

Commercial Insurance



COMMERCIAL INSURANCE

TABLE OF CONTENTS

CHAPTER I – PROPERTY

13009 – COMMERCIAL BUILDING, EQUIPMENT AND STOCK..... 1

1. INDEMNITY AGREEMENT	1
2. PROPERTY INSURED	1
3. DEDUCTIBLE	1
4. CO-INSURANCE	1
5. PERILS INSURED	1
6. EXCLUSIONS	2
7. EXTENSIONS OF COVERAGE	2
8. PREMIUM ADJUSTMENT	2
9. VALUATIONS	2
10. SPECIAL BASIS OF SETTLEMENT	2
11. DEFINITIONS	3

51236 – COMMERCIAL BUILDING, EQUIPMENT AND STOCK (BROAD FORM) 4

1. INDEMNITY AGREEMENT	4
2. PROPERTY INSURED	4
3. DEDUCTIBLE	4
4. CO-INSURANCE	4
5. PERILS INSURED	4
6. EXCLUSIONS	4
7. EXTENSIONS OF COVERAGE	6
8. PREMIUM ADJUSTMENT	6
9. VALUATIONS	6
10. SPECIAL BASIS OF SETTLEMENT	6
11. LOCKED VEHICLE WARRANTY	6
12. DEFINITIONS	6

BUSINESS INTERRUPTION INSURANCE 8

41001 – RENT OR RENTAL VALUE ENDORSEMENT FORM	8
41002 – MONTHLY EARNINGS ENDORSEMENT FORM	8
41003A – BUSINESS INCOME ENDORSEMENT FORM (GROSS EARNINGS) ORDINARY PAYROLL	9
41003B – BUSINESS INCOME ENDORSEMENT FORM (GROSS EARNINGS) ORDINARY PAYROLL EXCLUSION	9
41003C – EXTENDED BUSINESS INCOME ENDORSEMENT FORM (PROFIT) ..	10
41003D – EXTENDED BUSINESS INCOME ENDORSEMENT FORM (PROFIT) (ACTUAL LOSS SUSTAINED)	12
41004 – EXTRA EXPENSE ENDORSEMENT FORM	13

VARIOUS CLAUSES ENDORSEMENT 14

CHAPTER II – LIABILITY

33204 – OWNER’S LANDLORDS’ & TENANTS’ LIABILITY INSURANCE 16

DEFINITIONS	16
INSURING AGREEMENT	17
DEFENCE, SETTLEMENT, SUPPLEMENTARY PAYMENTS	17
COVERAGE TERRITORY	17
EXCLUSIONS	17
LIMITS OF LIABILITY	18

OPTIONAL LIABILITY COVERAGES 19

MEDICAL PAYMENTS COVERAGE RIDER	19
PRODUCTS AND COMPLETED OPERATIONS LIABILITY COVERAGE RIDER	19
OWNERS’ OR CONTRACTORS’ PROTECTIVE LIABILITY COVERAGE RIDER	20
TENANTS’ LEGAL LIABILITY COVERAGE RIDER	20

Q.P.F. No. 6 – QUEBEC AUTOMOBILE INSURANCE POLICY (Non-Owned Form) 22

2001-3 – PERSONAL LEGAL LIABILITY COVERAGES 26

DEFINITIONS	26
COVERAGES	26
LEGAL LIABILITY	26
VOLUNTARY MEDICAL PAYMENTS	27
VOLUNTARY PAYMENT FOR DAMAGE TO PROPERTY	27
SPECIAL LIMITATIONS	28
COMMON EXCLUSIONS	30
OTHER INSURANCE	30

VARIOUS LIABILITY CLAUSES 29

CHAPTER III – CRIME AND MISCELLANEOUS COVERAGES

INTERIOR, MESSENGER AND PAYMASTER ROBBERY RIDER	30
51002 – SAFE BURGLARY RIDER	32
51003 – DAMAGE TO BUILDINGS BY BURGLARY OR ROBBERY RIDER	32
61001 – GLASS INSURANCE FORM	33
61002 – SIGN FLOATER	33
61003 – MISCELLANEOUS PROPERTY FLOATER	34
61005 – EQUIPMENT BREAKDOWN FORM	35
61006 – SEWER BACK-UP	37

CHAPTER IV – GENERAL CONDITIONS / ADDITIONAL CONDITIONS AND GENERAL EXCLUSIONS

GENERAL CONDITIONS 38

ADDITIONAL CONDITIONS 41

PROPERTY INSURANCE	41
LIABILITY INSURANCE	41

GENERAL EXCLUSIONS 42

DATA PROBLEM EXCLUSION	42
TERRORISM EXCLUSION	42
FUNGI AND FUNGAL DERIVATIVES EXCLUSION	42
COMMUNICABLE DISEASE ENDORSEMENT - PROPERTY	43
CONTAGIOUS DISEASE EXCLUSION - LIABILITY	43
PYRITE OR PYRRHOTITE EXCLUSION	43
CYBER RISK EXCLUSION - PROPERTY	44
CYBER RISK EXCLUSION - LIABILITY	44

CHAPTER I – PROPERTY

This Policy is subject to the General Conditions, Additional Conditions and General Exclusions set forth in Chapter IV, where applicable.

13009 – COMMERCIAL BUILDING, EQUIPMENT AND STOCK

COMMERCIAL FIRE AND EXTENDED COVERAGE – NAMED PERILS

(This insurance is provided only if mentioned in the Declarations Page).

Words and phrases in quotations have special meaning as defined in Clause 11.

1. INDEMNITY AGREEMENT

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

- a) the actual cash value of the property at the time of loss or damage;
- b) the interest of the Insured in the property;
- c) the amount of insurance specified on the **Declarations Page** in respect of the property lost or damaged.

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

2. PROPERTY INSURED

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

"Building"

"Stock"

"Equipment"

"Contents"

"Property of every description"

The insurance applies only while at the location(s) specified on the **"Declarations Page"**.

3. 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 on the **"Declarations Page"** in any one occurrence.

4. CO-INSURANCE

This clause applies separately to each item for which a co-insurance percentage is specified on the **"Declarations Page"**.

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

This clause applies only where the total loss exceeds the lesser of 2% of the applicable amount of insurance or \$5,000.

5. PERILS INSURED

This Form insures against direct physical loss or damage caused by the following perils:

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 vehicle causing the loss;
 - iii) caused by any aircraft or spacecraft when being taxied or moved inside or outside building.
- D) RIOT, VANDALISM OR **"MALICIOUS ACTS"** (except if excluded on the **"Declarations Page"**): 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 5. B);
 - iii) due to theft of 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"**.
- 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.

6. EXCLUSIONS

(The following exclusions are additional to those contained in Clause 5)
This Form does not insure:

- a) loss or damage to electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing, unless fire or explosion ensues and then only for such ensuing loss or damage;
- b) loss or damage to goods occasioned by or happening through their undergoing any process involving the application of heat;
- c) 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;
- d) loss or damage caused directly or indirectly:
 - 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;
- e) money, bullion, platinum and other precious metals and alloys, securities, stamps, tickets and tokens, evidence of debt or title;
- f) automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property, but this exclusion shall not apply to watercraft, amphibious or air cushion vehicles held for sale, unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the “premises” of the Insured;
- g) property at locations which to the knowledge of the Insured, are vacant, unoccupied or shut down for more than 30 consecutive days;
- h) loss directly or indirectly, proximately or remotely, arising in consequence of or contributed to by the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of “buildings” or structures, which by-law, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss;
- i) loss or damage caused directly or indirectly by the following perils:
 - DATA,
 - TERRORISM,
 - FUNGI and FUNGAL DERIVATIVES,
 - COMMUNICABLE DISEASE,
 - CYBER RISK

as set forth in Chapter IV – General Exclusions.

7. EXTENSIONS OF COVERAGE

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

- a) REMOVAL: If any of the insured property is necessarily removed from the location(s) specified herein to prevent loss or damage or further loss or damage thereto, that part of the insurance under this Form that exceeds the amount of the Insurer’s liability for any loss already incurred shall, for 7 days only, or for the unexpired term of the Policy if less than 7 days, insure the property removed and any property remaining in the location(s) specified herein in the proportions which the value of the property in each of the respective location(s) bears to the value of the property in them all.
- b) 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 Form.
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 Form but which has been blown by windstorm upon a location specified on the “Declarations Page”.

Extensions of coverage b) i) and b) 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”.

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

- c) PERSONAL PROPERTY OF OFFICERS AND EMPLOYEES: At the option of the Insured, “equipment” also includes personal property of officers and employees of the Insured. The insurance on such property:
 - i) shall not attach if it is insured by the owner unless the Insured is obliged to insure it or is liable for its loss or damage;
 - ii) is, in any event, limited to a maximum recovery of \$250 in respect of any one officer or employee;
- d) GROWING PLANTS, TREES, SHRUBS OR FLOWERS IN THE OPEN: This Form is extended to cover loss or damage to growing plants, trees, shrubs or flowers in the open caused directly by the perils insured other than loss or damage by the perils of windstorm or hail as stated in Clause 5. G) hereof. This extension of coverage shall be limited to a maximum recovery of \$500 for each growing plant, tree, shrub or flower in the open including debris removal expense;
- e) “PREMISES” EXTENSION: Property insured, with the exception of unlicensed automobiles and unlicensed trailers, at a location specifically described on the “Declarations Page”, is also insured while in or on vehicles within 100 metres (328 feet) of the “premises”.

8. PREMIUM ADJUSTMENT

This clause is applicable if a specific amount of insurance is shown on the “Declarations Page” for “stock”.

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

9. VALUATIONS

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

- a) on unsold “stock” — the actual cash value of the property at the time any loss occurs, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;
- b) on sold “stock” — the selling price after allowance for discounts;
- c) on property of others in the custody or control of the Insured for the purpose of performing work thereon — the amount for which the Insured is liable but in no event to exceed the actual cash value at the time and place of loss plus allowance for labour and materials expended to such time;
- d) on tenant’s improvements and records — as defined in paragraphs a) and b) of Clause 10.
- e) on all other property insured under this Form and for which no more specific conditions have been set out — the actual cash value at the time the loss or damage occurs but in no event to exceed what it would then cost to repair or replace with material of like kind and quality.

10. SPECIAL BASIS OF SETTLEMENT

a) Tenant’s improvements

The liability of the Insurer shall be determined as follows:

- i) if repaired or replaced with due diligence and dispatch, the amount actually and necessarily expended but in no event exceeding the actual cash value of the tenant’s improvements immediately prior to the time of destruction or damage;
- ii) if not repaired or replaced with due diligence and dispatch after such loss, that portion of the original cost of the damaged or destroyed tenant’s improvements which the unexpired term of the

lease at the time of loss bears to the period(s) from the date(s) such tenant's improvements were made to the expiration date of the lease.

b) Records

The liability of the insurer for loss or damage to:

- i) books of accounts, drawings, card index systems and other records, other than as described in ii) below, shall not exceed the cost of blank books, blank pages or other materials plus the cost of labour for actually transcribing or copying said records;
- ii) media, data storage devices, and programme devices for electronic and electro-mechanical data processing or for electronically controlled equipment, shall not exceed the cost of reproducing such media, data storage devices, and programme devices from duplicates or from originals of the previous generation of the media, but no liability is assumed hereunder for the cost of gathering or assembling information or data for such reproduction.

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

11. DEFINITIONS

Wherever used in this Form:

a) "Building" means:

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

- i) fixed structures pertaining to the building(s) and located on the premises;
 - ii) additions and extensions communicating and in contact with the building(s);
 - iii) permanent fittings and fixtures attached to and forming part of the building(s);
 - iv) materials, equipment and supplies on the premises for maintenance of, normal repairs and minor alterations to the building or for building services;
 - v) growing plants, trees, shrubs or flowers inside the building used for decorative purposes when the Insured is the owner of the building.
- b) "Clean up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of pollutants, including testing which is integral to the aforementioned processes.
- c) "Contents" means the equipment and the stock as defined hereinafter.
- d) "Declarations Page" means the Declarations Page applicable to this contract as well as schedules and miscellaneous annexes.
- e) "Equipment" means:
- i) generally all contents usual to the Insured's business including furniture, furnishings, fittings, fixtures, machinery, tools, utensils, signs, glass and appliances other than building or stock as herein defined;

ii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;

iii) tenant's improvements which are defined as building improvements, alterations and betterments made at the expense of the Insured and which are not otherwise insured, provided the Insured is not the owner of such building. If the Insured purchased the use interest in tenant's improvements made by a predecessor tenant, this Form applies as though such tenant's improvements had been made at the expense of the Insured.

f) "Fire protective equipment" includes tanks, watermains, hydrants, valves and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:

- i) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
- ii) any watermains or appurtenances located outside of the described premises and forming a part of the public water distribution system;
- iii) any pond or reservoir in which the water is impounded by a dam.

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

h) "Malicious acts" means all acts of a malicious nature except theft or attempt thereat.

i) "Pollutants" means any solid, liquid, gaseous or thermal irritant, or contaminants including odour, vapour, fumes, acids, alkalis, chemicals and waste.

j) "Premises" means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described on the "Declarations Page".

k) "Property of every description" means the building, the equipment and the stock defined herein.

l) "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.

m) "Strike" means open assemblies of strikers inside or outside the premises who have quitted work and of locked-out employees.

n) "Waste" includes materials to be recycled, reconditioned or reclaimed.

51236 – COMMERCIAL BUILDING, EQUIPMENT AND STOCK

BROAD FORM – MULTI-PERIL

(This insurance is provided only if mentioned in the Declarations Page).

Words and phrases in quotations have special meaning as defined in Clause 12.

1. INDEMNITY AGREEMENT

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

- the actual cash value of the property at the time of loss or damage;
- the interest of the Insured in the property;
- the amount of insurance specified on the **“Declarations Page”** in respect of the property lost or damaged.

Provided, however, that where the insurance applies to the property of more than one person or interest, the Insurer's total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the amount or amounts of insurance specified on the **“Declarations Page”**.

2. PROPERTY INSURED

- A. This Form insures the following property but only those items for which an amount of insurance is specified on the **“Declarations Page”**:

“Building”

“Stock”

“Equipment”

“Contents”

“Property of every description”

The insurance in this Clause 2. A. applies only while at the location(s) specified on the **“Declarations Page”**, and in or on vehicles within 100 metres (328 feet) of such location(s).

- B. This Form also insures **“equipment”** and **“stock”** but only those items for which an amount of insurance is specified on the **“Declarations Page”**:

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

NEWLY ACQUIRED LOCATION: **“equipment”** and **“stock”** at any acquired location that is owned, rented or controlled by the Insured in whole or in part or in or on vehicles within 100 metres of such location. This limit of insurance attaches at the time of the acquisition and extends for a period of 30 days or to the date of endorsement of this Form adding such location whichever first occurs.

PARCEL POST: **“equipment”** and **“stock”** in any one package in course of transit by parcel post.

OTHER TRANSIT: **“equipment”** and **“stock”**, in transit other than by parcel post.

SALES REPRESENTATIVE: **“equipment”** and **“stock”**, whether in transit or otherwise, in the custody of a sales representative of the Insured.

The insurance in Clause 2. B. applies only while the described property is within Canada and the continental United States of America (excluding Alaska).

3. 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 on the **“Declarations Page”** in any one occurrence.

4. CO-INSURANCE

This clause applies separately to each item for which a co-insurance percentage is specified on the **“Declarations Page”**.

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

This clause applies only where the total loss exceeds the lesser of 2% of the applicable amount of insurance or \$5,000.

5. PERILS INSURED

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

6. EXCLUSIONS

A. PROPERTY EXCLUDED

This Form does not insure loss or damage to:

- sewers, drains or watermains located beyond the outside bearing walls or foundations of the property insured, outside communication towers, antennae (including satellite receivers) and **“equipment”** attached thereto, streetclocks, exterior signs, exterior glass or vitrolite and lettering or ornamentation thereon, but this exclusion does not apply to loss or damage caused directly by **“named perils”**;
- property at locations which to the knowledge of the Insured, are vacant, unoccupied or shut down for more than 30 consecutive days;
- growing plants, trees, shrubs or flowers, all while in the open except as provided in the Extensions of Coverage Clause 7. e);
- animals, fish or birds, but this exclusion does not apply to loss or damage caused directly by **“named perils”** or from theft or attempt thereof;
- money, bullion, platinum and other precious metals and alloys, securities, stamps, tickets and tokens, evidence of debt or title;
- automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property, but this exclusion shall not apply to watercraft, amphibious or air cushion vehicles held for sale, unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the **“premises”** of the Insured;
- furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, precious and semi-precious stones, and pre-recorded video tapes but this exclusion does not apply to:
 - any loss or damage caused directly by **“named perils”**;
 - the first \$1,000 of any loss insured herein;
- 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;
- property on loan or on rental or sold by the Insured under conditional sale, instalment payment or other deferred payment plan, from the time of leaving the Insured's custody, but this exclusion does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at the risk of the Insured;
- property in the custody of a sales representative outside the **“premises”** of the Insured, unless an amount of insurance is shown on the **“Declarations Page”** pertaining to Sales Representative;
- property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority.

