -COVERAGE A. will be reduced by the amount of such deductible. The aggregate limit for such coverages shall not be reduced by the application of such deductible amount.
 - (ii) The deductible amount applies to all "compensatory damages" because of "property damage" sustained as the result of any one "occurrence".
 - b) (i) The Insurer's obligation under Coverage D. to pay as "compensatory damages" because of "property damage" applies only to the amount of "compensatory damages" in excess of the deductible amount shown on the "Coverage Summary". The limit of insurance applicable to any one premise for Tenants' Legal Liability will be reduced by the amount of such deductible. The aggregate limit for such coverage shall not be reduced by the application of such deductible amount,
 - (ii) The deductible amount applies to all "compensatory damages" because of "property damage" sustained as the result of any one "occurrence".
 - c) (i) The terms of insurance, including those with respect to:
 - (a) the Insurer's right and duty to defend any "action" seeking those damages; and
 - (b) the duties of an Insured in the event of an "occurrence", claim or "action" apply irrespective of the application of the deductible amount.
 - (ii) The Insurer may pay any part or all of the deductible amount to effect settlement of any claim or "action" and, upon notification of the action taken, the first Named Insured shall promptly reimburse the Insurer for such part of the deductible amount as has been paid by the Insurer.
6. Duties in the Event of "Occurrence", Claim or "Action".
 - a) The Named Insured must see to it that the Insurer is notified promptly of an "occurrence" which may result in a claim. Notice should include:
 - (i) How, when and where the "occurrence" took place; and
 - (ii) The names and addresses of any injured persons and of witnesses.
 - b) If a claim is made or "action" is brought against any Insured, the Named Insured must see to it that the Insurer receives prompt written notice of the claim or "action".
 - c) The Named Insured and any other involved Insured must:
 - (i) Immediately send to the Insurer copies of any demands, notices, summonses or legal papers received in connection with the claim or "action";
 - (ii) Authorize the Insurer to obtain records and other information,
 - (iii) Cooperate with the Insurer in the investigation, settlement or defence of the claim or "action"; and
 - (iv) Assist the Insurer, upon the Insurer's request, in the enforcement of any right against any person or organization which may be liable to the Insured because of injury or damage to which this insurance may also apply.
 - d) No Insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without the Insurer's consent.
7. Examination of the Named Insured's Books and Records.
The Insurer may examine and audit the Named Insured's books and records as they relate to this Form at any time during the Policy Period and up to three (3) years afterward.
8. Inspections and Surveys.
The Insurer has the right but is not obligated to:
 - a) make inspections and surveys at any time;
 - b) give the Named Insured reports on the conditions the Insurer finds; and
 - c) recommend any changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. The Insurer does not make safety inspections. The Insurer does not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. Nor does the Insurer warrant that conditions:

- (i) are safe or healthful; or
- (ii) comply with laws, regulations, codes or standards.

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

9. Legal Action Against The Insurer.

No person or organization has a right under this Form:

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

A person or organization may sue the Insurer to recover on an agreed settlement or on a final judgment against an Insured obtained after an actual trial; but the Insurer will not be liable for "compensatory damages" that are not payable under the terms of this Form or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by the Insurer, the Insured and the claimant or the claimant's legal representative. Every "action" or proceeding against the Insurer shall be commenced within one (1) year next after the date of such judgment or agreed settlement and not afterwards.

If this Form is governed by the law of Quebec, every "action" or proceeding against the Insurer shall be commenced within three (3) years from the time the right of action arises.

10. Other Insurance.

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

- a) **Primary Insurance**
This insurance is primary except when b) below applies. If this insurance is primary, the Insurer's obligations are not affected unless any of the other insurance is also primary. Then, the Insurer will share with all that other insurance by the method described in c) below.
- b) **Excess Insurance.**
This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (i) that is Property Insurance such as, but not limited to, Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "the Named Insured's work" or for premises rented to the Named Insured; or
 - (ii) if the loss arises out of the maintenance or use of watercraft to the extent not subject to exclusion f) of Coverage A. (Section I).
 When this insurance is excess, the Insurer will have no duty under Coverage A., B. or D. to defend any claim or "action" that any other insurer has a duty to defend. If no other insurer defends, the Insurer will undertake to do so, but the Insurer will be entitled to all the Insured's rights against all those other insurers. When this insurance is excess over other insurance, the Insurer will pay only the Insurer's share of the amount of the loss, if any, that exceeds the sum of:
 - (i) the total amount that all such other insurance would pay for the loss in the absence of this Insurance; and
 - (ii) the total of all deductible and self-insured amounts under all that other insurance.

The Insurer will share the remaining loss, if any, with any other insurance that is not described in this excess insurance provision and was not bought specifically to apply in excess of the limits of insurance shown on the "Coverage Summary" of this Form.

- c) **Method of Sharing**
If all of the other insurance permits contribution by equal shares, the Insurer will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

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

11. Premium Audit

- a) The Insurer will compute all premiums for this policy in accordance with the Insurer's rules and rates.
- b) Premium shown on the "Coverage Summary" as advance premium is a deposit premium only. At the close of each audit period

the Insurer will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, the Insurer will return the excess to the first Named Insured subject to the retention of the minimum premium shown in the "Coverage Summary" of this Form.

- c) The first Named Insured must keep records of the information the Insurer needs for premium computation, and send the Insurer copies at such times as the Insurer may request.
- d) Where the premium computation in this Form is on a flat, non-adjustable basis, no Insured is entitled to a premium adjustment.

12. Premiums.

The first Named Insured shown on the "Coverage Summary":

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

13. Representations.

By accepting this policy, the Named Insured agrees:

- a) the statements shown in the "Coverage Summary" are accurate and complete;
- b) those statements are based upon representations the Named Insured made to the Insurer; and
- c) the Insurer has issued this Form in reliance upon the Named Insured's representations.

14. Separation of Insureds, Cross Liability

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

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

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

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

16. Transfer of the Named Insured's Rights and Duties Under this Form.

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

17. Dispute Resolution.

In the event that the Insurer and the Insured(s) cannot agree concerning either the coverage or the quantum afforded by this policy, it is agreed that the dispute shall be resolved in accordance with the dispute resolution process hereinafter described:

- a) Mediation with a mediator mutually agreed to by the parties to the dispute. If the parties fail to concur on the choice of the mediator, a court shall appoint a mediator on a motion by one of the parties.
- b) If settlement at mediation is not possible, the dispute will be referred to arbitration in accordance with the applicable arbitration legislation/regulations in the jurisdiction in which the Policy is issued. The decision of the arbitrator will be binding on all parties to the dispute with no right of appeal.
- c) Each party shall bear its own costs and expenses in connection with the dispute resolution process. The costs and expenses of mediation and arbitration shall be shared equally by the parties to the dispute.

By agreement in writing, the Insurer and the Insured(s) may waive compliance with this section or any part thereof for purposes of a specified dispute.

OWNERS OR CONTRACTORS PROTECTIVE LIABILITY COVERAGE RIDER

The Insurer agrees, subject to the statements contained in the declarations of the policy and the liability declarations (both of which are herein referred to as the declarations), the liability definitions and liability insurance conditions attached to the policy and such additional declarations exclusions, limitations, conditions and other terms of this rider, as follows:

INSURING AGREEMENTS

I. Coverage A- Bodily Injury Liability

To pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as compensatory damages because of bodily injury and arising out of;

(a) operations performed for the Named Insured by independent contractors:

(b) acts or omissions of the Named Insured or his employees in connection with the general supervision of the operations of independent contractors which are covered by this policy.

Coverage B- Property Damage Liability

To pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as compensatory damages because of property damage caused by accident and arising out of:

(a) operations performed for the Named Insured by independent contractors:

(b) acts or omissions of the Named Insured or his employees in connection with the general supervision of the operations of independent contractors which are covered by this policy.

II. Defence -Settlement- Supplementary Payments

As respects insurance afforded by this policy, the Insurer shall:

- (1) defend in the name and on behalf of the Insured and at the cost of the Insurer any civil action which may at any time be brought against the Insured on account of such bodily injury or property damage but the Insurer shall have the right to make such investigation, negotiation and settlement of any claim as may be deemed expedient by the Insurer;
- (2) pay all premiums on bonds to release attachments for an amount not in excess of the applicable limit of liability of this policy, all premiums on appeal bonds required in any such defended suit, but without any obligation to apply for or furnish such bonds;
- (3) pay all costs taxed against the Insured 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;
- (4) pay expenses incurred by the Insured for such immediate medical and surgical relief to others as shall be imperative at the time of accident;
- (5) pay reasonable expenses incurred by the Insured at the Insurer's request in assisting the Insurer in the investigation or defense of any claim or suit including actual loss of earnings not to exceed \$75, per day. The amounts so incurred except settlement of claims or suits are payable in addition to the applicable limits of liability.

III. Persons Insured

Each of the following is an Insured under this insurance to the extent set forth below;

- (1) if the Named Insured is designated in the declarations as an individual, the person so designated;
- (2) if the Named Insured is designated in the declarations as a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such;
- (3) if the Named Insured is designated in the declarations as other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such;
- (4) any person (other than an employee of the Named Insured) or organization while acting as real estate manager for the Named Insured.

This insurance does not apply to bodily injury or property damage arising out of the conduct of any partnership or joint venture of which the Insured is a partner or member and which is not designated in this policy as a Named Insured.

IV. Policy Territory

This insurance applies only to bodily injury and property damage which occurs within the policy territory.