B. PERILS EXCLUDED

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

- to electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing, unless fire or explosion as described in Clause 12. n) ensues and then only for such ensuing loss or damage;
- i) to any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure;

- ii) to any boiler, including the piping and **“equipment”** connected thereto, which contains steam or water under steam pressure (except tanks having an internal diameter of 610 millimetres (24 inches) or less used for the storage of hot water for domestic use); caused directly or indirectly by explosion, rupture, bursting, cracking, burning out or bulging of such property while connected ready for use, but this exclusion does not apply to:
- 1) manually portable gas cylinders;
 - 2) explosion of natural, coal or manufactured gas;
 - 3) explosion of gas or unconsumed fuel within a furnace or within the gas passages therefrom to the atmosphere.
- c) To **“buildings”** by:
- i) snowslide, landslide, subsidence or other earth movement, except for ensuing loss or damage which results directly from fire, explosion, smoke or leakage from **“fire protective equipment”**, all as described in Clause 12. n);
 - ii) explosion (except with respect to explosion of natural, coal, or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire:
 - a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other **“equipment”** connected to said boilers and containing steam or water under steam pressure;
 - b) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 - c) other vessels and apparatus and pipes connected therewith while under pressure, or while in use or in operation provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure but this exclusion does not apply to loss or damage resulting from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimetres (24 inches) or less used for the heating and storage of hot water for domestic use;
 - d) moving or rotating machinery or parts thereof;
 - e) any vessels and apparatus and pipes connected therewith while undergoing pressure test but this exclusion does not apply to other property insured hereunder that has been damaged by such explosion;
 - f) gas turbines;
 - iii) settling, expansion, contraction, moving, shifting or cracking unless concurrently and directly caused by a peril not otherwise excluded in Clause 6. B. hereof;
- d) 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 12. n);
- e) by flood, including waves, tides, tidal waves, tsunamis or the rising of, the breaking out or the overflow of, any body of water, whether natural or man-made, but this exclusion does not apply to ensuing loss or damage which results directly from fire, explosion, smoke, leakage from **“fire protective equipment”**, all as described in Clause 12. n) or leakage from a watermain;
- (Exclusions d) and e) above do not apply to property in transit).
- f) i) by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings therein, foundations, basement floors, sidewalks, sidewalk lights, or by the backing up of sewers, sumps, septic tanks or drains, unless concurrently and directly caused by a peril not otherwise excluded in Clause 6. B. hereof;
 - ii) by the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings unless through an aperture concurrently and directly caused by a peril not otherwise excluded in Clause 6. B. hereof;
- g) by centrifugal force, mechanical or electrical breakdown or derangement in or on the **“premises”**, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire;
- h) by dampness or dryness of atmosphere, changes of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, contamination, pollution, change in colour or texture or finish, rust or corrosion, marring, scratching or crushing, but this exclusion does not apply to loss or damage caused directly by **“named perils”**, rupture of pipes or breakage of apparatus not excluded under paragraph (b) of Clause 6. B. hereof, theft or attempt thereat or accident to transporting conveyance. Damage to pipes caused by freezing is insured provided such pipes are not excluded in paragraph (b) of Clause 6. B. hereof;
- i) by smoke from agricultural smudging or industrial operations;
 - j) by rodents, insects or vermin, but this exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded in Clause 6. B. hereof;
 - k) by delay, loss of market, or loss of use or occupancy;
 - l) by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
 - m) 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.
 - n) by any dishonest or criminal act on the part of the Insured or any other party of interest, employees or agents of the Insured, or any person to whom the property may be entrusted (bailees for hire excepted), but this exclusion does not apply to physical damage, caused directly by employees of the Insured, which results from a peril otherwise insured and not otherwise excluded under this Form;
 - o) to **“equipment”** or **“stock”** while actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting or servicing of **“equipment”** or **“stock”**, unless fire or explosion as described in Clause 12. n) ensues and then only for such ensuing loss or damage;
- Nor does this form insure:
- p) loss or damage caused directly or indirectly, proximately or remotely, arising in consequence of or contributed to by the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of **“buildings”** or structures, which by-law, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss;
 - q) wear and tear, gradual deterioration, latent defect, inherent vice, or the cost of making good faulty or improper material, faulty or improper workmanship, faulty or improper design, provided, however, to the extent otherwise insured and not otherwise excluded under this Form, resultant damage to the property is insured;
 - r) mysterious disappearance;
 - s) shortage of **“equipment”** or **“stock”** disclosed on taking inventory;
 - t) disturbance or erasure of electronic recordings by electric or magnetic injury except by lightning;
 - u) loss or damage caused directly or indirectly by the following perils:
 - DATA,
 - TERRORISM,
 - FUNGI and FUNGAL DERIVATIVES,
 - COMMUNICABLE DISEASE,
 - CYBER RISK
 as set forth in Chapter IV – General Exclusions.
- C. POLLUTION EXCLUDED
- 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”**.

7. EXTENSIONS OF COVERAGE

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

- a) **REMOVAL:** If any of the insured property is necessarily removed from the location(s) specified herein to prevent loss or damage or further loss or damage thereto, that part of the insurance under this Form that exceeds the amount of the Insurer’s liability for any loss already incurred shall, for 7 days only, or for the unexpired term of the Policy if less than 7 days, insure the property removed and any property remaining in the location(s) specified herein in the proportions which the value of the property in each of the respective location(s) bears to the value of the property in them all.
- b) 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 Form.
- 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 Form but which has been blown by windstorm upon a location specified on the **“Declarations Page”**.

Extensions of coverage b) i) and b) 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”**.

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

- c) **PERSONAL PROPERTY OF OFFICERS AND EMPLOYEES:** At the option of the Insured, **“equipment”** also includes personal property of officers and employees of the Insured. The insurance on such property:
- i) shall not attach if it is insured by the owner unless the Insured is obliged to insure it or is liable for its loss or damage;
 - ii) is, in any event, limited to a maximum recovery of \$250 in respect of any one officer or employee;
 - iii) shall apply only to loss or damage occurring at a location specifically described on the **“Declarations Page”** or included in Newly Acquired Location.
- d) **“Building” Damage by Theft:** This Form is extended to insure damage (except by fire) to that part of a **“building”** occupied by the Insured directly resulting from theft or any attempt thereat and from vandalism or **“malicious acts”** committed on the same occasion, provided the Insured is the owner of such **“building”** or is liable for such damage and the **“building”** is not otherwise insured hereunder. This extension of cover shall be limited to a maximum recovery of \$2,500 in respect of any one loss. Glass and lettering or ornamentation thereon is excluded from this extension.
- e) **GROWING PLANTS, TREES, SHRUBS OR FLOWERS IN THE OPEN:** This Form is extended to cover loss or damage to growing plants, trees, shrubs or flowers in the open caused directly by the perils insured other than loss or damage by the perils of windstorm or hail as stated in Clause 12. n) hereof. This extension of coverage shall be limited to a maximum recovery of \$500 for each growing plant, tree, shrub or flower in the open including debris removal expense.

8. PREMIUM ADJUSTMENT

This clause is applicable if a specific amount of insurance is shown on the **“Declarations Page”** for **“stock”**.

If within six months after the expiry or anniversary date of each period of insurance, the Insured shall file with the Insurer a Premium Adjustment Application Form showing, for the said period, the actual cash value of the **“stock”** insured on the last day of each month at each location as commented upon by the Insured’s Accountant, the actual premium for the said period shall then be calculated at the rate applying to each location for the average amount of the total values declared. If the premium paid by the

Insured for such **“stock”** exceeds the actual premium thus calculated, the Insurer shall refund to the Insured any excess paid, subject to a maximum refund of 50% of the premium paid. In the event of any monthly declared values being in excess of the amount of insurance, the amount of the excess shall not be included in the premium adjustment calculations.

9. VALUATIONS

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

- a) on unsold **“stock”** — the actual cash value of the property at the time any loss occurs, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;
- b) on sold **“stock”** — the selling price after allowance for discounts;
- c) on property of others in the custody or control of the Insured for the purpose of performing work thereon — the amount for which the Insured is liable but in no event to exceed the actual cash value at the time and place of loss plus allowance for labour and materials expended to such time;
- d) on tenant’s improvements and records — as defined in paragraphs a) and b) of Clause 10;
- e) on all other property insured under this Form and for which no more specific conditions have been set out — the actual cash value at the time the loss or damage occurs but in no event to exceed what it would then cost to repair or replace with material of like kind and quality.

10. SPECIAL BASIS OF SETTLEMENT

a) Tenant’s improvements

The liability of the Insurer shall be determined as follows:

- i) if repaired or replaced with due diligence and dispatch, the amount actually and necessarily expended but in no event exceeding the actual cash value of the tenant’s improvements immediately prior to the time of destruction or damage;
- ii) if not repaired or replaced with due diligence and dispatch after such loss, that portion of the original cost of the damaged or destroyed tenant’s improvements which the unexpired term of the lease at the time of loss bears to the period(s) from the date(s) such tenant’s improvements were made to the expiration date of the lease.

b) Records

The liability of the insurer for loss or damage to:

- i) books of accounts, drawings, card index systems and other records, other than as described in 2) below, shall not exceed the cost of blank books, blank pages or other materials plus the cost of labour for actually transcribing or copying said records;
- ii) media, data storage devices, and programme devices for electronic and electro-mechanical data processing or for electronically controlled **“equipment”**, shall not exceed the cost of reproducing such media, data storage devices, and programme devices from duplicates or from originals of the previous generation of the media, but no liability is assumed hereunder for the cost of gathering or assembling information or data for such reproduction.

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

11. 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.

12. DEFINITIONS

Wherever used in this Form:

- a) **“Building”** means:
the building(s) described on the **“Declarations Page”** and includes:

- i) fixed structures pertaining to the building(s) and located on the premises;
 - ii) additions and extensions communicating and in contact with the building(s);
 - iii) permanent fittings and fixtures attached to and forming part of the building(s);
 - iv) materials, equipment and supplies on the premises for maintenance of, normal repairs and minor alterations to the building or for building services;
 - v) growing plants, trees, shrubs or flowers inside the building used for decorative purposes when the Insured is the owner of the building.
- b) **“Clean up”** means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of **“pollutants”**, including testing which is integral to the aforementioned processes.
- c) **“Contents”** means the equipment and the stock as defined hereinafter.
- d) **“Declarations Page”** means the Declarations Page applicable to this contract as well as schedules and miscellaneous annexes.
- e) **“Equipment”** means:
- i) generally all contents usual to the Insured’s business including furniture, furnishings, fittings, fixtures, machinery, tools, utensils, signs, glass and appliances other than building or stock as herein defined;
 - ii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;
 - iii) tenant’s improvements which are defined as building improvements, alterations and betterments made at the expense of the Insured and which are not otherwise insured, provided the Insured is not the owner of such building. If the Insured purchased the use interest in tenant’s improvements made by a predecessor tenant, this Form applies as though such tenant’s improvements had been made at the expense of the Insured.
- f) **“Fire protective equipment”** includes tanks, watermains, hydrants, valves and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:
- i) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - ii) any watermains or appurtenances located outside of the described premises and forming a part of the public water distribution system;
 - iii) any pond or reservoir in which the water is impounded by a dam.
- g) **“Malicious acts”** means all acts of a malicious nature except theft or attempt thereat.
- h) **“Pollutants”** means any solid, liquid, gaseous or thermal irritant, or contaminants including odour, vapour, fumes, acids, alkalis, chemicals and waste.
- i) **“Premises”** means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described on the **“Declarations Page”**.
- j) **“Property of every description”** means the building, the equipment and the stock defined herein.
- k) **“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.
- l) **“Strike”** means open assemblies of strikers inside or outside the premises who have quitted work and of locked-out employees.
- m) **“Waste”** includes materials to be recycled, reconditioned or reclaimed.
- n) **“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 vehicle causing the loss;
 - iii) caused by any aircraft or spacecraft when being taxied or moved inside or outside building.
- D) **RIOT, VANDALISM OR “MALICIOUS ACTS”:** The term Riot includes open assemblies of strikers inside or outside the **“premises”** who have quitted work and of locked-out employees. There shall in no event be any liability 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 12. n) B);
 - iii) due to theft of attempt thereat.
- E) **SMOKE:** The term smoke means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability hereunder for any cumulative damage.
- F) **LEAKAGE FROM “FIRE PROTECTIVE EQUIPMENT”:** The term Leakage from **“Fire protective equipment”** means the leakage or discharge of water or other substance from within the **“equipment”** used for fire protection purposes for the **“premises”** described on the **“Declarations Page”** or for adjoining **“premises”** and loss or damage caused by the fall or breakage or freezing of such **“equipment”**.
- G) **WINDSTORM OR HAIL:** There shall in no event be any liability hereunder for loss or damage:
- i) to the interior of the **“buildings”** insured or their contents unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
 - ii) directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslide.

BUSINESS INTERRUPTION INSURANCE

This Policy is subject to the General Conditions, Additional Conditions and General Exclusions set forth in Chapter IV, where applicable.

41001 – RENT OR RENTAL VALUE ENDORSEMENT FORM

(This insurance is provided only if mentioned in the Declarations Page).

1. INDEMNITY AGREEMENT

This Form insures, up to the amount specified on the Declarations Page, the rent or rental value of the described building(s) and additions and extensions communicating and in contact therewith.

2. MEASURE OF RECOVERY

The measure of recovery in the event of loss hereunder shall be the reduction in “**gross rent and rental value**” directly resulting from being untenable solely and directly due to destruction or damage by the “**perils insured against**” to the described building(s), less charges and expenses which do not necessarily continue during the period the building(s) is so untenable, for not exceeding such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the building(s) described as has been destroyed or damaged, commencing with the date of such destruction or damage and limited to a period of 12 consecutive calendar months from the date of such destruction or damage, but not exceeding the actual loss sustained by the Insured resulting from the building(s) being untenable.

3. CO-INSURANCE

The Insured shall maintain insurance concurrent in form, range and wording with this insurance to the extent of at least the percentage stated in the Declarations Page of the annual “**gross rent and rental value**” herein defined of the described building(s) and that failing to do so, the Insured shall only be entitled to recover that portion of any loss that the amount of insurance in force at the time of loss bears to the amount of insurance required to be maintained by this clause.

4. INTERRUPTION BY CIVIL AUTHORITY

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

5. ADDITIONAL EXCLUSIONS

The following exclusions are additional to those contained elsewhere in this Policy and applicable to this insurance.

The Insurer shall not be liable for:

- a) any increase of loss directly or indirectly, proximately or remotely, resulting from, or contributed to by, the operation of any by-law, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures unless the liability is otherwise specifically assumed by endorsement hereon;

- b) any increase of loss caused by delays or loss of time due to the presence of strikers or other persons or to labour disturbances on or about the premises interfering with the rebuilding, repairing, or replacing the property damaged or destroyed or the resumption or continuation of business or free access to or control of the premises or due to the action of sympathetic strikers elsewhere;
- c) loss due to the suspension, lapse or cancellation of any lease or license, contract or order, which may affect the Insured’s “**gross rent and rental value**” after the period following any loss during which indemnity is payable.

Nor does this Form insure:

- d) loss caused directly or indirectly by the following perils:

- DATA,
- TERRORISM,
- FUNGI and FUNGAL DERIVATIVES,
- COMMUNICABLE DISEASE,
- CYBER RISK (PROPERTY AND LIABILITY)

as set forth in Chapter IV – General Exclusions.

6. WAIVER OF TERM OR CONDITION

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

7. DEFINITIONS

When used in reference to this insurance:

“**Gross rent and rental value**” is defined as the sum of:

- a) the actual total annual gross rent or rental value of the occupied portion(s) of the building(s),
- b) the estimated annual rental value of the unoccupied portion(s) of the building(s), and
- c) a fair rental value of the proportion(s), if any, of the building(s) occupied by the Insured.

“**Perils insured against**” means perils afforded elsewhere in this Policy and applicable to this insurance.

All other terms and conditions of this Policy remain unchanged.

41002 – MONTHLY EARNINGS ENDORSEMENT FORM

(This insurance is provided only if mentioned in the Declarations Page).

1. INDEMNITY AGREEMENT

This Form insures, up to the amount stated in the Declarations Page, against loss directly resulting from necessary interruption of business caused by destruction or damage by the “**perils insured against**”, to building(s), structure(s), machinery, equipment or stock on the described premises.

2. MEASURE OF RECOVERY

- a) This insurance is limited to loss of “**earnings**” sustained, less operating expenses which do not necessarily continue, commencing with the date of damage or destruction but not limited by the expiration of this insurance, as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace the damaged or destroyed property.

The Insurer shall not be liable in any 30 consecutive calendar days for more than 25% of the amount stated in the Declarations Page.