EXCLUSIONS

This insurance does not apply to:

- (a) liability assumed by the Insured under any contract or agreement except an incidental contract, but this exclusion does not apply to a warranty that work performed by an independent contractor will be done in a workmanlike manner;
- (b) bodily injury or property damage arising out of the ownership, maintenance, use or operation by or on behalf of the Insured of any automobile;
- (c) bodily injury or property damage arising out of the ownership, maintenance, use, operation, loading or unloading by or on behalf of the Insured of any watercraft, but this exclusion does not apply to watercraft while ashore on premises owned by, rented to or controlled by the Named Insured;
- (d) (1) bodily injury or property damage arising out of the ownership, maintenance, use, operation, loading or unloading by or on behalf of the Insured of
 - (i) any aircraft, or
 - (ii) any air cushion vehicle;
- (e) (2) bodily injury or property damage arising out of the ownership, existence, use or operation by or on behalf of the Insured of any premises for the purpose of an airport or aircraft landing strip and all operations necessary or incidental there to; bodily injury to any employee of the Insured arising out of and in the course of his employment by the Insured, but this exclusion does not apply to liability assumed by the Insured under an incidental contract;
- (f) any obligation for which the Insured or his Insurer may be held liable under any workers' compensation law;
- (g) property damage to
 - (1) property owner or occupied by or rented to the Insured, or
 - (2) property used by the Insured, or
 - (3) property in the care, custody or control of the Insured or property as to which the Insured is for any purpose exercising physical control, or
 - (4) any personal property or any fixtures as the result of any work performed thereon, or
 - (5) work performed for the Insured by an independent contractor arising out of the work or any portion thereof;
- (h) bodily injury or property damage occurring after
 - (1) all work (other than service, maintenance or repairs) to be performed by or on behalf of the Named Insured at the site of the operations has been completed, or
 - (2) that portion of an independent contractor's work out of which the bodily injury or property damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project;
- (i) loss of use of tangible property which has not been physically injured or destroyed resulting from
 - (1) a delay in or lack of performance by or on behalf of the Named Insured of any contract or agreement, or
 - (2) the failure of the Named Insured's products or work performed by or on behalf of the Named Insured to meet the level of performance, quality, fitness or durability warranted or represented by the Named Insured;but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the Named Insured's products or work performed by or on behalf of the Named Insured after such products or works have been put to use by any person or organization other than an Insured;
- (j) bodily injury or property damage due to war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- (k) Nuclear Energy liability- see exclusion herein;
- (l) Environmental Liability- see exclusion herein.

LIMITS OF LIABILITY

Regardless of the number of Insureds under this policy persons or organizations who sustain bodily injury or property damage or claims made or suits brought on account of bodily injury or property damage, the Insurer's liability is limited as follows:

Limits of Liability

Coverage A: The limit of bodily injury liability stated in the schedule as applicable to "each person" is the limit of the Insurer's Liability for all compensatory damages, including compensatory damages for care and loss of services, arising out of bodily injury sustained by one person in any one occurrence; the limit of such liability stated in the schedule as applicable to "each occurrence" is, subject to the above provision respecting each person, the total limit of the Insurer's liability for all compensatory damages, including compensatory damages for care and loss of services, arising out of bodily injury sustained by two or more persons in any one occurrence;

Coverage B: The limit of property damage liability stated in the schedule as applicable to "each accident" is the total limit of the Insurer's liability for all compensatory damages arising out of property damage as the result of any one accident, or series of accidents arising out of one event;

Coverage C: The inclusive limit of liability stated in the schedule as applicable to "bodily injury each occurrence property damage each accident" is the total limit of the Insurer's liability under Coverages A or B or Coverages A and B combined compensatory damages, including compensatory damages for care and loss of services, arising out of bodily injury in any one for all occurrence or property damage as a result of any one accident or series of accidents arising out of one event.

For the purpose of determining the limit of the Insurer's liability, all bodily injury arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

ADDITIONAL DEFINITION

When used in reference to this insurance (including endorsements forming a part of this policy):

"work" includes materials, parts and equipment furnished in connection therewith.

DESCRIPTION OF TERM USED FOR PREMIUM BASIS

"Cost of work" means the total cost of all operations performed for the Named Insured during the policy period by independent contractors, including materials used or delivered for use by whomsoever supplied, except maintenance or ordinary alterations and repairs on premises owned or rented by the Named Insured.

ABUSE AND MOLESTATION EXCLUSION

Attached to and forming part of the Commercial General Liability Policy CGL1-1106 (the Policy).

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

1. alleged or actual abuse or molestation of any person by any Named Insured, additional Named Insured, volunteer, employee, contractor, consultant or any other person;
2. inability or failure of the Named Insured or additional Named Insured to properly supervise or to prohibit the activities of any volunteer, employee, contractor, consultant or any other person who is alleged to or actually has abused or molested another person;
3. the investigation or failure to investigate any alleged or actual abuse or molestation;
4. the reporting or failure to report any alleged or actual abuse or molestation to the proper authorities.

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

COVERAGE E: EMPLOYMENT PRACTICES LIABILITY ENDORSEMENT

Attached to and forming part of the Commercial General Liability Policy

Words and phrases in quotations have special meaning as defined in Section 4 Modified Definitions of this form.

1. Insuring Agreement:

- a) The Insurer will pay on behalf of the Insured the "ultimate net loss" which the Insured becomes legally obligated to pay by reason of liability. Such liability must arise out of "wrongful employment practices" in Canada during the Policy Period. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS. The Insurer will have the right and duty to defend any "action" seeking damages but:
 - (i) the amount the Insurer will pay for damages is limited to Fifty thousand dollars \$50,000, in the aggregate for the Policy Period;
 - (ii) the Insurer may investigate and settle any claim or "action" at its discretion;
 - (iii) the Insurer's right and duty to defend end when it has used up the applicable limit of insurance specified in 1 .a)(i) above; and
 - (iv) this obligation applies even if any of the allegations of the "action" are groundless, false or fraudulent.
- b) This coverage applies to "wrongful employment practices" only if:
 - (i) caused by an offence during the Policy Period; and
 - (ii) committed in the "coverage territory".
- c) All "wrongful employment practices" involving the same "employee", regardless of the number or type of incidents alleged, shall be deemed to have occurred on the date of the first alleged incident.