- b) In determining the loss hereunder due consideration shall be given to:

- i) the “**earnings**” of the business before the date of damage or destruction, and to the probable “**earnings**” thereafter, had no loss occurred;

- ii) the continuation of operating expenses, including payroll expenses to the extent necessary to resume operations with the same quality of service which existed immediately preceding the loss;

- iii) the reduction of loss which could be made possible by the Insured by resuming complete or partial operation of the described property, or by making use of other property.

3. EXPENSES TO REDUCE LOSS

This Form also insures such expenses as are necessarily incurred for the purpose of reducing loss under this Form (except expense incurred to extinguish a fire), but in no event shall the aggregate of such expenses exceed the amount by which the loss under this Form is thereby reduced.

4. MEDIA LIMITATION

With respect to loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including data thereon, by the “**perils insured against**”, the length of time for which the Insurer shall be liable hereunder shall not exceed;

- a) 30 consecutive calendar days, or
- b) the length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged or destroyed, whichever is the greater length of time.

5. INTERRUPTION BY CIVIL AUTHORITY

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

6. ADDITIONAL EXCLUSIONS

The following exclusions are additional to those contained elsewhere in this Policy and applicable to this insurance.

The Insurer shall not be liable for:

- a) any increase of loss directly or indirectly, proximately or remotely, resulting from, or contributed to by, the operation of any by-law, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures unless the liability is otherwise specifically assumed by endorsement hereon;
- b) any increase of loss caused by delays or loss of time due to the presence of strikers or other persons or to labour disturbances on or about the premises interfering with the rebuilding, repairing, or replacing the property damaged or destroyed or the resumption or continuation of

business or free access to or control of the premises or due to the action of sympathetic strikers elsewhere;

- c) loss due to fines or damages for breach of contract for late or non-completion of orders, or for any penalties of whatever nature;
- d) loss due to the suspension, lapse or cancellation of any lease or license, contract or order, which may affect the Insured’s “**earnings**” after the period following any loss during which indemnity is payable;
- e) any other consequential loss or remote loss.

Nor does this Form insure:

- f) loss caused directly or indirectly by the following perils:
 - DATA,
 - TERRORISM,
 - FUNGI and FUNGAL DERIVATIVES,
 - COMMUNICABLE DISEASE,
 - CYBER RISK (PROPERTY AND LIABILITY)as set forth in Chapter IV – General Exclusions.

7. WAIVER OF TERM OR CONDITION

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

8. DEFINITIONS

When used in reference to this insurance:

“**Earnings**” means the net profit plus payroll expense, taxes, interest, rents and all other operating expenses earned by the business.

“**Perils insured against**” means perils afforded elsewhere in this Policy and applicable to this insurance.

All other terms and conditions of this Policy remain unchanged.

41003A OR 41003B – BUSINESS INCOME ENDORSEMENT FORM (GROSS EARNINGS)

(This insurance is provided only if mentioned in the Declarations Page)

41003A – ORDINARY PAYROLL

This Form, if specified in the Declarations Page, insures “**ordinary payroll expense**” and the following Co-insurance clause applies:

The Insurer shall not be liable for a greater proportion of any loss than the amount of insurance specified in the Declarations Page bears to the amount produced by multiplying the “**gross earnings**” that would have been earned (had no loss occurred) during the 12 months immediately following the date of the damage to or destruction of the described property by the co-insurance percentage specified for this insurance on the Declarations Page.

41003B – ORDINARY PAYROLL EXCLUSION

If this Form is specified in the Declarations Page, then the Insurer shall not be liable for any “**ordinary payroll expense**” as hereinafter defined and the following Co-insurance clause applies:

The Insurer shall not be liable for a greater proportion of any loss than the amount of insurance specified in the Declarations Page bears to the amount produced by multiplying the “**gross earnings**” that would have been earned (had no loss occurred) during the 12 months immediately following the date of the damage to or destruction of the described property by the co-insurance percentage specified for this insurance on the Declarations Page, less the same percentage of “**ordinary payroll expense**” for that period.

1. INDEMNITY AGREEMENT

This Form insures, only when one of the above forms is mentioned on the Declarations Page and up to the amount stated in the Declarations Page, against loss directly resulting from necessary interruption of business caused by destruction or damage by the “**perils insured against**”, to building(s), structure(s), machinery, equipment or stock on the described premises.

2. MEASURE OF RECOVERY

The measure of recovery in the event of loss hereunder shall be the reduction in “**gross earnings**” directly resulting from such interruption of business less charges and expenses which do not necessarily continue during the interruption of business, for not exceeding such length of time as would be required with the exercise of due diligence and dispatch to

rebuild, repair or replace such part of the described property as has been destroyed or damaged, commencing with the date of such destruction or damage and not limited by the date of expiration of this Policy, but not exceeding the actual loss sustained by the Insured resulting from such interruption of business. Due consideration shall be given to the continuation of “**normal**” charges and expenses, including payroll, to the extent necessary to resume operations of the Insured with the same quality of service which existed immediately preceding the destruction or damage by the “**perils insured against**”.

3. PREMIUM ADJUSTMENT

If within 12 months after the expiration of this Policy the Insured shall file with the Insurer a premium adjustment Application Form showing:

- i) the total amount of insurance carried on “**gross earnings**”, less the limit of liability on “**ordinary payroll expense**” if Form 41003B Ordinary Payroll is in effect, during the annual term of this Policy and that such amount was not decreased during the said annual term; and
- ii) that 50% or 80% of “**gross earnings**”, as stated in the Declarations Page, less “**ordinary payroll expense**” if Form 41003B is in effect, certified by the Insured’s Auditors as earned during the Insured’s financial year most nearly concurrent with the annual term of the Policy was less than the total amount of insurance carried thereon.

In such case the Insurer will allow in respect of its pro rata proportion of the difference a return of premium not exceeding 50% (25% if the co-insurance requirement is less than 80%, where eligible) of the premium paid by the Insured under this Form in respect of such “**gross earnings**”.

In the event of loss originating within the term of this Policy, the premium for the full term of this insurance on the full amount paid or payable for such loss shall be regarded as earned and no return premium shall be allowed in respect thereof.

The Insurer reserves the right to inspect the Insured’s books, records and such policies as relate to this insurance for verification of any statement filed for the purpose of adjusting the premium of this insurance.

4. RESUMPTION OF OPERATIONS

It is a condition of this insurance that if the Insured could reduce the loss resulting from the interruption of business,

- a) by complete or partial resumption of operation of the property herein described, whether damaged or not, or
- b) by making use of merchandise or other property at the location(s) described herein or elsewhere,

such reduction shall be taken into account in arriving at the amount of loss hereunder.

5. EXPENSES TO REDUCE LOSS

This Form also insures such expenses as are necessarily incurred for the purpose of reducing loss under this Form (except expense incurred to extinguish a fire), but in no event shall the aggregate of such expenses exceed the amount by which the loss under this Form is thereby reduced. Such expenses shall not be subject to the application of the Co-insurance Clause.

6. MEDIA LIMITATION

With respect to loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including data thereon, by the peril(s) insured against, the length of time for which the Insurer shall be liable hereunder shall not exceed:

- a) 30 consecutive calendar days, or
- b) the length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged or destroyed,

whichever is the greater length of time.

7. INTERRUPTION BY CIVIL AUTHORITY

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

8. ADDITIONAL EXCLUSIONS

The following exclusions are additional to those contained elsewhere in this Policy and applicable to this insurance.

The Insurer shall not be liable for:

- a) any increase of loss directly or indirectly, proximately or remotely, resulting from, or contributed to by, the operation of any by-law, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, unless the liability is otherwise specifically assumed by endorsement hereon;
- b) any increase of loss caused by delays or loss of time due to the presence of strikers or other persons or to labour disturbances on or about the premises interfering with the rebuilding, repairing, or replacing the property damaged or destroyed or the resumption or continuation of business or free access to or control of the premises or due to the action of sympathetic strikers elsewhere;

- c) loss due to fines or damages for breach of contract, for late or non-completion of orders, or for any penalties of whatever nature;
- d) loss due to the suspension, lapse or cancellation of any lease or license, contract or order, which may affect the Insured's earnings after the period following any loss during which indemnity is payable;

Nor does this Form insure:

- e) loss caused directly or indirectly by the following perils:

- DATA,
- TERRORISM,
- FUNGI and FUNGAL DERIVATIVES,
- COMMUNICABLE DISEASE,
- CYBER RISK

as set forth in Chapter IV – General Exclusions.

9. WAIVER OF TERM OR CONDITION

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

10. DEFINITIONS

When used in reference to this insurance:

"Gross earnings" are defined as the sum of:

- i) total net sales, and
- ii) other earnings derived from operations of the business, less the cost of:
- iii) merchandise sold, including packaging materials therefor,
- iv) materials and supplies consumed directly in supplying the service(s) sold by the Insured, and
- v) service(s) purchased from outsiders (not employees of the Insured) for resale which do not continue under contract.

No other costs shall be deducted in determining "gross earnings".

In determining "gross earnings", due consideration shall be given to the experience of the business before the date of the damage or destruction and the probable experience thereafter had no loss occurred.

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

"Ordinary payroll expense" means the entire payroll expense for all employees of the Insured, except officers, executives, department managers, employees under contract and other important employees whose services would not be dispensed with should be interfered with or interrupted.

"Perils insured against" means perils afforded elsewhere in this Policy and applicable to this insurance.

All other terms and conditions of this Policy remain unchanged.

41003C – EXTENDED BUSINESS INCOME ENDORSEMENT FORM (PROFIT)

(This insurance is provided only if mentioned in the Declarations Page).

1. INDEMNITY AGREEMENT

This Form insures against loss directly resulting from necessary interruption of business caused by destruction or damage by the **"perils insured against"**, to building(s), structure(s), machinery, equipment or stock on the described premises.

2. MEASURE OF RECOVERY

This insurance, subject to the limit of the amounts of insurance as stated in the Declarations Page, is limited to loss of **"gross profit"** due to (a) Reduction in **"turnover"** and (b) Increase in cost of working and the amount payable shall be:

- a) In respect of reduction in **"turnover"**:

The sum produced by applying the **"rate of gross profit"** to the amount by which the **"turnover"** during the **"indemnity period"** shall, in consequence of the destruction or damage by a peril insured against, fall short of the **"standard turnover"**;

- b) In respect of increase in cost of working:

The additional expenditure (subject to Provisions Clause b)) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **"turnover"** which but for that expenditure would have taken place during the **"indemnity period"** in consequence of the destruction or damage by a peril insured against, but not exceeding the sum produced by applying the **"rate of gross profit"** to the amount of the reduction thereby avoided;

less any sum saved during the **"indemnity period"** in respect of such of the **"insured standing charges"** as may cease or be reduced in consequence of the destruction or damage by the **"perils insured against"**;

provided that if the amount of insurance be less than the sum produced by applying the **"rate of gross profit"** to the **"annual turnover"**, the amount payable shall be proportionately reduced.

3. ORDINARY PAYROLL

The Insured's entire ordinary payroll expense, excluding any portion of salaries described under **"insured standing charges"**, is insured for a period

of time not in excess of 90 consecutive days immediately following the date of loss, which may continue during a total or partial suspension of business, insuring only to the extent necessary to resume the normal business of the Insured with the same quality of service which existed immediately preceding the destruction or damage by the **"perils insured against"**, and which would have been earned had no destruction or damage by **"perils insured against"** occurred.

The Insurer shall not be liable, in the event of loss, for a greater proportion of the loss under this Item than the amount hereby insured under the said Item bears to 80% of the Insured's entire ordinary payroll expense, excluding only salaries described under standing charges, that would have been earned (had no destruction or damage by a peril insured against occurred) during the 90 consecutive days immediately following the date of damage to or destruction of the described property.

4. PROVISIONS

- a) If during the **"indemnity period"** goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on his behalf the money paid or payable in respect of such sales or service shall be brought into account in arriving at the **"turnover"** during the **"indemnity period"**.
- b) If any standing charges of the business be not insured by this Form, then in computing the amount recoverable hereunder as increase in cost of working, that proportion only of the additional expenditure shall be brought into account which the sum of the **"net profit"** and the **"insured standing charges"** bears to the sum of the **"net profit"** and all standing charges.
- c) The Insurer shall not be liable for any loss due to fines or damages for breach of contract, for late or non-completion of orders, or for any penalties of whatever nature.
- d) The Insurer shall be liable for actual loss sustained as insured hereunder during the period of time, not exceeding two weeks, while access to the described premises is prohibited by order of civil authority but only when such order is given as a direct result of damage to neighboring premises by a peril insured against.
- e) In case of loss or damage by a peril insured against, the insurance provided by this Form extends to insure any increase in loss resulting from, or contributed to, by the operation of any by-law, ordinance or law which regulates zoning or the demolition, repair or construction of damaged buildings or structures, but shall in no way operate to extend the **"indemnity period"** or to increase the amount of insurance.
- f) On the happening of any destruction or damage by a peril insured against in consequence of which a claim is or may be made under this Form, the Insured shall with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimize or check any interruption of or interference with the business or to avoid or diminish the loss.
- g) No term or condition of this Form shall be deemed to be waived by the Insurer in whole or in part unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by the Insurer. Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of this Form by any act relating to the appraisal of the amount of loss or to the delivery and completion of proofs, or the investigation or adjustment of any claim under this Policy.

5. PREMIUM ADJUSTMENT

If within 12 months after the expiration of this Policy the Insured shall file with the Insurer a premium adjustment Application Form showing:

- h) the total amount of insurance carried under this and all other policies insuring **"gross profit"** during the annual term of this Policy and that such amount of insurance was not decreased during the said annual term or period; and
- i) that the **"gross profit"** certified by the Insured's Auditors as earned during the Insured's financial year most nearly concurrent with the annual term of this Policy **was less than the total amount of insurance carried thereon**,

then the Insurer will allow in respect of its pro rata proportion of the difference a return of premium not exceeding 50% of the premium paid by the Insured under this insurance.

In the event of loss originating within the term of this Policy, the premium for the full term of this insurance on the full amount paid or payable for

such loss shall be regarded as earned and no return premium shall be allowed in respect thereof.

The Insurer reserves the right to inspect the Insured's books, records and such policies as relate to this insurance for verification of any statement filed for the purpose of adjusting the premium of this insurance.

6. ADDITIONAL EXCLUSIONS

The following exclusions are additional to those contained elsewhere in this Policy and applicable to this insurance.

The insurer shall not be liable for loss or damage caused directly or indirectly by the following perils:

- DATA,
- TERRORISM,
- FUNGI and FUNGAL DERIVATIVES,
- COMMUNICABLE DISEASE,
- CYBER RISK

as set forth in Chapter IV – General Exclusions.

7. DEFINITIONS

When used in reference to this insurance:

"Gross profit" means the sum produced by adding to the **"net profit"** the amount of the **"insured standing charges"** or if there is no **"net profit"** the amount of the **"insured standing charges"** less such a proportion of any net trading loss as the amount of the **"insured standing charges"** bears to all standing charges of the business.

"Net profit" means the net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured at the Premises after due provision has been made for all standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.

"Turnover" 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.

"Indemnity period" means the period beginning with the occurrence of a peril insured against and ending no later than 12 months thereafter during which the results of the business shall be affected in consequence of the destruction or damage by a peril insured against, except that if media for, or programming records pertaining to, electronic data processing or electronically controlled equipment including data thereon be destroyed or damaged by a peril insured against then the **"indemnity period"** in respect thereof shall not extend beyond

- 1) 30 consecutive days after the occurrence of such destruction or damage; or
- 2) The date upon which liability ceases under this insurance for loss arising from other property destroyed or damaged by the same occurrence; whichever shall be the later.

"Insured standing charges" means standing charges specified on the Declarations Page or, if not specified, all standing charges.

The following shall in no event be deemed to be standing charges:

- 1) Depreciation of Stock;
- 2) Bad Debts;
- 3) Wages and salaries other than salaries to permanent staff and wages to foremen and important employees whose services would not be dispensed with should the business be interfered with or interrupted.

"Rate of gross profit" means the rate of gross profit earned on the turnover during the financial year immediately before the date of the destruction or damage by perils insured against to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the destruction or damage by perils insured against or which would have affected the business had the destruction or damage by perils insured against not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the destruction or damage by perils insured against would have been obtained during the relative period after the destruction or damage by perils insured against.

"Annual turnover" means the turnover during the 12 months immediately before the date of the destruction or damage by perils insured against to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the destruction or damage by

perils insured against or which would have affected the business had the destruction or damage by perils insured against not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the destruction or damage by perils insured against would have been obtained during the relative period after the destruction or damage by perils insured against.

“Standard turnover” means the turnover during that period in the 12 months immediately before the date of the destruction or damage by perils insured against to which corresponds with the Indemnity period, to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting

the business either before or after the destruction or damage by perils insured against or which would have affected the business had the destruction or damage by perils insured against not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the destruction or damage by perils insured against would have been obtained during the relative period after the destruction or damage by perils insured against.

“Perils insured against” means perils afforded elsewhere in this Policy and applicable to this insurance.

All other terms and conditions of this Policy remain unchanged.

41003D – EXTENDED BUSINESS INCOME ENDORSEMENT FORM (PROFIT) (Actual Loss Sustained)

(This insurance is provided only if mentioned in the Declarations Page).

1. INDEMNITY AGREEMENT

This Form insures against loss directly resulting from necessary interruption of business caused by destruction or damage by the **“perils insured against”**, to building(s), structure(s), machinery, equipment or stock on the described premises.

2. MEASURE OF RECOVERY

This insurance is limited to loss of **“gross profit”** due to (a) Reduction in **“turnover”** and (b) Increase in cost of working and the amount payable shall be:

a) In respect of reduction in **“turnover”**:

The sum produced by applying the **“rate of gross profit”** to the amount by which the **“turnover”** during the **“indemnity period”** shall, in consequence of the destruction or damage by a peril insured against, fall short of the **“standard turnover”**;

b) In respect of increase in cost of working:

The additional expenditure (subject to Provisions Clause b)) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **“turnover”** which but for that expenditure would have taken place during the **“indemnity period”** in consequence of the destruction or damage by a peril insured against, but not exceeding the sum produced by applying the **“rate of gross profit”** to the amount of the reduction thereby avoided;

less any sum saved during the **“indemnity period”** in respect of such of the **“insured standing charges”** as may cease or be reduced in consequence of the destruction or damage by the **“perils insured against”**.

3. ORDINARY PAYROLL

The Insured’s entire ordinary payroll expense, excluding any portion of salaries described under **“insured standing charges”**, is insured for a period of time not in excess of 90 consecutive days immediately following the date of loss, which may continue during a total or partial suspension of business, insuring only to the extent necessary to resume the normal business of the Insured with the same quality of service which existed immediately preceding the destruction or damage by the **“perils insured against”**, and which would have been earned had no destruction or damage by **“perils insured against”** occurred.

The Insurer shall not be liable, in the event of loss, for a greater proportion of the loss under this Item than the amount hereby insured under the said Item bears to 80% of the Insured’s entire ordinary payroll expense, excluding only salaries described under **“insured standing charges”**, that would have been earned (had no destruction or damage by a peril insured against occurred) during the 90 consecutive days immediately following the date of damage to or destruction of the described property.

4. PROVISIONS

a) If during the **“indemnity period”** goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on his behalf the money paid or payable in respect of such sales or service shall be brought into account in arriving at the **“turnover”** during the **“indemnity period”**.

b) If any standing charges of the business be not insured by this Form, then in computing the amount recoverable hereunder as increase in cost of working, that proportion only of the additional expenditure shall be brought into account which the sum of the **“net profit”** and

the **“insured standing charges”** bears to the sum of the **“net profit”** and all standing charges.

c) The Insurer shall not be liable for any loss due to fines or damages for breach of contract, for late or non-completion of orders, or for any penalties of whatever nature.

d) The Insurer shall be liable for actual loss sustained as insured hereunder during the period of time, not exceeding two weeks, while access to the described premises is prohibited by order of civil authority but only when such order is given as a direct result of damage to neighboring premises by a peril insured against.

e) In case of loss or damage by a peril insured against, the insurance provided by this Form extends to insure any increase in loss resulting from, or contributed to, by the operation of any by-law, ordinance or law which regulates zoning or the demolition, repair or construction of damaged buildings or structures, but shall in no way operate to extend the **“indemnity period”** or to increase the amount of insurance.

f) On the happening of any destruction or damage by a peril insured against in consequence of which a claim is or may be made under this Form, the Insured shall with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimize or check any interruption of or interference with the business or to avoid or diminish the loss.

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

5. PREMIUM ADJUSTMENT

The Insurer reserves the right to inspect the Insured’s books, records and such policies as relate to this insurance for verification of any statement filed for the purpose of adjusting the premium of this insurance.

6. ADDITIONAL EXCLUSIONS

The following exclusions are additional to those contained elsewhere in this Policy and applicable to this insurance.

The insurer shall not be liable for loss or damage caused directly or indirectly by the following perils:

- DATA,
- TERRORISM,
- FUNGI and FUNGAL DERIVATIVES,
- COMMUNICABLE DISEASE,
- CYBER RISK

as set forth in Chapter IV – General Exclusions.

7. DEFINITIONS

When used in reference to this insurance:

"Gross profit" means the sum produced by adding to the **"net profit"** the amount of the **"insured standing charges"** or if there is no **"net profit"** the amount of the **"insured standing charges"** less such a proportion of any net trading loss as the amount of the **"insured standing charges"** bears to all standing charges of the business.

"Net profit" means the net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured at the Premises after due provision has been made for all standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.

"Turnover" 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.

"Indemnity period" means the period beginning with the occurrence of a peril insured against and ending no later than 12 months thereafter during which the results of the business shall be affected in consequence of the destruction or damage by a peril insured against, except that if media for, or programming records pertaining to, electronic data processing or electronically controlled equipment including data thereon be destroyed or damaged by a peril insured against then the indemnity period in respect thereof shall not extend beyond

- 1) 30 consecutive days after the occurrence of such destruction or damage; or

- 2) The date upon which liability ceases under this insurance for loss arising from other property destroyed or damaged by the same occurrence; whichever shall be the later.

"Insured standing charges" means standing charges specified on the Declarations Page or, if not specified, all standing charges.

The following shall in no event be deemed to be standing charges:

- 1) Depreciation of Stock;
- 2) Bad Debts;
- 3) Wages and salaries other than salaries to permanent staff and wages to foremen and important employees whose services would not be dispensed with should the business be interfered with or interrupted.

"Rate of gross profit" means the rate of gross profit earned on the **"turnover"** during the financial year immediately before the date of the destruction or damage by **"perils insured against"**.

"Annual turnover" means the **"turnover"** during the 12 months immediately before the date of the destruction or damage by **"perils insured against"**.

"Standard turnover" means the **"turnover"** during that period in the 12 months immediately before the date of the destruction or damage by **"perils insured against"**.

"Perils insured against" means perils afforded elsewhere in this Policy and applicable to this insurance.

All other terms and conditions of this Policy remain unchanged.

41004 – EXTRA EXPENSE ENDORSEMENT FORM

(This insurance is provided only if mentioned in the Declarations Page)

1. INDEMNITY AGREEMENT

This Form insures, up to the amount stated in the Declarations Page, the necessary **"extra expense"** incurred by the Insured in order to continue as nearly as practicable the **"normal"** conduct of the Insured's business following damage to or destruction by the **"perils insured against"** to the building(s) or additions thereto or contents thereof, for not exceeding such length of time, herein referred to as the **"Period of restoration"**, commencing with the date of the loss and not limited by the date of expiration of this Policy as shall be required with the exercise of due diligence and dispatch to repair, rebuild, or replace such part of the described building(s) or additions thereto or contents thereof as may be destroyed or damaged.

2. LIMITS OF INSURANCE

The liability shall in no event exceed that percentage of the amount of this insurance (at the time of loss) which is stated below for the determined **"period of restoration"**;

- 40% when the **"period of restoration"** is not in excess of 1 **"month"**;
- 70% when the **"period of restoration"** is in excess of 1 **"month"** but not in excess of 2 **"months"**;
- 90% when the **"period of restoration"** is in excess of 2 **"months"** but not in excess of 3 **"months"**;
- 100% when the **"period of restoration"** is in excess of 3 **"months"** but not in excess of 4 **"months"**;

In the event that **"extra expense"** incurred by the Insured during the longest **"period of restoration"** for which provision is made above does not exhaust the insurance hereby provided, then such unexhausted insurance shall apply for the remainder of the **"period of restoration"**.

3. RESUMPTION OF OPERATIONS

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

4. INTERRUPTION BY CIVIL AUTHORITY

This Form is extended to include the actual loss as insured hereunder during the period of time, not exceeding two (2) weeks, while access to the described premises is prohibited by order of civil authority, but only when such order is given as a direct result of damage to neighbouring premises by a Peril insured against.

5. ADDITIONAL EXCLUSIONS

The following exclusions are additional to those contained elsewhere in this Policy and applicable to this insurance.

The Insurer shall not be liable for:

- a) any increase of loss directly or indirectly, proximately or remotely, resulting from, or contributed to by, the operation of any by-law, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures unless the liability is otherwise specifically assumed by endorsement hereon;
- b) any increase of loss caused by delays or loss of time due to the presence of strikers or other persons or to labour disturbances on or about the premises interfering with the rebuilding, repairing, or replacing the property damaged or destroyed or the resumption or continuation of business or free access to or control of the premises or due to the action of sympathetic strikers elsewhere;
- c) loss due to fines or damages for breach of contract for late or non-completion of orders, or for any penalties of whatever nature;
- d) loss due to the suspension, lapse or cancellation of any lease or license, contract or order;
- e) the cost of compiling books of account, abstracts, drawings, card index systems or other records including film, tape, disc, drum, cell or other magnetic recording or storage media for electronic data processing.

Nor does this Form insure:

- f) loss caused directly or indirectly by the following perils:
 - DATA,
 - TERRORISM,
 - FUNGI and FUNGAL DERIVATIVES,
 - COMMUNICABLE DISEASE,
 - CYBER RISK

as set forth in Chapter IV – General Exclusions.

6. WAIVER OF TERM OR CONDITION

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

7. DEFINITIONS

When used in reference to this insurance:

"Extra expense(s)" means the excess (if any) of the total cost during the period of restoration for the purpose of continuing the Insured's business over and above the total cost that would normally have been incurred to

conduct the business during the same period had no loss occurred. The cost in each case to include expense of using other property or facilities of other concerns or other similar necessary emergency expenses.

In no event, however, shall the Insurer be liable under this Form for:

- a) loss of income; nor
- b) extra expense in excess of that necessary to continue as nearly as practicable the "normal" conduct of the Insured's business; nor
- c) the cost of repairing or replacing any of the described property that has been damaged or destroyed by the perils insured against, except cost in excess of the normal cost of such repairs or replacements necessarily incurred for the purpose of reducing the total amount of extra expense; liability for such excess cost however, shall not exceed

the amount by which the total extra expense otherwise payable under this Form is reduced.

The Insurer shall also be liable for extra expense incurred in obtaining property for temporary use during the period of restoration necessarily required for the conduct of the Insured's business. Any salvage value of such property remaining after resumption of "normal" operations shall be taken into consideration in the adjustment of any loss hereunder.

"Month(s)" means thirty (30) consecutive days.

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

"Perils insured against" means perils afforded elsewhere in this Policy and applicable to this insurance.

All other terms and conditions of this Policy remain unchanged.

VARIOUS CLAUSES ENDORSEMENT

(The following clauses apply only if their respective number is mentioned in Chapter I of the Declarations Page or by Endorsement)

1. VACANCY PERMIT

Permission is hereby granted for the buildings situated at the location stated on the Declarations Page to be vacant or unoccupied for the designated period.

The building described on the Declarations Page may remain unoccupied or vacant. A further condition to the granting of this permit is that the doors and windows shall be securely locked, and that all rubbish shall be removed from within and about said buildings and premises, otherwise this permit shall be null and void.

2. WORKMEN'S PERMIT

Carpenters and other workmen are hereby permitted to be employed on the Insured premises.

It is a condition of this policy that each and every sub-contractor must be a licensed contractor with contractor's liability insurance. Moreover, all roofing, plumbing, electrical, heating, shoring, raising, transportation of structure and/or building, work must be done by licensed contractors with liability insurance up to a minimum limit of \$1,000,000.

No open flame, air forced heaters (salamander type), to the knowledge of the insured, will be used inside of any building. A suitable fire extinguisher must be in place once the building is enclosed.

3. REPLACEMENT COST

Applicable only to property for which "Replacement Cost" or "RC" is mentioned in the Declarations Page or by Endorsement.

1. The Insurer agrees to amend the basis of settlement from actual cash value to "replacement cost" subject to the following provisions:
 - a) replacement shall be effected by the Insured with due diligence and dispatch;
 - b) replacement shall be on the same site or on an adjacent site;
 - c) settlement on a "replacement cost" basis shall be made only when replacement has been effected by the Insured and in no event shall it exceed the amount actually and necessarily expended for such replacement;
 - d) failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this extension had not been in effect;
 - e) any other insurance effected by or on behalf of the Insured in respect of the perils insured against by this Policy on the property to which this extension is applicable shall be on the same basis of "replacement cost" as defined herein;
 - f) this extension does not apply to any increase in the cost of replacement occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.
2. Any reference to actual cash value in a Co-insurance Clause in this Policy is deemed to be a reference to "replacement cost" of the property insured.
3. In this extension,
 - a) "replacement cost" means the cost of replacing, repairing, constructing or reconstructing (whichever is the least) the property on the same site with new property of like kind and quality and for like occupancy without deduction for depreciation; and

- b) replacement includes repair, construction or reconstruction with new property of like kind and quality

4. In the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that damaged or destroyed and which is capable of performing the same function shall be deemed to be new property of like kind and quality for the purpose of this extension.

5. EXCLUSIONS:

This endorsement does not apply to:

- a) stock;
- b) patterns, dies and moulds;
- c) paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelain, rare glassware, bric-a-brac or other articles of art, rarity or antiquity;
- d) manuscripts and records meaning books of account, drawings, card index systems and other records, media, data storage devices, and programme devices for electronic electro-mechanical data processing or for electronically controlled equipment.

4. AUTOMATIC FIRE PROTECTION MAINTENANCE

The rate of premium having been established considering the risk is equipped with:

- a) sprinklers – for risks which are mainly under automatic sprinkler protection;
- b) fixed extinguishing system – protecting cooking areas.

The Insured agrees:

- a) to notify forthwith the Insurer of any interruption to, or flaw or defect in the systems coming to the knowledge of the Insured;
- b) to provide, if owner or lessee of the system, for regular inspection and maintenance of the equipment as recommended by the manufacturer, with a minimum of a semi-annual inspection of the system by the manufacturer's authorized representative, for the term of the Policy.

5. CONSEQUENTIAL LOSS — COLD STORAGE

The insurance under this Policy is extended to cover, up to the amount stated on the Declarations Page, loss or damage to stock due to a change in temperature resulting from damage, caused by the perils insured against, to the refrigerating or cooling apparatus, connections or supply pipes and apparatus furnishing power therefor and situated on the premises specified on the Declarations Page.

It is further understood and agreed that, if there shall be other insurance on the said property, the Insurer shall only be liable by virtue of this extension for not exceeding such proportion of such Consequential Loss as the amount of this Form bears to the total insurance on the property, whether such other insurance be valid or collectible.

This extension does not apply to the perils of riot, vandalism or malicious acts.

6. FOUNDATION EXCLUSION

This Policy does not insure loss or damage to foundation of buildings, of boilers and of machines, piers, footings and lowest basement floor, all

below the level of the ground, buried pipes, cost of excavation, stacks not forming part of any wall and the proportion of architect's fees applicable to the foregoing. The cost of these exclusions shall not be considered in the valuation of property insofar as it might affect the operation of the Co-insurance Clause.

7. PROTECTION

The building described in the Declarations Page is located within 300 metres (1000 feet) of a municipality owned hydrant, underground tank, suction well or river approach.

8. PRO RATA

The pro rata amount shown in the Declarations Page is a pro rata share of each and every item of the schedule in the portion which such amount bears to the total amount of all items of the said schedule.+

9. ACT OR NEGLIGENCE OF OTHERS

The coverage afforded by this insurance Policy shall not be invalidated by any act or neglect of others which is neither within the knowledge or control of the Insured.

10. CANCELLATION OF THE LIQUOR PERMIT - WARRANTY

The Insured hereby agrees, failing which shall forfeit coverage, to immediately advise the Insurer of suspension or cancellation of the Insured's liquor permit.

MINIMUM RETAINED PREMIUM

- 11.** Should this Policy be cancelled by the Insured, a minimum premium of five hundred dollars (\$500.00) shall be retained by the Insurer.
- 12.** Should this Policy be cancelled by the Insured, a minimum premium of two hundred dollars (\$200.00) shall be retained by the Insurer.

13. Should this Policy be cancelled by the Insured, the minimum premium retained shall be equal to one third of the Policy premium for each period of one month.

14. Should this Policy be cancelled by the Insured, the minimum premium retained shall be the total premium of the Policy.

15. FIXED STRUCTURES LIMITATION

Without increasing the limit of insurance indicated for Chapter I a) (Building(s)) of the Declarations Page, it is agreed that fixed structures are limited to 10% of the said limit.

16. FIXED STRUCTURES EXCLUSION

It is understood and agreed that the definition of "Building" contained in **FORM 13009**, subparagraph a) of Clause 11 of Chapter I;

OR

contained in **FORM 51236**, subparagraph a) of Clause 12 of Chapter I is cancelled and replaced by the following:

a) "Building" means:

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

- i) additions and extensions communicating and in contact with the building(s);
- ii) permanent fittings and fixtures attached to and forming part of the building(s);
- iii) materials, equipment and supplies on the premises for maintenance of, normal repairs and minor alterations to the building or for building services;
- iv) growing plants, trees, shrubs or flowers inside the building used for decorative purposes when the Insured is the owner of the building.