2. Exclusions:

This coverage does not apply to:

- a) any obligation for which an Insured or the insurer of an Insured may be held liable under a workers' compensation law, a disability benefits law, an unemployment benefits law or other similar laws or regulations;
- b) liability arising from any act committed by or at the direction of an Insured with the intent of contravening any law or any governmental or administrative order or regulation;
- c) liability arising from any federal or provincial occupational health and safety law or regulation;
- d) "wrongful employment practices" for which the Insured is obligated to pay damages because of the assumption of liability in a contract or agreement, but this exclusion does not apply to liability that the Insured would have in the absence of the contract or agreement
- e) liability arising from a lock-out, a strike, picketing, a walk-out, a boycott or similar actions resulting from labour disputes or labour negotiations;
- f) liability arising from
 - (i) the bankruptcy of the Insured or the Insured being placed into receivership, or
 - (ii) the closure of a business operation or location by the Insured, or
 - (iii) any re-organization of employees which results, within any sixty (60) day period, in the termination of the employment of twenty-five percent (25%) or more of the total workforce of the Insured;
- g) claims made or "actions" brought by persons who are non-residents of Canada and the continental United States of America;
- h) losses claimed by relatives of an "employee" or former "employee" or by members of the household of an "employee" or former "employee";
- i) fines or penalties imposed by law or regulation;
- j) non-monetary relief;
- k) any aggravated, exemplary or punitive damages, other than such damages for which the Insured is liable vicariously and not because of the fault of any Insured;

- l) Pollution Liability - See COMMON EXCLUSIONS;
- m) Nuclear Liability - See COMMON EXCLUSIONS;
- n) War Risks - See COMMON EXCLUSIONS;
- o) Professional Liability - See COMMON EXCLUSIONS;
- p) Silica Liability - See COMMON EXCLUSIONS;
- q) Asbestos Liability - See COMMON EXCLUSIONS;
- r) Fungi and Fungal Derivatives Liability - See COMMON EXCLUSIONS;
- s) Lead Liability - See COMMON EXCLUSIONS;
- t) Terrorism - See COMMON EXCLUSIONS.

3. Additional Conditions:

In addition to the conditions of the Policy to which this Rider is attached:

a) Duties Following A Complaint

The Named Insured shall promptly notify the Insurer of any administrative charge, allegation, complaint or demand concerning "wrongful employment practices" of an Insured received by its management or supervisory staff. Notice shall include:

- (i) the name of the person or organization alleging "wrongful employment practices",
- (ii) the name of the Insured accused of "wrongful employment practices",
- (iii) the name of any witness to the alleged "wrongful employment practices",
- (iv) the date and place of the alleged "wrongful employment practices", and
- (v) the date and place of receipt of the administrative charge, allegation, complaint or demand, and the name of the recipient.

b) If the limit of the Insurer's liability under this coverage is exhausted by payment of judgments or settlements before the end of the Policy Period:

- (i) the Insurer shall notify the first Named Insured of all outstanding claims under this coverage and co-operate in transferring the control of those claims to the first Named Insured;
- (ii) the Insurer shall take measures to continue the defence of outstanding claims and avoid a default judgment until the transfer of control has been completed to the first Named Insured;
- (iii) the Insured agrees that, by taking the measures described in the preceding sub-paragraph (ii), the Insurer does not waive or give up any of its rights;
- (iv) the first Named Insured shall promptly reimburse the Insurer for any expenses incurred by the Insurer during the transfer of control that exceed the limit of the Insurer's liability under this coverage.

The terms and conditions of Coverage E. apply only if more specific insurance is not provided by other parts of the Policy

4. Modified Definitions:

Whenever used in Coverage E.:

- a) "action" means a civil proceeding in which damages because of "wrongful employment practices" to which this insurance applies are alleged. "Action" includes an arbitration proceeding alleging such damages to which the Insured must submit or submits with the consent of the Insurer.
- b) "coverage territory" has the same meaning as in the Policy.
- c) "employee" means an individual whose labour or service is engaged and directed by the Insured, other than independent contractors.
- d) "ultimate net loss" means the amount paid or payable by the Insured in settlement or satisfaction of a claim or judgment, after making proper deduction for all recoveries and contribution from other sources.
 "Ultimate net loss" does not include
 - (i) the cost of employee benefits, or claims that would have been payable under such employee benefits;
 - (ii) contributions to pension plans, retirement savings plans or deferred profit-sharing plans, nor the incremental benefit that would have been payable had such contributions been made;
 - (iii) amounts relating to stock option plans;
 - (iv) the cost of modifying a work environment to provide accessibility to people with disabilities;
 - (v) severance pay or any payments required to be made by a written employment contract upon termination of employment.