For all of the above various clauses, all other terms and conditions of this Policy remain unchanged.

CHAPTER II – LIABILITY

This Policy is subject to the General Conditions, Additional Conditions and General Exclusions set forth in Chapter IV, where applicable.

33204 – OWNER’S LANDLORDS’ & TENANTS’ LIABILITY INSURANCE

(This insurance is provided only if mentioned in the Declarations Page).

COVERAGE FOR DESIGNATED PREMISES AND RELATED OPERATIONS IN PROGRESS

In return for the payment of the premium, this insurance is provided in reliance upon the statements in the Declarations Page and subject to all the terms and conditions set forth herein.

DEFINITIONS

The following definitions are additional to those contained elsewhere in this Chapter,

“Automobile” means any self-propelled land motor vehicle, trailers or semi-trailers while attached thereto or unattached (including its equipment mounted on or attached thereto) other than any of the following or their trailers, accessories and equipment:

- a) vehicles of the crawler type (other than motorized snow vehicles);
- b) tractors (other than road transport tractors designed to haul trailers or semi-trailers), road rollers, graders, scrapers, bulldozers, paving machines and concrete mixers (other than concrete mixers of the mix-in-transit type);
- c) other construction machinery or equipment mounted on wheels but not self-propelled while not attached to any self-propelled land motor vehicle;
- d) self-propelled land motor vehicles used solely on the premises of the Insured.

“Bodily injury” means bodily injury, sickness or disease sustained by any person which occurs during the policy period, including death at any time resulting therefrom.

“Completed operations hazard” includes bodily injury or property damage arising out of operations, but only if the bodily injury or property damage occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the Named Insured. Operations include materials, parts or equipment furnished in connections therewith. Operation shall be deemed completed at the earliest of the following times:

- a) when all operations to be performed by or on behalf of the Named Insured under the contract have been completed;
- b) when all operations to be performed by or on behalf of the Named Insured at the site of the operations have been completed;
- c) when the portion of the 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.

Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete shall be deemed completed.

The completed operations hazard shall not include:

- a) operations in connection with the pick up and delivery of property;
- b) the existence of tools, uninstalled equipment or abandoned or unused materials.

“Elevator” means any hoisting or lowering device to connect floors or landings whether or not in service, and all appliances thereof, including any car, platform, shaft, hoistway, stairway, runway, power equipment and machinery, but shall not include:

- a) dumbwaiters, the floor area of which does not exceed 1 square metre (10.76 square feet), and used exclusively for carrying property;
- b) hod or material hoists used in connection with alterations, construction or demolition operations;
- c) inclined conveyors used exclusively for carrying property;
- d) automobile servicing hoists.

“Incidental contract” means any written agreement which is a lease of premises, easement agreement, agreement required by municipal ordinance, side-track agreement or elevator maintenance agreement.

“Insured premises” means:

- a) the premises designated in the Declarations Page;

- b) premises as to which the Named Insured acquires ownership or control provided the Named Insured notifies the Insurer within 30 days following the effective date of such acquisition, but the insurance with respect to the newly acquired premises does not apply to any loss against which the Named Insured has other valid and collectible insurance;

- c) includes the ways immediately adjoining such premises.

“Named Insured’s products” means goods or products manufactured, sold, handled or distributed by the Named Insured or by others trading under this name, including any container thereof (other than a vehicle, but shall not include a vending machine or any property other than such container, rented to or located for use of others but not sold.

“Persons Insured”,

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

- a) if the Named Insured in the Declarations Page is an individual, the person so designated but only with respect to the conduct of a business of which he is the sole proprietor;
- b) if the Named Insured in the Declarations Page is 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;
- c) if the Named Insured in the Declarations Page is 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;
- d) any person (other than an employee of the Named Insured) or organization while acting as real estate manager for the Named Insured;
- e) any employee of the Named Insured while acting within the scope of his duties as such.

But the insurance afforded to such employee does not apply to:

- i) bodily injury to:
 - a) another employee of the Named Insured arising out of or in the course of his employment; or
 - b) the Named Insured; or
 - c) if the Named Insured is a partnership or joint venture, any partner or member thereof; or
 - d) any person who at the time of injury is entitled to benefits under any workers’ compensation law, disability benefits or unemployment compensation law or any similar law;
- ii) property damage to property owned, occupied or used by, rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by i) another employee of the Named Insured, or ii) the Named Insured, or, if the Named Insured is a partnership or joint venture, any partner or member thereof.

“Products hazard” includes bodily injury and property damage arising out of the Named Insured’s products but only if such bodily injury or property damage occurs away from premises owned by or rented to the Named Insured and after physical possession of such products has been relinquished to others.

“Property damage” means

- a) physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use thereof at any time resulting therefrom; or
- b) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an accident occurring during the policy period.

When used for calculation of premium bases:

“**Area**” means the square footage of the building to be insured excluding that portion of the basement used exclusively for storage or that portion of the premises used for heating or air conditioning plant purposes.

“**Receipt**” means the gross amount of money charged by the Named Insured for such operations as are rated on a receipts basis during the policy period.

“**Remuneration**” means the earnings during the policy period for each owner, partner, executive officer or employee.

INSURING AGREEMENT

Coverage A - Bodily Injury Liability

The Insurer will pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as compensatory damages because of “**bodily injury**” arising out of the ownership, maintenance or use of the “**insured premises**” and all operations necessary or incidental thereto.

Coverage B - Property Damage Liability

The Insurer will 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 the ownership, maintenance or use of the “**insured premises**” and all operations necessary or incidental thereto.

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 defence of any claim or suit, including actual loss of earning not to exceed \$100 per day.

The amount so incurred except settlement of claims or suits are payable in addition to the applicable limits of liability.

COVERAGE TERRITORY

- Canada or the United States of America, its territories or possessions, or
- anywhere in the world with respect to compensatory damages because of “**bodily injury**” or “**property damage**” arising out of a product which was sold for use or consumption within the territory described in the above paragraph, provided suit for such compensatory damages is brought within such territory.

EXCLUSIONS

This insurance does not apply to:

- A) Liability assumed by the Insured under any contract or agreement except an “**incidental contract**”;
- 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 or operation, loading or unloading by or on behalf of the Insured;
 - a) 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;
 - b) by any aircraft; or
 - c) by any air cushion vehicle;

- D) “**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 thereto;
- E) “**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, disability benefits or unemployment compensation law or any similar law;
- G) “**Bodily injury**” caused intentionally by or at the direction of the Insured;
- H) “**Property damage**” to:
 - a) property owned or occupied by or rented to the Insured; or
 - b) property used by the Insured; or
 - c) 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
 - d) any personal property or any fixtures as the result of any work performed thereon by the Insured or anyone on his behalf;but part b) and c) of this exclusion do not apply with respect to liability under a written sidetrack agreement and part c) of this exclusion does not apply with respect to “**property damage**” (other than to elevators) arising out of the use of an elevator at premises owned by, rented to or controlled by the Named Insured;
- I) “**Property damage**” to:
 - a) the “**Named Insured’s products**” arising out of such products or any part of such products;
 - b) work performed by or on behalf of the Named Insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;
- J) “**Bodily injury**” or “**property damage**” included within the “**completed operations hazard**” or the “**products hazard**”;
- K) “**Bodily injury**” or “**property damage**” arising out of operations on or from premises (other than the “**insured premises**”) owned by, rented to or controlled by the Named Insured, or to liability assumed by the Insured under any contract or agreement relating to such premises;
- L) “**Bodily injury**” or “**property damage**” arising out of:
 - a) structural alterations which involve changing the size of or moving buildings or other structures;
 - b) new construction or demolition operations performed by or on behalf of the Named Insured;
- M) Loss of use of tangible property which has not been physically injured or destroyed resulting from:
 - a) a delay in or lack of performance by or on behalf of the Named Insured of any contract or agreement; or
 - b) 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 work have been put to use by any person or organization other than an Insured;
- N) “**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;
- O) “**Bodily injury**” or “**property damage**” due to the rendering of or failure to render any professional service;
- P) “**Bodily injury**” to any person arising out of his or her participation in any physical or athletic sport, contest, exhibition or event sponsored by the Insured or held on premises owned or occupied by or leased to the Insured;

Q) **“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.

R) POLLUTION LIABILITY

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

Sub-paragraphs 1) and 4)i) of paragraph a) of this exclusion do not apply to **“bodily injury”** or **“property damage”** caused by heat, smoke or fumes from a hostile fire. As used in this exclusion, a **“hostile fire”** means one which becomes uncontrollable or breaks out from where it was intended to be.

(b) Any loss, cost or expense arising out of any governmental direction or request that an insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

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

S) NUCLEAR ENERGY LIABILITY

- a) Liability imposed by or arising under any Nuclear Liability Act;
- b) **“Bodily injury”** or **“property damage”** with respect to which an insured under this Policy is also insured under a contract of nuclear energy liability insurance (whether the insured is unnamed in such contract and whether or not it is legally enforceable by the insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an insured under any such Policy but for its termination upon exhaustion of its limit of liability;
- c) **“Bodily injury”** or **“property damage”** resulting directly or indirectly from the nuclear energy hazard arising from:
- 1) The ownership, maintenance, operation or use of a nuclear facility by or on behalf of an insured;
 - 2) The furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility;
 - 3) The possession, consumption, use, handling, disposal or transportation of fissionable substances, or of other radioactive material (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be useable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an insured.

As used in this Policy:

- 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 that the Atomic Energy Control Board may, by regulation, designate 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 and uranium or any one or more of them, (ii) processing or utilizing spent fuel, or (iii) handling, processing or packaging waste;
- c) any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste radioactive material;

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

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.

T) ASBESTOS LIABILITY

This insurance shall not apply to and does not cover any actual or alleged **“bodily injury”**, **“property damage”**, **“personal injury”** or Medical Payments or any other cost, loss or expense directly or indirectly caused by, resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the **“bodily injury”**, **“property damage”**, **“personal injury”**, Medical payments, loss or any other cost, lost or expense.

U) RISKS LISTED IN CHAPTER IV – GENERAL EXCLUSIONS:

- DATA,
- TERRORISM,
- FUNGI and FUNGAL DERIVATIVES;
- CONTAGIOUS DISEASE,
- PYRITE or PYRRHOTITE.
- CYBER RISK

LIMITS OF LIABILITY

1. 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 *Global limit of insurance “All damages”* stated in the Declarations Page under Coverages A and B is 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”** in any one occurrence or **“property damage”** as a result of any one accident or series of accidents arising out of one event.
2. 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.
3. The Insurer’s obligation to pay compensatory damages on behalf of the Insured applies only to the amount of compensatory damages in excess of the deductible amount stated in the Declarations Page;
 - a) the deductible amount applies to all compensatory damages because of **“property damage”** as the result of any one accident;
 - b) the Insurer may pay any part of all of the deductible amount to effect settlement of any claim or suit and, upon notification of the action taken, the Named Insured shall promptly reimburse the Insurer for such part of the deductible amount as has been paid by the Insurer.

OPTIONAL LIABILITY COVERAGES (33204)

MEDICAL PAYMENTS COVERAGE RIDER

(Applicable to Form 33204. This insurance is provided only if mentioned in the Declarations Page).

INSURING AGREEMENT

The Insurer will pay to or for each person who sustains bodily injury caused by accident all reasonable **“medical expense”** incurred within one year from the date of the accident on account of such bodily injury, provided such bodily injury arises out of a condition in the **“insured premises”** or operations with respect to which the Named Insured is afforded coverage for bodily injury liability under this policy.

ADDITIONAL EXCLUSIONS

The following exclusions are additional to those contained elsewhere in this Policy and applicable to this insurance.

The Insurer shall not be liable for:

- A) Any portion of **“medical expense”** the payment of which is prohibited by law;
- B) Bodily injury arising out of the ownership, maintenance, use or operation by or on behalf of the Insured of any automobile;
- C) Bodily injury arising out of the ownership, maintenance, use, operation, loading or unloading by or on behalf of the Insured of any:
 - a) watercraft, but this exclusion does not apply to watercraft while ashore on premises owned by rented to or controlled by the Named Insured;
 - b) any aircraft;
 - c) any air cushion vehicle;
- D) 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 thereto;
- E) Bodily injury to:
 - a) the Named Insured, any partner therein, any tenant or other person regularly residing on the **“insured premises”** or any employee of any of the foregoing if the bodily injury arises out of and in the course of his employment therewith; or
 - b) any other tenant if the bodily injury occurs on that part of the **“insured premises”** rented from the Named Insured or to any employee of such a tenant if the bodily injury occurs on the tenant’s part of the **“insured premises”** and arises out of and in the course of his employment for the tenant; or
 - c) any person while engaged in maintenance and repair of the **“insured premises”** or alteration, demolition or construction operations at such premises; or
 - d) any person if any benefits for such bodily injury are payable under any workers’ compensation law, disability benefits or unemployment compensation law or any similar law; or
 - e) any person practicing, instructing or participating in any physical training, sport, athletic activity or contest;
- F) Any **“medical expense”** for services by the Named Insured, any employee thereof or any person or organization under contract to the Named Insured to provide such services;
- G) Bodily injury included within the completed operations or the products hazard;
- H) Accidents arising out of the conduct of any partnership or joint venture which is not designated in this Policy as a Named Insured.

LIMIT OF LIABILITY

The limit of liability stated in the Declarations Page as applicable to each person is the limit of the Insurer’s liability for all **“medical expense”** for bodily injury sustained by one person in any one accident; the limit of liability stated in the Declarations Page as applicable to each accident is, subject to the above provision respecting each person, the total limit of the Insurer’s liability for all **“medical expenses”** arising out of bodily injury sustained by two or more persons in any one accident.

ADDITIONAL DEFINITIONS

When used in reference to this insurance:

“Insured premises”, means all premises owned by or rented to the Named Insured with respect to which the Named Insured is afforded coverage for

bodily injury liability under this Policy and includes the ways immediately adjoining such premises;

“Medical expense(s)”, means expenses for necessary medical, surgical, x-ray and dental services, including prosthetic devices and necessary ambulance, hospital, professional nursing and funeral services.

All other terms and conditions of this Policy remain unchanged.

PRODUCTS AND COMPLETED OPERATIONS LIABILITY COVERAGE RIDER

(Applicable to Form 33204. This insurance is provided only if mentioned in the Declarations Page and shall not increase the Global limit of insurance “All damages” applying under Coverages A and B).

INSURING AGREEMENTS

Coverage A - Bodily Injury Liability

The Insurer will 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 the products hazard or the completed operations hazard.

Coverage B - Property Damage Liability

The Insurer will 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 the products hazard or the completed operations hazard.

ADDITIONAL EXCLUSIONS

The following exclusions are additional to those contained elsewhere in this Policy and applicable to this insurance.

The Insurer shall not be liable for:

- A) Liability assumed by the Insured under any contract or agreement;
- B) Bodily injury to any employee of the Insured arising out of and in the course of his employment by the Insured;
- C) Expenses incurred for the withdrawal, inspection, repair, replacement or amounts claimed for loss of use of the Named Insured’s products or work completed by or for the Named Insured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein.

LIMITS OF LIABILITY

1. 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 *Global limit of insurance “All damages”* stated in the Declarations Page under Coverages A and B is 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 in any one occurrence or property damage as a result of any one accident or series of accidents arising out of one event.

The *Global limit of insurance “All damages”* stated in the Declarations Page under Coverages A and B as *Annual aggregate*, is the total limit of the Insurer’s liability for all compensatory damages arising out of the products hazard and completed operations hazard in any one period of twelve months terminating on an anniversary of the inception date of the Policy.

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

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 for calculation of premium bases:

“Sales”, means the gross amount of money charged for all goods and products sold and distributed by the Named Insured or by others trading under this name during the policy period.

All other terms and conditions of this Policy remain unchanged.

OWNERS' OR CONTRACTORS' PROTECTIVE LIABILITY COVERAGE RIDER

(Applicable to Form 33204. This insurance is provided only if mentioned in the Declarations Page and shall not increase the Global limit of insurance "All damages" applying under Coverages A and B).

INSURING AGREEMENTS

Coverage A - Bodily Injury Liability

The Insurer will pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as compensatory damages because of bodily injury 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

The Insurer will 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.

ADDITIONAL EXCLUSIONS

The following exclusions are additional to those contained elsewhere in this Policy and applicable to this insurance.

The Insurer shall not be liable for:

- A) Property damage to:
 - a) property owned or occupied by or rented to the Insured; or
 - property used by the Insured; or
 - 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
 - any personal property or any fixtures as the results of any "work" performed thereon;
 - b) "work" performed for the Insured by an independent contractor arising out of the "work" or any portion thereof;
- B) Bodily injury or property damage occurring after:
 - a) 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
 - b) 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.

LIMITS OF LIABILITY

1. 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 *Global limit of insurance "All damages"* stated in the Declarations Page under Coverages A and B is 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 in any one occurrence or property damage as a result of any one accident or series of accidents arising out of one event.
2. 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 DEFINITIONS

When used in reference to this insurance:

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

When used for calculation of premium bases:

"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.

All other terms and conditions of this Policy remain unchanged.

TENANTS' LEGAL LIABILITY COVERAGE RIDER

(Applicable to Form 33204. This insurance is provided only if mentioned in the Declarations Page).

INSURING AGREEMENT

The Insurer will 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 to structure or portions thereof rented to or occupied by the Named Insured and described in the Declarations Page, including fixtures permanently attached thereto, if such property damage arises out of any of the following perils:

- A) Fire
- 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) 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.
 - D) "LEAKAGE FROM FIRE PROTECTIVE EQUIPMENT": meaning thereby the leakage or discharge of water or other substance from within the equipment used for fire protection purposes for the premises described on the Declarations Page or for adjoining premises and loss or damage caused by the fall or breakage or freezing of such equipment.

The term "Fire protective equipment" includes tanks, watermains, hydrants, valves and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:

 - i) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - ii) any watermains or appurtenances located outside of the described premises and forming a part of the public water distribution system;
 - iii) any pond or reservoir in which the water is impounded by a dam.

ADDITIONAL EXCLUSIONS

The following exclusions are additional to those contained elsewhere in this Policy and applicable to this insurance.

The Insurer shall not be liable for:

- A) liability assumed by the Insured under any contract or agreement except liability which would attach in the absence of such contract or agreement;
- B) 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;
- C) property damage expected or intended from the standpoint of the Insured.

LIMITS OF LIABILITY

- 1. Regardless of the number of Insureds under this Policy, persons or organizations who sustain property damage, or claims made or suits brought on account of property damage, the limit of liability — per location, per occurrence — stated in the Declarations Page is the total limit of the Insurer's liability with respect to that location for all compensatory damages as a result of any one accident or series of one event;
- 2. The Insurer's obligation to pay compensatory damages on behalf of the Insured applies only to the amount of compensatory damages in excess of the deductible amount stated in the Declarations Page;

- a) the deductible amount applies to all compensatory damages because of property damage as the result of any one accident;
- b) the terms of the Policy, including those with respect to
 - i) the Insurer's rights and duties with respect to the defence of suits; and
 - ii) the Insured's duties in the event of an accident, apply irrespective of the application of the deductible amount;
- c) the Insurer may pay any part of all of the deductible amount to effect settlement of any claim or suit and, upon notification of the action taken, the Named Insured shall promptly reimburse the Insurer for such part of the deductible amount as has been paid by the Insurer.

OTHER INSURANCE

Amendment to General Conditions of Chapter IV

When used in reference to this insurance, the following paragraph is added at the end of paragraph 5.2 of Clause 5:

This insurance shall be excess to any valid and collectible property insurance (including any deductible portion thereof) available to the Insured, such as but not limited to fire and extended coverage, builder's risk coverage or installation risk coverage.

All other terms and conditions of this Policy remain unchanged.

Q.P.F. NO. 6 – QUEBEC AUTOMOBILE INSURANCE POLICY

(NON-OWNED FORM)

Approved by the “Autorité des marchés financiers”

(This insurance is provided only if mentioned in Chapter II of the Declarations Page and shall not increase the Global limit of insurance “All damages” applying under Coverages A and B).

INSURING AGREEMENT

Now, therefore, subject to the limits, terms and conditions, provisions, definitions and exclusions herein stated:

SECTION A – CIVIL LIABILITY

The Insurer agrees to indemnify the Insured, the Insured’s succession or legal representatives against the pecuniary consequences of civil liability the Insured may incur for loss or damage arising from the use or operation in the business described in the Declarations of any automobile not owned (in whole or in part) by or registered in the name of the Insured, and resulting from bodily injury to or death of others or damage to property of others not in the care, custody or control of the Insured. However, where the loss exceeds the amounts of insurance, the indemnity shall be applied first to the pecuniary consequences of civil liability incurred by the Named Insured.

EXCLUSIONS

The Insurer shall not be liable under this section:

- (1) except where the *Automobile Insurance Act* does not apply, for bodily injury or death covered under the said Act, the *Act respecting industrial accidents and occupational diseases* or the *Crime Victims Compensation Act*;
- (2) 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;
- (3) for any liability imposed by any workmen’s compensation law upon any person insured by this section;
- (4) for loss or damage sustained by the Insured or any employee, shareholder, officer, member, partner or mandatory of the Insured while engaged in the business of the Insured, except as provided under a Direct Compensation Agreement established in accordance with the aforementioned *Automobile Insurance Act*;
- (5) for any liability assumed voluntarily by any person insured by this section under any contract or agreement;
- (6) for loss or damage to property carried in or upon an automobile personally driven by any person insured by this section or to any property owned or rented by, or in the care, custody or control of any such person;
- (7) for any sum in excess of the amount stated in the Declarations, and expenditures provided for in the Additional Agreements of this section, irrespective of the number of persons or interests insured;
- (8) for any loss or damage resulting from bodily injury to or death of any person or damage to property arising out of a nuclear energy hazard and in excess of the compulsory amount of liability insurance prescribed by the *Automobile Insurance Act* or the *Act respecting off-highway vehicles*, depending on the type of vehicle involved.

See also General Provisions, Definitions, Exclusions and Conditions.

ADDITIONAL AGREEMENTS

Where indemnity is provided by this section the Insurer further agrees:

- (1) immediately upon receipt of notice of loss, to serve any person insured by this section by such investigation thereof, or by such transactions with the claimant, or by such settlement of any resulting claims, as may be deemed expedient by the Insurer;
- (2) to take up the interest of any person entitled to the benefit of the insurance and assume his defense in any action which may be brought against him;
- (3) to bear, over and above the proceeds of the insurance, costs and expenses resulting from actions against the Insured, including those of the defense, and interest on the proceeds of the insurance;
- (4) if the injury is to a person, to reimburse any person insured by this section for expenses incurred for such medical aid as may be immediately necessary at the time of such injury;
- (5) to be liable up to the minimum amount(s) of liability insurance prescribed by any legislation respecting Automobile Insurance and applying in that province or territory of Canada or in that State of the United States of America in which the accident occurred, if that amount(s) is higher than the amount(s) stated in the Declarations;

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

AGREEMENTS OF INSURED

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

- (a) empowers the Insurer as their representative to appear and defend in any province or territory of Canada or in any State of the United States of America 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) renounces his right to unilaterally revoke such mandate;
- (c) 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 section.

GENERAL PROVISIONS, DEFINITIONS AND EXCLUSIONS

1. Territory

Unless extended by endorsement, insurance provided by this contract applies only within Canada, the United States of America and upon a vessel and/ or aircraft serving ports or airports of those countries.

2. PERSONNEL OF OTHER GARAGES EXCLUDED

No person who is engaged in a garage business, shall be entitled to indemnity or payment under this contract for any loss, damage, injury or death sustained while using, operating or working upon the automobile in the course of that business or while so engaged is an occupant of or enters or gets onto or alights from such automobile, unless the person is the Insured or the Insured’s employee, shareholder, member, partner or mandatory or is actually driving the automobile in Quebec.

3. Definitions

In this policy:

- (a) The term **automobiles operated under contract** shall mean automobiles operated in the business of the Insured stated in the Declarations where the complete supervision, direction and control of such automobiles remain with the owner thereof, but shall not include any automobile owned in whole or in part by or registered in the name of the Named Insured or any employee, shareholder, officer, member, partner or mandatory of the Insured.
- (b) The term **garage business** includes any business involving the custody, selling, equipping, repairing, maintaining, storing, parking, moving or servicing of automobiles.
- (c) The term **hired automobiles** means automobiles hired or leased from others with or without drivers, used under the control of the Insured in the business stated in the Declarations but shall not include any automobile owned in whole or in part by or registered in the name of the Named Insured or any employee, shareholder, officer, member, partner or mandatory of the Insured.
- (d) The words **nuclear energy hazard** mean the radioactive, toxic, explosive or other hazardous properties of prescribed substances under the *Atomic Energy Control Act* (Canada).

4. Two or more automobiles

- (a) When two or more automobiles are insured hereunder the terms of this contract shall apply separately to each, but a motor vehicle and one or more trailer or trailers or semi-trailers attached thereto shall be held to be one automobile with respect to the amounts of insurance under section A. Where two or more automobiles are insured under one or more contracts issued by the same insurer, only one amount of insurance, the highest, shall apply in the event of loss under section A.

- (b) If section B is included in this policy through endorsement Q.E.F. No. 6-94, Civil Liability for damage to hired automobiles and/ or automobiles operated under contract, such automobiles shall be held to be separate automobiles with respect to the amount(s) of insurance, including any deductible provisions, under section B.
- (c) Section A shall apply to the Insured's liability for damage caused to a non-owned trailer, other than a trailer designed or used to carry passengers or for demonstration, sale, office or dwelling purposes, while:
 - (i) attached to an automobile of the private passenger type insured under said section;
 - (ii) not attached to any other vehicle, provided such trailer is generally attached to an automobile of the private passenger type insured under said section.

Automobile of the private passenger type: commercial vehicles of 4,500 kgs (10,000 lbs) gross vehicle weight or less while used for private or pleasure purpose shall be deemed to be of the private passenger type.

5. Additional insureds

This contract also insures every employee, shareholder, officer, member, partner or mandatory of the Named Insured, who, with the consent of the owner of the automobile involved:

- (a) and in the business of the Named Insured stated in the Declarations, personally drives any automobile not owned in whole or in part by or registered in the name of (1) the Named Insured, or (2) such additional insured person, or (3) any person having the same domicile as the Named Insured or such additional insured person;
- (b) any automobile rented or hired in the name of the Named Insured and not owned in whole or in part by or registered in the name of such additional insured person.

6. Premium adjustment

The advance premiums stated in the Declarations and in Q.E.F. No. 6-94, if applicable, are computed on the estimated total "cost of hire" or "contract cost", as the case may be, for the contract 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 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 contract period when the Insured shall deliver to the Insurer a written statement of the total amounts expended for "cost of hire" and "contract cost" during the contract period based on the provisions contained in Q.E.F. No. 6-100, Final adjustment of premium computation statement.

7. Audit

Provided the Insured has authorized the Insurer in writing, the Insurer may at any time during regular business hours and upon fourteen days' prior notice examine the books and records of the Insured insofar as they relate to the subject matter of the contract.

8. Cross Liability

Every Named Insured sustaining loss or damage because of another Named Insured shall, in respect of such loss or damage, be deemed to be a third party under this contract; provided that this provision shall not operate to increase the limit of the Insurer's liability.

9. Excluded uses

Unless coverage is indicated in the Declarations or expressly given by an endorsement, the Insurer shall not be liable under this contract while:

- (a) the automobile is rented or leased to another;
- (b) the automobile is used to carry explosives, or to carry radioactive material for research, education, development or industrial purposes, or for purposes incidental thereto;
- (c) the automobile is used as a taxicab, bus, livery or sightseeing conveyance.

CONDITIONS

This contract is subject to the *Civil Code of Quebec*, the *Code of Civil Procedure of Quebec*, the *Automobile Insurance Act* and its regulations and the *Act respecting off-highway vehicles* if applicable.

1. REPRESENTATION OF RISK

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

The client means the person submitting an insurance application.

2. MATERIAL CHANGE IN RISK

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

On being notified of any material change in the risk, the Insurer may, under Condition 21, cancel the contract or propose, in writing, a new rate of premium. Unless the new premium is accepted and paid by the Insured within thirty days of the proposal, the policy ceases to be in force.

If the Insurer continues to accept the premiums or if he pays an indemnity after a loss, he is deemed to have acquiesced in the change notified to him.

3. MISREPRESENTATIONS OR CONCEALMENT

Section A of the policy may be nullified at the instance of the Insurer where the Insured or the client has misrepresented or concealed relevant facts mentioned in Condition 1 and in the first paragraph of Condition 2 which are likely to materially influence a reasonable insurer in the decision to cover the risk. Unless such misrepresentation or concealment is established, the Insurer remains liable towards the Insured for such proportion of the indemnity as the premium he collected bears to the premium he should have collected.

Section B of endorsement Q.E.F. No. 6-94 may be nullified at the instance of the Insurer where the Insured or the client has misrepresented or concealed relevant facts mentioned in Condition 1 and in the first paragraph of Condition 2 which are likely to materially influence a reasonable insurer, even in respect of losses not connected with the risk so misrepresented or concealed. Unless the bad faith of the Insured or the client is established or unless it is established that the Insurer would not have covered the risk if he had known the true facts, the Insurer remains liable towards the Insured for such proportion of the indemnity as the premium he collected bears to the premium he should have collected.

4. BREACH OF WARRANTY

A breach of warranty aggravating the risk suspends the coverage. The suspension ceases upon the acquiescence of the Insurer or the remedy of the breach.

5. PROHIBITED USE

The Insured shall not drive or operate the automobile nor permit the use of the automobile by others:

- (a) unless the driver is for the time being authorized by law or qualified to drive or operate the automobile, or while he is under 16 years of age or under such other age as is prescribed by law to drive an automobile;
- (b) for any illicit trade or transportation;
- (c) in any race or speed test.

6. INSPECTION OF AUTOMOBILE

The Insurer shall be permitted at all reasonable times to inspect the automobile and its equipment.

7. NOTICE OF LOSS

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

The failure to fulfil the obligation set out in the preceding paragraph entails forfeiture of the right to indemnity where such failure has caused prejudice to the Insurer.

8. INFORMATION TO BE PROVIDED

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

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

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

9. DECEITFUL REPRESENTATION

Any deceitful representation relating to a loss entails the loss of the right of the person making it to any indemnity in respect of the risk to which the representation relates.

However, if the occurrence of the event insured against entails the loss of both property for occupational use and personal property, forfeiture is incurred only with respect to the class of property to which the representation relates.

10. ABANDONMENT, SAFEGUARDING AND EXAMINATION OF PROPERTY

The Insured may not abandon the damaged property if there is no agreement to that effect with the Insurer.

The Insured shall facilitate the salvage and inspection of the insured property by the Insurer. He shall, in particular, permit the Insurer and his representatives to visit the premises and examine the insured automobile and its equipment.

In addition, the Insured shall at the expense of the Insurer, and as far as reasonably possible, protect the automobile from further loss or damage, and any such further loss or damage accruing directly or indirectly from a failure to protect shall not be recoverable hereunder. No repairs shall be undertaken or any physical evidence of the loss or damage removed without the written consent of the Insurer, except such repairs as are immediately necessary for the protection of the automobile from further loss or damage, or until the Insurer has had a reasonable time to make the examination provided for in Condition 6.

11. ADMISSION OF LIABILITY AND COOPERATION

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

The Insured shall not admit any liability nor settle or attempt to settle any claim, except at his own cost. The Insured shall cooperate with the Insurer in the processing of all claims.

12. VALUATION AND MANNER OF PAYMENT

The Insurer shall not be liable beyond 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 with proper deduction for depreciation, however caused, and shall in no event exceed what it would cost to repair or replace the automobile or any part thereof with material of like kind and quality provided that in the event of any part of the automobile being obsolete and out of stock, the liability of the Insurer in respect thereof shall be limited to the value of original equipment manufacturer parts at the time of loss or damage not exceeding the manufacturer's latest list price.

For the purposes of the above coverage, the value of damages caused to the automobile shall be based on original equipment manufacturer parts where the age of the automobile and mileage are less than two (2) years and forty thousand kilometres (40,000 km), or less than one (1) year in the case of an automobile used for commercial purposes. Where the age and mileage are greater, such value may be based on similar automobile parts. However, the Insured may opt for original equipment manufacturer parts, if available, by communicating such option to the Insurer at the time of the notice of loss. The Insurer shall then specify the applicable conditions and additional costs that the Insured shall assume as a result of such option.

In the event of a total or constructive total loss, the Insurer agrees, at the option of the Insured and subject to supporting evidence, to cover reasonable expenses incurred to restore the automobile to the same condition as it was before the loss.

Except where an arbitration has been made and subject to the rights of preferred and hypothecary creditors, the Insurer, instead to making payment may, within a reasonable time, repair, rebuild or replace the property damaged or lost with other of like kind and quality, giving written notice of its intention so to do within seven days after the receipt of the proofs of loss.

In all cases, the salvage, if any, shall revert to the Insurer.

13. ARBITRATION

Arbitration may take place in the event of a disagreement as to the nature, extent or amount of the loss or damage, or the adequacy of the repairs or the replacement, and independently of all other questions respecting the validity of the contract.

The party seeking arbitration must notify the other party of his intention in writing, specifying the matter in dispute. The insured's request for arbitration must be granted. The insurer's request for arbitration may be granted subject to the insured's consent.

If the insured requests arbitration, the insurer must send the insured an acknowledgement of receipt no later than 15 clear days after receipt of this notice. If the insurer so requests, the insured must confirm acceptance or refusal within the same amount of time.