- e) "wrongful employment practices" means:
 - (i) the contravention or violation in employment practices of any federal or provincial human rights law or regulation, other than a law or regulation concerning pay equity or employment equity, or
 - (ii) the termination of employment in a manner which is illegal or in breach of an agreement.

As used in this definition, employment practices mean:

- (a) the recruitment, hiring, orientation, training, evaluating, promoting, demoting, compensating and disciplining of an "employee";
- (b) the interviewing and evaluating of an applicant for employment;
- (c) career counselling for an "employee";
- (d) the allocation of work and the application of personnel policies and procedures to an "employee".

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

COVERAGE F: EMPLOYMENT BENEFITS ERRORS & OMISSIONS LIABILITY ENDORSEMENT

Attached to and forming part of the Commercial General Liability Policy

1. Insuring Agreement:

- a) The Insurer will pay those sums that the Insured becomes legally obligated to pay as “compensatory damages” because of any negligent act, error or omission in the “administration” of the “Named Insured's employee benefit program”. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS. The Insurer will have the right and duty to defend any “action” seeking those “compensatory damages”. But:
- (i) the amount the Insurer will pay for damages is limited to two hundred and fifty thousand dollars (\$250,000) in the aggregate for the Policy Period;
 - (ii) the Insurer may investigate and settle any claim or “action” at its discretion; and
 - (iii) the Insurer's right and duty to defend end when it has used up the applicable limit of insurance specified in 1 .a)(i) above.
- b) This coverage applies to negligent act, error or omission in “administration” only if:
- (i) committed in the “coverage territory”;
 - (ii) committed by an Insured or by a person or organization authorized to perform the “administration” of the “Named Insured's employee benefit program”; and
 - (iii) claim is made or “action” is brought against the Insured for the first time during the Policy Period.

2. Exclusions:

This coverage does not apply to claims or “actions” for:

- a) wrongful termination of employment or constructive termination of employment;
- b) demotion, discrimination, harassment or humiliation;
- c) dishonest, fraudulent, criminal or malicious acts;
- d) bodily injury” or “personal or advertising injury”;
- e) failure by any insurer to perform a contract or agreement;
- f) non-compliance with any law or regulation concerning workers' compensation, unemployment insurance, social insurance, federal or provincial pension plans, disability benefits and similar government-administered or government-mandated benefits;
- g) failure of an investment to perform as represented;
- h) advice given concerning participation or non-participation in investments and stock purchase plans;
- i) any offence under the Employees' Retirement Income Security Act;
- j) Pollution Liability - See COMMON EXCLUSIONS;
- k) Nuclear Liability - See COMMON EXCLUSIONS;
- l) War Risks - See COMMON EXCLUSIONS;
- m) Professional Liability - See COMMON EXCLUSIONS;
- n) Silica Liability - See COMMON EXCLUSIONS;
- o) Asbestos Liability - See COMMON EXCLUSIONS;
- p) Fungi and Fungal Derivatives Liability - See COMMON EXCLUSIONS;
- q) Lead Liability - See COMMON EXCLUSIONS;
- r) Terrorism - See COMMON EXCLUSIONS.

3. Additional Definitions:

Whenever used in Coverage F:

- a) "Administration" means, with respect to an employee benefit program:
 - (i) giving advice to employees;
 - (ii) interpreting the eligibility requirements, conditions, limitations and exclusions;
 - (iii) record keeping; and
 - (iv) enrolling, suspending or cancelling participation.

- b) "Named Insured's employee benefit programs" means:
 - (i) group life insurance and group health insurance;
 - (ii) pension plans;
 - (iii) profit sharing plans and employee stock subscription plans,
 - (iv) workers' compensation; and
 - (v) unemployment insurance, social security Insurance and disability benefits insurance; arranged for the benefit of its employees by or on behalf of the "Named Insured".

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

COMMERCIAL GENERAL LIABILITY POLICY CHANGE ENDORSEMENT (1)

Attached to and forming part of the Commercial General Liability Policy CGL1-1106 (the Policy)

Coverage Summary

The "Coverage Summary" as defined in the Policy means the certificate of insurance provided to the Named Insured by Partners Indemnity Insurance Brokers Ltd.

Policy Period

The word "Policy Period" wherever it appears in the Policy means the period of time starting at 12:01am local time on the Effective date and ending at 12:01am local time on the Expiry date specified on the Coverage Summary.

Limit of Insurance

Coverage A., B., C. and D. apply to all Insureds under each Policy certificate, up to the following Limits of Insurance:

AGGREGATE LIMIT: As specified for the General Legal Liability Amount of Insurance on the "Coverage Summary"

EACH OCCURRENCE LIMIT: Same as AGGREGATE LIMIT

PERSONAL AND ADVERTISING INJURY LIMIT: As specified for the General Legal Liability Amount of Insurance on the "Coverage Summary"

TENANT'S LEGAL LIABILITY LIMIT: As specified for the Tenants Legal Liability Amount of Insurance on the "Coverage Summary"

MEDICAL EXPENSE LIMIT: \$25,000

Premium Bases

The premium computation in the Policy is on a flat, non-adjustable basis.

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

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

WHEREAS AN APPLICATION HAS BEEN MADE BY THE APPLICANT (HEREINAFTER CALLED THE INSURED) TO THE INSURER FOR A CONTRACT OF AUTOMOBILE INSURANCE AND THE SAID APPLICATION FORMS PART OF THIS CONTRACT OF INSURANCE AND IS AS FOLLOWS:

APPLICATION

1. FULL NAME OF THE APPLICANT: _____ See Policy Declarations
- Postal Address: _____ See Policy Declarations
(including county or district)
- Applicant is: _____ See Policy Declarations
(individual, partnership, corporation, municipality or estate)

2. POLICY PERIOD: _____ See Policy Declarations to 12:01 am Local time at the application's address stated herein as to each of said dates.

3. The automobiles in respect of which insurance is to be provided are those not owned in whole or in part by, nor licensed in the name of the applicant, used in the applicant's business of:
_____ AS KNOWN TO THE INSURER

4. The applicant's partners, officers, employees and agents as of the date of this application are as follows: partners, officers and employees who regularly use automobiles not owned by the applicant in his business.
All other partners, officers and employees
All applicants' agents

Location	Class "A1" Private Passenger			Class "A2" Commercial			Class "B"			Class "C"		
	Number	Rate	Premium	Number	Rate	Premium	Number	Rate	Premium	Number	Rate	Premium
_____ AS KNOWN TO THE INSURER												

5. "Hired Automobiles" – the automobiles hired by the applicant are as follows:

Type of Automobile	Estimated Cost of Hire	Rates per \$100 of cost of hire	Advance premium
_____ COVERED, IF ANY, SUBJECT TO PREMIUM ADJUSTMENT			
_____ advance premium is subject to adjustment at the end of the policy period as provided in the policy			

6. "Automobiles operated under contract" on behalf of the applicant are as follows:

Type of Automobile and Description of Use	Estimated Contract Cost	Rates per \$100 of contract cost	Advance premium
_____ COVERED, IF ANY, SUBJECT TO PREMIUM ADJUSTMENT			
_____ advance premium is subject to adjustment at the end of the policy period as provided in the policy			

7. This application is made for insurance against the perils mentioned in this item and upon the terms and conditions of the insurer's corresponding standard policy form and for the following specified limit

INSURING AGREEMENTS	PERILS	LIMIT	COMBINED PREMIUMS
Section A Third Party Liability	Legal liability for bodily injury to or death of any person of damage to property of others not in the care, custody or control of the applicant.	\$ In accordance with policy limits	(Exclusive of interest and costs) for loss or damage resulting from bodily injury to or the death of one or more persons, and for loss or damage to property, regardless of the number of claims arising from any one accident. \$ Included
Endorsements	Minimum Retained Premium \$		

8. Has any insurer cancelled, declined or refused to renew or issue, automobile insurance to the applicant within three years preceding this application? If so, state the name of the insurer:
_____ AS KNOWN TO THE INSURER

9. State particulars of all accidents or claims arising out of the use or operation on his business of non-owned automobiles by the applicant within the three years preceding this application:

INJURY TO PERSONS	DAMAGE TO PROPERTY OF OTHERS
AS KNOWN TO THE INSURER	AS KNOWN TO THE INSURER

10. All the statements in this application are true and the applicant here by applies for a contract of automobile insurance to be based on the truth of the said statements.
11. Where, (a) an applicant for a contract gives false particulars of the described automobile to be insured to the prejudice of the insurer, or knowingly misrepresents or fails to disclose in the application any fact required to be stated therein; or (b) the insured contravenes a term of the contract or commits a fraud; or (c) the insured wilfully makes a false statement in respect of a claim under the contract, a claim by the insured is invalid and the right of the insured to recover indemnity is forfeited.

INSURING AGREEMENT

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

SECTION A - THIRD PARTY LIABILITY

The Insurer agrees to indemnify the Insured against the liability imposed by law upon the Insured for loss or damage arising from the use or operation of any automobile not owned in whole or in part by or licensed in the name of the Insured, and resulting from:
BODILY INJURY TO OR THE DEATH OF ANY PERSON OR DAMAGE TO PROPERTY OF OTHERS NOT IN THE CARE, CUSTODY OR CONTROL OF THE INSURED:

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

- a) for any liability which arises from the use or operation of any automobile while personally driven by the Insured if the Insured is an individual; or
- b) * for any liability imposed upon any person insured by this policy:
 - i) by any workmen's compensation law; or
 - ii) by any law for bodily injury to or the death of the Insured or any partner, officer or employee of the Insured while engaged in the business of the insured; or

- c) for any liability assumed by any person insured by this policy voluntarily under any contract or agreement; or
- d) for loss or damage to property carried in or upon an automobile personally driven by any person insured by this policy or to any property owned or rented by, or in the care, custody or control of any such person; or
- e) for any amount in excess of the limit stated in Item 7 of the application, and expenditures provided for in the Additional Agreements of this policy; subject always to the provisions of the section of the Insurance Act (Automobile Insurance Part) relating to the nuclear energy hazard.