Each party shall name an expert and the two experts shall work jointly to estimate the damage (establishing the actual cash value and the damage separately) or to assess the adequacy of the repairs or the replacement. Failing to agree they shall submit their differences to a disinterested arbitrator they have appointed.

If either party fails to appoint an expert within 30 clear days of the date of the notice or if the experts fail to agree upon an arbitrator within 15 days of their appointment, or if an expert or the arbitrator refuses to act or is unavailable, the vacancy thus created must be filled, on the request of one of the parties, by a court with jurisdiction in the place of the arbitration.

Notwithstanding the arbitration procedure and if the validity or application of the contract is not being contested, the insurer shall pay the uncontested portion of the damage amount. This payment must be made no later than 60 days after receipt of notice of loss or receipt of the information or supporting documents required by the insurer.

Subject to this clause, the arbitration shall follow the procedure in sections 940 to 951.2 of the Code of Civil Procedure of Quebec, taking into account any required modifications. In accordance with section 944.1 of this Code, the arbitration may proceed according to a procedure determined by the arbitrator, insofar as this procedure does not contravene the above sections. The place of the arbitration proceedings shall be held at a place in accordance with the domicile of the insured.

The arbitrator shall settle the dispute in accordance with the applicable laws in the province of Quebec. The arbitrator and the parties may use the language of their choice during the arbitration proceedings. Measures must be taken to ensure that all the participants understand the language used.

The arbitration award shall be made in writing by the arbitrator. It must indicate the date and place where it has been made. It must state the reasons on which it is based and be signed by the arbitrator, then sent to the parties within 30 days of the date on which it has been made.

Each party shall pay the expenses and fees of its expert and half the fees and expenses of the arbitration proceedings. The arbitrator is authorized to award the fees and expenses of the arbitration if he deems that the sharing method established by this clause is not justified or fair for each of the parties in the circumstances.

14. NON-WAIVER

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

15. TIME OF PAYMENT

Claims under Section B shall be paid within sixty days after receipt of notice of loss or of information or proof of loss required by the Insurer or, where an arbitration is held, within fifteen days after award is accepted by the Insured.

16. CONTINUATION OF COVERAGE

Coverage is maintained after a loss.

17. PRESCRIPTION

Every action against the Insurer under this contract is prescribed by three years from the date the right of action has arisen.

18. SUBROGATION

The Insurer shall be subrogated to the extent of the amount paid under this contract to the rights of the Insured against persons responsible for the loss except when they are members of the Insured's household.

The Insurer may be fully or partly released from his obligation towards the Insured where, owing to any act of the Insured, he cannot be so subrogated.

19. OTHER LIABILITY INSURANCE

Insurance under a contract evidenced by a valid owner's policy is, in respect of liability arising from or occurring in connection with the ownership, use or operation of an automobile owned by the Insured named in the policy and within the description or definition thereof in the policy, a first loss insurance, and insurance attaching under any other valid motor vehicle liability policy is excess insurance only.

However, insurance evidenced by a valid garage policy, not describing the specific automobile(s) insured, shall in respect to non-owned or customers' automobiles while being used, operated or worked upon in the course of the policyholder's business as a garage be a first loss insurance and insurance attaching under any other valid motor vehicle policy shall be excess insurance only.

20. RENEWAL OF CONTRACT

This contract shall be renewed of right, for the same premium and for the same period, at expiry, unless notice to the contrary is given by the Insurer or the Insured; if given by the Insurer, the notice of non-renewal or of a change in the premium must be sent to the Insured, at his last known address, not later than the thirtieth day preceding the date of expiry, counting that date.

Where the Insured deals through a broker, the notice provided for in the first paragraph is sent by the Insurer to the broker, the latter being entrusted to remit it to the Insured.

21. CANCELLATION

This contract may be cancelled at any time:

(a) by each of the Named Insureds giving mere written notice to the Insurer. Cancellation takes effect upon receipt of the notice by the Insurer and the Insured shall therefore be entitled to a refund of the excess of the premium actually paid over the premium earned for the time the contract has been in force, on the basis of the Cancellation Table herein;

(b) within sixty days after its coming into force, by the Insurer giving written notice to each Named Insured. Cancellation takes effect fifteen days following receipt of such notice by the Named Insured at his last known address.

At the expiry of such period of sixty days, the contract shall not be cancelled by the Insurer except in the case of an aggravation of risk which is likely to materially influence a reasonable insurer in the decision to continue to insure, or when the premium has not been paid. The Insurer so wishing to cancel the contract shall notify each Named Insured in writing; cancellation takes effect thirty days following receipt of such notice by the Named Insured at his last known address or, if the Described Automobile, with the exception of a school bus, is an automobile contemplated in Title VIII.1 of the Highway Safety Code, fifteen days after receipt of the notice.

The Insurer shall refund the excess of the premium actually paid over the earned premium computed on a day to day basis.

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

In this Condition, the words **premium actually paid** mean the premium actually paid by the Insured to the Insurer or its agent, but do not include any premium or part thereof paid to the Insurer by an agent unless actually paid to the agent by the Insured.

22. NOTICE

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

2001-3 – PERSONAL LEGAL LIABILITY COVERAGES

(This insurance is provided only if mentioned in the Declarations Page).

DEFINITIONS

“You” and “your” in this insurance refer to the Insured. “We” and “us” refer to the Company providing this insurance. Words and phrases that appear in quotations have special meanings as defined below.

“**Bodily injury**” means bodily injury, sickness or resulting death.

“**Business**” means any continuous or regular pursuit undertaken for financial gain including a trade, profession or occupation.

“**Business property**” means property on which a business is conducted, property rented in whole or in part to others, or held for rental.

“**Data**” means information (including facts, concepts or execute statements) represented in any form whatsoever.

“**Insured**” means the person(s) named as Insured on the Declarations Page and,

- while living in the same household, the following persons:
 - his or her spouse;
 - the relatives of either; and
 - any person under 21 in their care.
- Spouse means a person:
 - who is married to or has entered into a civil union with another person and is living with that person;
 - who has been living with another person of the opposite or the same sex and has been publicly represented as that person’s spouse for at least three years;
or, in the following cases, for at least one year:
 - a child has been born or is to be born of their union;
 - they have adopted a child together;
 - one of them has adopted a child of the other.

In addition, a student who is enrolled in and actually attends a school, college or university on a full time basis and who is dependent on the Named Insured or his or her spouse for support and maintenance is also insured even if temporarily residing away from the principal residence.

- any person or organization legally liable for damages caused by a watercraft or animal owned by you, and to which this insurance applies. This does not include anyone using or having custody of the watercraft or animal in the course of any business or without the owner’s permission;
- a **residence employee** while performing duties in connection with the ownership, use or operation of motorized vehicles and trailers for which coverage is provided in this policy;
- your legal representative having temporary custody of the premises, if you die while insured by this policy, for legal liability arising out of the premises;
- any person who is insured by this policy at the time of your death and who continues residing on the premises.

“**Legal liability**” means responsibility which courts recognize and enforce between persons who sue one another.

“**Pollutants**” means any solid, liquid, gaseous or thermal irritant or contaminant, including vapour, soot, fumes, acids, alkalis, chemicals, pesticides, herbicides, waste and smoke, whether from agricultural smudging or industrial operations or any other source.

“**Premises**” in this insurance means all premises where the person(s) named as Insured on the Declarations Page, or his or her spouse, maintains a residence, including seasonal and other residences, provided such premises are specifically described on the Declarations Page. THIS DOES NOT INCLUDE BUSINESS PROPERTY OR FARMS. Premises also include:

- premises where a student insured by this policy is residing temporarily;
- premises where you are residing temporarily or which you are using temporarily, as long as YOU DO NOT OWN such premises;
- provided they are not insured under any other policy, premises contained within the lot lines on which your new principal residence in Canada is situated, from the date you acquire ownership of or occupy the premises but not beyond the earlier of 30 consecutive days or the date the policy expires or is terminated;

- individual or family cemetery plots or burial vaults in Canada;
- vacant land in Canada you own or rent, EXCLUDING farm land;
- land in Canada where an independent contractor is building a one or two-family residence to be occupied by you.

“**Property damage**” means damage to, or destruction of, or loss of use of property.

“**Residence employee**” means a person employed by you to perform duties in connection with the maintenance or use of the premises. This includes persons who perform household or domestic services or duties of a similar nature for you. This does not include persons while performing duties in connection with your business.

“**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.

COVERAGES

This insurance applies only to accidents or occurrences which take place during the term of this policy.

Amounts of Insurance

The amounts of insurance are shown on the Declarations Page. They are applicable to each “**Insured**” separately but this does not increase the limit of insurance.

LEGAL LIABILITY

We will pay all sums which you become legally liable to pay as compensatory damages because of “**bodily injury**” or “**property damage**”. We will not pay any fines, penalties, punitive damages, exemplary damages or any other sum over and above actual compensatory damages.

The amount of insurance stipulated in the Declarations Page is the maximum amount we will pay, under one or more sections of Personal Legal Liability Coverage, for all compensatory damages in respect of one accident or occurrence other than as provided under Defence, Settlement, Supplementary Payments.

Personal Liability

1. YOU ARE INSURED for claims made against you arising from:
 - “**Legal liability**” for unintentional “**bodily injury**” or “**property damage**” arising out of your personal actions anywhere in the world. However, if the dwelling building described on the Declarations Page is not occupied by you as a principal residence, you are insured only for “**legal liability**” arising out of the ownership, maintenance or use of the “**premises**” described on the Declarations Page.
2. YOU ARE NOT INSURED for claims made against you arising from:
 - a. the personal actions of a Named “**Insured**” who does not reside on the “**premises**” described on the Declarations Page;
 - b. the ownership, use or operation of any motorized vehicle, trailer or watercraft, EXCEPT THOSE FOR WHICH COVERAGE IS SHOWN IN THIS POLICY;
 - c. damage to property you own, use, occupy or lease;
 - d. damage to property in your care, custody or control;
 - e. damage to personal property or fixtures as a result of work done on them by you or anyone on your behalf;
 - f. “**bodily injury**” to you or to any person residing in your household OTHER THAN A “**RESIDENCE EMPLOYEE**”.

Premises Liability

1. **“Legal liability”** arising out of your ownership, use or occupancy of the insured **“premises”**. This insurance also applies if you assume, by a written contract, the **“legal liability”** of other persons in relation to your **“premises”** but we do not insure claims arising from liability you have assumed by contract with a railway company.
2. YOU ARE NOT INSURED for claims made against you arising from:
 - a. damage to property you own, use, occupy or lease;
 - b. damage to property in your care, custody or control;
 - c. damage to personal property or fixtures as a result of work done on them by you or anyone on your behalf;
 - d. **“bodily injury”** to you or to any person residing in your household OTHER THAN A **“RESIDENCE EMPLOYEE”**.

Tenant’s Legal Liability

1. **“Legal liability”** for unintentional **“property damage”** to **“premises”** or their contents which you are using, renting or have in your custody or control caused by fire, explosion, water damage, or smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the **“premises”**, excluding smoke from a fireplace.
2. YOU ARE NOT INSURED for liability you have assumed by contract unless your **“legal liability”** would have applied even if no contract had been in force.

Employers’ Liability

1. **“Legal liability”** for unintentional **“bodily injury”** to **“residence employees”** arising out of and in the course of their employment by you.
2. YOU ARE NOT INSURED for:
 - a. claims made against you resulting from the ownership, use or operation of aircraft while being operated or maintained by your employee;
 - b. liability imposed upon or assumed by you under any Workers’ Compensation Statute.

Defence, Settlement, Supplementary Payments

Under Personal Legal Liability Coverage, we will defend you against any suit alleging **“bodily injury”** or **“property damage”** and seeking compensatory damages, even if it is groundless, false or fraudulent. We reserve the right to investigate, negotiate and settle any claim or suit if we decide this is appropriate.

In addition to the limit of insurance under Personal Legal Liability Coverage, we will pay:

1. all expenses which we incur;
2. all costs charged against you in any suit insured under Personal Legal Liability Coverage;
3. any interest awarded by the court on that part of the judgment which is covered by us;
4. premiums for appeal bonds required in any insured lawsuit involving you and bonds to release any property that is being held as security, up to the amount of insurance, but we are not obligated to apply for or provide these bonds;
5. expenses which you have incurred for emergency medical or surgical treatment to others following an accident or occurrence insured by this policy;
6. reasonable expenses, EXCEPT LOSS OF EARNINGS, which you incur at our request.

VOLUNTARY MEDICAL PAYMENTS

WE WILL PAY reasonable medical expenses incurred within 1 year of the date of the accident, if you unintentionally injure another person or if they are accidentally injured on your **“premises”**. This coverage is available even though you are not legally liable. Medical expenses include surgical, dental, hospital, nursing, ambulance service and funeral expenses.

The maximum amount we will pay for each person in respect of one accident or occurrence is \$1,000.

WE WILL NOT PAY:

1. expenses covered by any medical, dental, surgical or hospitalization plan or law, or under any other insurance contract;
2. medical expenses of any person covered by any Workers’ Compensation Statute;
3. your medical expenses or those of persons residing with you, OTHER THAN **“RESIDENCE EMPLOYEES”**;
4. expenses for **“bodily injury”** caused intentionally by you or at your direction;
5. for claims arising out of the ownership, use or operation of any motorized vehicle, trailer or watercraft, EXCEPT THOSE FOR WHICH COVERAGE IS SHOWN IN THIS POLICY.

What You Must Do after an Accident or Occurrence

- A. You shall arrange for the injured person, if requested, to:
 1. give us, as soon as possible, written proof of claim, under oath if required;
 2. authorize us to obtain medical and other records;
 3. submit to physical examination at our expense by doctors we select as often as we may reasonably require.Proofs and authorizations may be given by someone acting on behalf of the injured person.
- B. You shall not bring suit against us until you have fully complied with all the terms of this policy, nor until 60 days after the required PROOF OF LOSS FORM has been filed with us.

VOLUNTARY PAYMENT FOR DAMAGE TO PROPERTY

WE WILL PAY, up to a maximum of \$250, for unintentional direct damage you cause to property even though you are not legally liable. You may also use this coverage to reimburse others for direct **“property damage”** caused intentionally by an **“Insured”**, 12 years of age or under.

YOU ARE NOT INSURED for claims:

1. resulting from the ownership, use or operation of any motorized vehicle, trailer or watercraft, EXCEPT THOSE FOR WHICH COVERAGE IS PROVIDED BY THIS POLICY;
2. for property you or your tenants own or rent;
3. caused by the loss of use, disappearance or theft of property.

Basis of payment

- A. We will pay whichever is the least of the following:
 1. the actual cash value of the property at the time of loss;
 2. what it would cost to repair or replace the property with materials of similar quality at the time of loss;
 3. the amount shown on the Declarations Page.
- B. We may pay for the loss in money or may repair or replace the property, and may settle any claim for loss of property either with you or the owner of the property. We may take over any salvage if we wish.
- C. Within 60 days after the loss, you must submit to us (under oath if required) a PROOF OF LOSS FORM containing the following information:
 1. the amount, place, time and cause of loss;
 2. the interest of all persons in the property affected;
 3. the actual cash value of the property at the time of loss.
- D. If necessary, you must help us verify the damage.
- E. You shall not bring suit against us until you have fully complied with all the terms of this policy, nor until 60 days after the required PROOF OF LOSS FORM has been filed with us.

SPECIAL LIMITATIONS

Watercraft You Own

YOU ARE INSURED against claims arising out of your ownership, use or operation:

- a. of watercraft equipped with an outboard, inboard or inboard-outboard motor or motors of not more than 12 kW (16 H.P.) in total when used with or on a single watercraft;
- b. any other type of watercraft not more than 8 metres (26 feet) in length.

If you own any motors or watercraft larger than those stated above, you are insured ONLY IF THEY ARE SHOWN ON THE POLICY. If you acquire any watercraft similar to those described above after the effective date of this policy, you will be insured automatically for a period of 14 DAYS ONLY from the date of acquisition or until your policy expires or is terminated – whichever occurs first.

Watercraft You Do Not Own

1. YOU ARE INSURED against claims arising out of your use or operation of watercraft which is not owned by an **“Insured”** provided the watercraft is being used or operated with the owner’s consent.
2. YOU ARE NOT INSURED for damage to the watercraft itself.

Motorized Vehicles

1. YOU ARE INSURED against claims arising out of your ownership, use or operation of the FOLLOWING including their trailers or attachments:
 - a. lawn mowers, snow blowers, garden-type tractors of not more than 19 kW (25 H.P.) used or operated mainly on your property, PROVIDED THEY ARE NOT USED FOR COMPENSATION OR HIRE;
 - b. remote-control caddies;
 - c. motorized golf carts while in use on a golf course;
 - d. motorized wheelchairs.
2. YOU ARE NOT INSURED for damage to vehicles you do not own.

Trailers

YOU ARE INSURED against claims arising out of your ownership, use or operation of any trailer or its equipment, PROVIDED THAT SUCH TRAILER IS NOT BEING TOWED BY, ATTACHED TO OR CARRIED ON A MOTORIZED VEHICLE.