*Not applicable in the Province of Ontario.

ADDITIONAL AGREEMENTS OF INSURER

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

- a) 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
- b) 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
- c) 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

- d) 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
- e) to be liable up to the minimum limit(s) prescribed for that province or territory of Canada in which the accident occurred, if that limit(s) is higher than the limit stated in section A of Item 7 of the application; and
- f) not to set up any defence to a claim that might not be set up if the policy were a motor vehicle liability policy issued in the province or territory of Canada in which the accident occurred.

AGREEMENTS OF INSURED

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

- a) by the acceptance of this policy, constitutes and appoints the Insurer his irrevocable attorney to appear and defend in any province or territory of Canada in which action is brought against the Insured arising out of the

use or operation of an automobile with respect to which insurance is provided hereunder;

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

GENERAL PROVISIONS AND DEFINITIONS

1. ADDITIONAL INSURED

The Insurer agrees to indemnify in the same manner and to the same extent as if named herein as the Insured, every partner, officer or employee of the Insured who, with the consent of the owner thereof, personally drives (a) in the business of the Insured stated in Item 3 of the application, any automobile not owned in whole or in part by or licensed in the name of (i) the Insured, or (ii) such additional Insured person, or (iii) any person or persons residing in the same dwelling premises as the Insured or such additional Insured person, or (b) any automobile hired or leased in the name of the Insured except an automobile owned in whole or in part or licensed in the name of such

additional insured person.

2. TERRITORY

This policy applies only to the use or operation of automobiles within Canada or the Continental 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

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.

4. AUTOMOBILES OPERATED UNDER CONTRACT DEFINED

The term "Automobiles Operated Under Contract" as used in this policy shall mean automobiles operated in the business of the Insured stated in Item 3 of the application where the complete supervision, direction and control of such automobiles remain with the owner thereof, but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

5. TWO OR MORE AUTOMOBILES

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

6. PREMIUM ADJUSTMENT

The Advance Premium stated in Item 5 of the application is computed on the estimated total "cost of hire" for the policy period. The words "cost of hire" as used herein mean the entire amount incurred for "Hired Automobiles" and drivers when such automobiles are hired

with drivers or the amount incurred for hired automobiles and the wages paid to drivers when such drivers are employees of the Insured.

The Advance Premium stated in Item 6 of the application is computed on the estimated total "contract cost" for the policy period. The words "contract cost" as used herein mean the entire amount paid by the Insured for "Automobiles Operated Under Contract" to the owners thereof.

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

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

The following Statutory Conditions are applicable to all provinces of Canada (other than Quebec), except that Statutory Condition 2 is amended in certain provinces as stated on page 5 of this form.

STATUTORY CONDITIONS

(YUKON TERRITORY, NORTHWEST TERRITORIES, ALBERTA, ONTARIO, NEW BRUNSWICK, NOVA SCOTIA, PRINCE EDWARD ISLAND AND NEWFOUNDLAND)

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

NOTE: All of the Statutory Conditions contain the above wording, however:

- a) in all of the provinces and territories using these standard, approved forms, only Statutory Conditions 1, 8 and 9 are made applicable to accident benefits insurance and uninsured motorist Insurance where it is provided by the contract;
- b) in the Northwest Territories, the definition of "insured person" must be read as containing in addition the words "and includes any person to whom benefits may be payable under the accident benefits set out in the Schedule to the Insurance Ordinance".

Material Change in Risk

- 1a) 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;
- b) without restricting the generality of the foregoing, the words "change in the risk material to the contract" include:
 - i) 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;
- c) any mortgage, lien or encumbrance affecting the automobile after the application for this contract;

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

NOTE: In Prince Edward Island Statutory Condition 1, sub-conditions b) and c) are identical with the above-quoted Statutory Condition relating to material change in risk.

Prohibited Use by Insured

- 2a) The Insured shall not drive or operate the automobile:
 - i) unless he is for the time being either authorized by law or qualified to drive or operate the automobile; or
 - ii) 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
 - iii) while he 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
 - iv) for any illicit or prohibited trade or transportation; or
 - v) in any race or speed test.

Prohibited Use by Others

- b) The Insured shall not permit, suffer, allow or connive at the use of the automobile:
 - i) by any person:
 - a) unless that person is for the time being either authorized by law or qualified to drive or operate the automobile; or

- b) 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
 - ii) 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 he is prohibited under order of any court from driving or operating an automobile; or
 - iii) for any illicit or prohibited trade or transportation; or
 - iv) in any race or speed test.

Requirements Where Loss or Damage to Persons or Property

3a) The Insured shall:

- i) 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;
- ii) 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
- iii) forward immediately to the Insurer every letter, document, advice or writ received by him from or on behalf of the claimant;

b) the Insured shall not:

- i) voluntarily assume any liability or settle any claim except at his own cost; or

interfere in any negotiations for settlement or in any legal proceeding;

- c) 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

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

- i) promptly give notice thereof in writing to the Insurer with the fullest information obtainable at the time;
- ii) at the expense of the Insurer, and as far as reasonably possible, protect the automobile from further loss or damage; and
- iii) 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 loss or damage, the interest of the Insured and of 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 wilful act or neglect, procurement, means or connivance of the Insured;

- b) any further loss or damage accruing to the automobile directly or indirectly from a failure to protect it as required under sub-condition a) of this condition is not recoverable under this contract;

- c) 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:

- i) without the written consent of the Insurer; or
- ii) until the Insurer has had a reasonable time to make the examination for which provision is made in Statutory Condition 5.

Examination of Insured

- d) 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

- e) 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

- f) 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 like 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

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

- g) In the event of disagreement as to the nature and extent of the repairs and replacements 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 (in Newfoundland, The Insurance Contracts Act) before there can be recovery under this contract, whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand thereof is made in writing and until after proof of loss has been delivered.

Inspection of Automobile

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

- 6a) 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 h) of Statutory Condition 4 within fifteen days after the award is rendered by the appraisers.

When Action May be Brought

- b) The Insured shall not bring an 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 judgement against the Insured after trial of the issue or by agreement between the parties with the written consent of the Insurer.

Limitation of Actions

- c) 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.

NOTE: In Yukon Territory, Northwest Territories and New Brunswick, the one year limitation period in sub-condition c) should read "two years".

In the case of Nova Scotia, Newfoundland and Prince Edward Island sub-condition c) reads as follows:

- c) "Every action or proceeding under this contract against the Insurer in respect of a claim for indemnification for liability of the Insured for loss or damage to property of another person or for personal injury to or death of another person shall be commenced within two years after the liability of the Insured is established by a court of competent jurisdiction and not afterwards. Every other action or proceeding against the Insurer under this contract in respect of loss or damage to the automobile shall be commenced within two years from the time the loss or damage was sustained 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 the contract in case of absence or inability of the Insured to give the notice or make the 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

- 8a) 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;
 - ii) by the Insured at any time on request;
- b) where this contract is terminated by the Insurer:
 - i) the Insurer shall refund the excess of premium actually paid by the Insured over the pro rata premium for the expired time, but in no event shall the pro rata premium for the expired time be deemed to be less than any minimum retained premium specified; and

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;

- c) where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified;
- d) the refund may be made by money, postal or express company money order or cheque payable at par;
- e) the fifteen days mentioned in clause i) of sub-condition a) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

NOTE: In the Northwest Territories, paragraph i) of sub-condition a) has the following words added: "and by notifying the registrar of motor vehicles as required by the Vehicles Ordinance".

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 or by registered mail addressed to him at his latest post office address as notified to the Insurer. In this condition, the expression "registered" means registered in or outside Canada.

NOTE: In the Northwest Territories, the reference is to territories and in the Yukon Territory the reference is to territory rather than province.

Statutory Condition 2 (applicable in the Provinces of Saskatchewan, British Columbia and Manitoba)

Prohibited Use by Insured

- 2a) The Insured shall not drive or operate the automobile:
 - i) 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; or
 - ii) unless he is for the time being either authorized by law or qualified to drive or operate the automobile; or
 - iii) while he 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 license or permit to drive an automobile may be issued to him; or
 - iv) for any illicit or prohibited trade or transportation; or
 - v) in any race or speed test.

Prohibited Use by Others

- b) The Insured shall not permit, suffer, allow or connive at the use of the automobile:
 - i) by any person 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; or
 - ii) by any person:
 - a) unless that person is for the time being either authorized by law or qualified to drive or operate the automobile; or
 - b) 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

iii) for any illicit or prohibited trade or transportation; or

iv) in any race or speed test.

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

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

Attached to and forming part of Policy Number _____

Named Insured: _____

Effective Date: _____

Signature of Named Insured

Date

S.E.F. NO. 94 – LEGAL LIABILITY FOR DAMAGE TO HIRED AUTOMOBILES ENDORSEMENT

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

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 HIRED AUTOMOBILES

The Insurer agrees to indemnify the Insured against the liability imposed by law upon the Insured or assumed by him under any contract or agreement for loss or damage arising from the care, custody or control of "Hired Automobiles" as defined in such policy and resulting from loss or damage thereto, caused solely by:

Subsection 1 - ALL PERILS - from all perils;

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

Subsection 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 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, revolution, 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 Continental United States of America for which the Insured is legally liable.

SUBSECTION	LIMITS AND AMOUNTS	TYPE OF AUTOMOBILE	ESTIMATED COST OF HIRE	RATE PER \$100	ADVANCE PREMIUM
1. All Perils	\$50,000 (exclusive of interests and costs) any one accident \$ 1,000 Amount of deductible	Private Passenger and Light Commercial up to one (1) ton GVW	\$ to be reported	T.B.D.	\$included
2. Collision or Upset	\$ (exclusive of interests and costs) any one accident \$ Amount of deductible		\$		\$
3. Comprehensive	\$ (exclusive of interests and costs) any one accident \$ Amount of deductible		\$		\$
4. Specified Perils	\$ (exclusive of interests and costs) any one accident \$ Amount of deductible		\$		\$
			Minimum Retained Premium \$Included		Total \$Included

The advance premiums for this endorsement are subject to adjustment in the same manner as those stated under Item 5 of the application.

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