“Business” and “Business Property”

1. YOU ARE INSURED against claims arising out of:
 - a. the occasional rental of your residence to others;
 - b. the rental to others of a one or two-family dwelling usually occupied in part by you as a residence, PROVIDED NO FAMILY UNIT INCLUDES MORE THAN 2 ROOMERS OR BOARDERS;
 - c. the rental of space in your residence to others for incidental office, school or studio occupancy;
 - d. the rental to others, or holding for rent, of not more than 3 car spaces or stalls in garages or stables;
 - e. activities during the course of your trade, profession or occupation which are ordinarily incidental to non-business pursuits;
 - f. the temporary or part time **“business”** pursuits of an **“Insured”** under the age of 21 years.
2. Claims arising from the following **“business”** pursuits are insured ONLY IF THE PROPERTIES OR OPERATIONS ARE DECLARED ON THE DECLARATIONS PAGE:
 - a. the rental of residential buildings containing not more than 6 dwelling units;
 - b. the use of part of your residence by you for incidental **“business”** pursuits.

COMMON EXCLUSIONS

The following exclusions are additional to those contained under Coverages.

YOU ARE NOT INSURED for claims arising from:

1. Invasion, war or civil war, insurrection, rebellion, revolution, military or usurped power or by operation of armed forces while engaged in hostilities, whether war be declared or not.
2. **“Bodily injury”** or **“property damage”** 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 cause or event that contributes concurrently or in any sequence to the **“bodily injury”** or **“property damage”**.
3. **“Bodily injury”** or **“property damage”** which is also insured under a nuclear energy liability policy issued by the Nuclear Insurance Association of Canada, or any other group or pool of insurers regardless of exhaustion of such policy limits or its termination.
4. Your **“business”** or any **“business”** use of your **“premises”** EXCEPT AS SPECIFIED IN THIS POLICY.
5. The rendering or failure to render any professional service.
6. **“Bodily injury”** or **“property damage”** caused by:
 - a. erasure, destruction, corruption, misappropriation or misinterpretation of **“data”**;
 - b. error in creating, amending, entering, deleting or using **“data”**; including any loss of use.
7. The distribution or display of **“data”** via a Website, the Internet, intranet or extranet or any similar device or system designed or intended for electronic communication of **“data”**.
8. The ownership, use or operation of any aircraft or premises used as an airport or landing strip, and all necessary or incidental operations.
9. The ownership, use or operation of any motorized vehicle, trailer or watercraft EXCEPT THOSE FOR WHICH COVERAGE IS PROVIDED IN THIS POLICY.
10. The use or operation of any watercraft or motorized vehicle insured under this policy while it is:
 - a. used for carrying passengers for compensation;
 - b. used for **“business”** purposes;
 - c. used in any race or speed or skill test;
 - d. rented to others; or
 - e. being used or operated without the owner’s consent.
11. **“Bodily injury”** or **“property damage”** arising out of the actual or threatened discharge, dispersal, release or escape of **“pollutants”**.
12. Indecent acts, sexual assault, sexual harassment, corporal punishment or abuse:
 - a. by or with the express or implied consent of an **“Insured”**;
 - b. by any other person at the direction of an **“Insured”**.
13. The publication or utterance of a libel or slander or of other defamatory or disparaging material, or a publication or utterance in violation of an individual’s rights of privacy.
14. The transmission of communicable disease by an **“Insured”**.
15. **“Bodily injury”** or **“property damage”** caused by any criminal act or wilful negligence by an **“Insured”**, but this exclusion does not apply to any other **“Insured”** who has not committed and is not involved in the criminal act or wilful negligence.

OTHER INSURANCE

If you have other insurance which applies to a loss or claim, or would have applied if this policy did not exist, this policy will be considered excess insurance and we will not pay any loss or claim until the amount of such other insurance is used up.

VARIOUS LIABILITY CLAUSES

FORM 33204 – OWNER’S LANDLORDS’ & TENANTS’ LIABILITY INSURANCE

OR

FORM 2001-3 – PERSONAL LEGAL LIABILITY COVERAGES

(The following clauses apply only if their respective number is mentioned in Chapter II of the Declarations Page or by Endorsement)

1. FORCIBLE EJECTION EXCLUSION

APPLICABLE ONLY TO FORM 33204

It is understood and agreed that the coverage provided shall not apply in respect to liability arising out of ejection of patrons, forcible or otherwise, or to refusal by the Insured of service or entry to premises.

All other terms and conditions of this Policy remain unchanged.

2. SWIMMING POOLS

APPLICABLE TO FORMS 33204 or 2001-3

It is understood and agreed that the swimming pool will be completely fenced in and locked when not in use.

All other terms and conditions of this Policy remain unchanged.

3. INDEPENDENT CONTRACTORS CONDITIONAL EXCLUSION

APPLICABLE ONLY TO FORM 33204

It is understood and agreed that liability coverage for acts of independent contractors is excluded unless:

- a) the Insured shall obtain certificates of independent contractors and subcontractors providing evidence of like coverage as is afforded by this Policy including completed operations;
- b) such certificates will contain limits of liability at least equal to the limits of this Policy.

All other terms and conditions of this Policy remain unchanged.

4. WORKMEN’S PERMIT

APPLICABLE TO FORMS 33204 or 2001-3

Carpenters and other workmen are hereby permitted to be employed on the insured premises.

It is a condition of this policy that each and every sub-contractor must be a licensed contractor with contractor’s liability insurance. Moreover, all roofing, plumbing, electrical, heating, shoring, raising, transportation of structure and/or building, work must be done by licensed contractors with liability insurance up to a minimum limit of \$1,000,000.

No open flame, air forced heaters (salamander type), to the knowledge of the insured, will be used inside of any building. A suitable fire extinguisher must be in place once the building is enclosed.

This policy covers liability arising only out of the ownership of the insured premises.

We do not cover Employer’s liability.

All other terms and conditions of this Policy remain unchanged.

5. FIXED STRUCTURES EXCLUSION

APPLICABLE TO FORM 33204

- This insurance shall not apply to fixed structures pertaining to the building(s) and located on the premises designated in the Declarations Page.

APPLICABLE TO FORM 2001-3

- This insurance shall not apply to fixed structures pertaining to the building(s) and located on the premises where the person(s) named as insured on the Declarations Page, or his or her spouse, maintains residence, provided such premises are specifically described on the Declarations Page.

All other terms and conditions of this Policy remain unchanged.

6. ENDORSEMENT EXCLUDING ANIMALS

APPLICABLE TO FORMS 33204 or 2001-3

You are not insured for claims arising directly or indirectly from the ownership or use of animals described on the Declarations Page.

All other terms and conditions of this policy remain unchanged.

CHAPTER III – CRIME AND MISCELLANEOUS COVERAGES

This Policy is subject to the General Conditions, Additional Conditions and General Exclusions set forth in Chapter IV, where applicable.

INTERIOR, MESSENGER AND PAYMASTER ROBBERY RIDER

(This insurance is provided only if mentioned in the Declarations Page).

INSURING AGREEMENTS

1. A) INTERIOR ROBBERY

Indemnity for Loss on the Premises

The Insurer agrees to indemnify the Insured for all **“loss”** of **“property”** occasioned by:

- i) **“Robbery”** or attempt thereat from a **“custodian”** on the **“premises”**;
- ii) Theft from a window display area inside the building on the **“premises”** while the **“premises”** are open for business, by the thief or an accomplice having broken the window at the time of the theft.

B) MESSENGER ROBBERY

Indemnity for Loss Away from the Premises

The Insurer agrees to indemnify the Insured for all **“loss”** of **“property”** occasioned by:

- i) **“Robbery”** or attempt thereat from a **“custodian”** away from the **“premises”** while engaged in his regular duties in connection with such **“property”** within Canada or The United States of America;
- ii) Theft from within the home of a **“custodian”** not exceeding the limit of insurance on such **“custodian”** or \$500.00, whichever is less. This limitation shall not apply to **“robbery”** as defined herein;
- iii) Theft from within a night depository safe provided by a bank or trust company for use of its customers.

C) PAYMASTER ROBBERY

Indemnity for Loss of Payroll

The Insurer agrees to indemnify the Insured for all **“loss”** of money and cheques intended solely for the payroll of the Insured occasioned by:

- i) **“Robbery”** or attempt thereat from a **“custodian”** while engaged in his regular duties in connection with such payroll on or away from the **“premises”** but within Canada or The United States of America;
- ii) **“Robbery”** from any of the Insured’s employees on the **“premises”** of such money or cheques in their possession during the day or night on which they are paid, provided there is at the same time a **“robbery”** from the **“custodian”** or an attempt thereat.

2. EXTENSIONS OF COVERAGE

- A) The Insurer agrees to indemnify the Insured for an amount not exceeding 10% of the limit or amount of insurance provided under Insuring Agreement 1.C) for all **“loss”** of **“property”** not intended solely for the payroll of the Insured occasioned by **“robbery”** or attempt thereat from a **“custodian”** while engaged in his regular duties in connection with such **“property”** on or away from the **“premises”** but within Canada or The United States of America.

The insurance under this extension shall be part of and not in addition to the insurance under Insuring Agreement 1.C).

- B) Kidnapping: Insuring Agreements 1.A) and 1.C) shall include the theft of **“property”** from within the **“premises”** by means of compelling a **“custodian”** by violence or threat of violence while outside the **“premises”** to admit a person into the **“premises”** or to furnish him with means of ingress into the **“premises”**, provided the **“loss”** shall occur before the **“premises”** are next open for business.
- C) **“Premises”** Damage: Insuring Agreements 1.A) and 1.C) shall include damage to the **“premises”** occasioned by **“robbery”** or attempt thereat.
- D) Automatic Coverage (Interior **“Robbery”**): Insuring Agreement 1.A) of this rider shall apply to the **“property”** covered thereby from any

newly occupied **“premises”** in Canada or The United States of America occupied by the Insured in addition to the **“premises”** described in the Declarations Page forming part of this Policy while a **“custodian”** of the Insured is on duty therein during the Policy Period, provided the Insured shall furnish the Insurer with written notice of the occupation of such newly occupied **“premises”** within thirty (30) days thereafter, and provided further that the Insured shall pay the Insurer pro rata additional premium for such additional insurance with respect to each such additional **“premises”**.

This automatic cover shall not exceed an amount equal to that applicable to the location with the lowest limit or amount of insurance.

EXCLUSIONS

This insurance does not apply:

- a) to **“loss”** caused by fire;
- b) to damage to glass, or lettering or ornamentation thereon;
- c) to **“loss”** of manuscripts, records or accounts, except for blank value;
- d) to **“loss”** of any **“property”** held by the Insured as postmaster;
- e) if the **“custodian”** directly in charge of the **“property”** insured or any **“guard”** accompanying the **“custodian”** is criminally implicated as a principal or an accessory;
- f) unless records are kept by the Insured in such a manner that the Insurer can accurately determine therefrom the amount of **“loss”**;
- g) to **“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;

Nor does this Form insure:

- h) **“loss”** or damage caused directly or indirectly by the following perils:
 - DATA,
 - TERRORISMas set forth in Chapter IV – General Exclusions.

DEFINITIONS

When used in reference to this insurance:

“Loss” includes damage.

“Robbery” means:

- a) the felonious and forcible taking of insured **“property”**
 - i) by violence inflicted upon the **“custodian”**; or
 - ii) by putting the **“custodian”** in fear of violence; or
 - iii) by any other overt felonious act committed in the presence of the **“custodian”** and of which he was cognizant at the time, provided such act is not committed by an officer, partner or employee of the Insured;
- b) the felonious taking of insured **“property”** from the **“custodian”** who, while having custody of the insured **“property”**, has been killed or physically disabled by injuries inflicted maliciously or sustained accidentally.

“Custodian” means the Insured or partner therein or an officer thereof or any other person who is in the regular employ of and duly authorized by the Insured to have the care and custody of the insured **“property”**. In no event shall a person while acting as a watchman, janitor or porter be considered a custodian.

“Guard” means any able-bodied person who accompanies the **“custodian”** by the direction of the Insured, but who is not a driver of a public conveyance.

“Premises” means the interior of that portion of any building described at the location designated in the Declarations Page and the space surrounding such building occupied solely by the Insured in conducting his business.

“Property” means:

- a) Money restricted to currency, coins, bank notes and bullion.

- b) Securities restricted to all negotiable and non-negotiable instruments or contracts representing either money or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include money.
- c) Merchandise usual to the Insured's business described in the Declarations Page.
- d) Furniture and fixtures inside the "premises" and the Wallet, Bag, Satchel, Safe or Chest in which the insured property is contained while being used by the "custodian" away from the "premises".

SPECIAL CONDITIONS

1. LIMITS OF INDEMNITY

The limit of the Insurer's liability for "loss" shall not exceed the applicable limit(s) or amount(s) of insurance stated in the Declarations Page. If more than one person or interest is named as the Insured, the Insurer's liability for such "loss" sustained by all such persons and interests combined shall be limited in the aggregate to the said specified limit(s) or amount(s).

2. POLICY PERIOD

This rider shall apply only to "loss" or damage occurring within the Policy Period defined in the Declarations Page.

- 3. The conditions, limitations and other terms expressed in the Insuring Agreements, Exclusions, Definitions and Special Conditions shall prevail wherever they conflict with the General Conditions contained in Chapter IV.

4. 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.

5. ALARM SYSTEM AND PROTECTION SERVICES

If for reason beyond the Insured's control, the alarm system or any other protective service or equipment 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 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.

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.

6. REINSTATEMENT

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

7. PROOF OF LOSS AND PROSECUTION

The Insured, upon request of the Insurer, shall render every assistance to facilitate the investigation and adjustment of any claim, 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".

8. VALUATION OF PROPERTY INSURED

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

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

This policy is subject to the terms and conditions set forth herein together with such other items and conditions as may be endorsed hereon or added thereto. No terms or conditions 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 other terms and conditions of this Policy remain unchanged.

51002 – SAFE BURGLARY RIDER

(This insurance is provided only if mentioned in the Declarations Page).

1. INSURING AGREEMENTS

Indemnity for Loss and Damage

The Insurer agrees:

- a) To indemnify the Insured for all loss of property as specified in the Declarations Page caused by **“safe burglary”**, and
- b) To indemnify the Insured for all damage to the **“premises”** and to property therein caused by **“safe burglary”** or attempt thereof, provided that the Insured is the owner thereof or is liable for such damage.

2. EXCLUSIONS

This insurance does not apply to:

- a) damage caused by fire;
- b) damage to glass, or lettering or ornamentation thereon;
- c) loss of or damage to manuscripts, records or accounts, except for blank value;
- d) loss of or damage to any property held by the Insured as postmaster;
- e) loss of **“money”**, **“securities”** or other property from within the chest, safe or vault described in the Declarations Page unless records are kept by the Insured in such a manner that the Insurer can accurately determine therefrom the amount of loss;
- f) to 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;

Nor does this Form insure:

- g) loss or damage caused directly or indirectly by the following perils:
 - DATA,
 - TERRORISMas set forth in Chapter IV – General Exclusions.

3. DEFINITIONS

When used in reference to this insurance:

“Safe burglary” means

- a) the felonious abstraction of **“money”**, **“securities”** or other property from the chest, safe or vault described in the Declarations Page by any person or persons making felonious and forcible entry into such chest, safe or vault while it is within the **“premises”**, of which force there shall be visible marks made by tools, explosives, electricity, gas

or other chemicals; provided that, if the chest or safe is stated in the Declarations Page to be within a safe or vault, there shall be visible evidence of such force upon each chest and safe and vault;

- b) the felonious removal of the described chest or safe from the **“premises”**; provided that, if the safe is stated in the Declarations Page to be within a vault, there shall be evidence of forcible entry into such vault of which force there shall be visible marks made by tools, explosives, electricity, gas or other chemicals.

“Money” means currency, coins, bank notes and bullion.

“Securities” means all negotiable and non-negotiable instruments or contracts representing either **“money”** or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include **“money”**.

“Premises” means the interior of that portion of any building designated in the Declarations Page which is occupied solely by the Insured in conducting his business.

4. SPECIAL CONDITIONS

a) Limits of indemnity

The limit of the Insurer’s liability for loss shall not exceed the applicable limit(s) or amount(s) of insurance stated in the Declarations Page. If more than one person or interest is named as the Insured, the Insurer’s liability for such loss sustained by all such persons and interests combined shall be limited in the aggregate to the said specified limit(s) or amount(s).

b) Policy period

This rider shall apply only to loss or damage occurring within the Policy Period defined in the Declarations Page or within any extension thereof under Renewal Certificate issued by the Insurer.

c) Suspension

If the Insured fails to carry out recommendations of the Insurer for improvement of the risk, the Insurer may suspend the insurance under this rider by written notice. A pro rata refund will be allowed for the period of suspension.

- d) The conditions, limitations and other terms expressed in the Insuring Agreements, Exclusions, Definitions and Special Conditions shall prevail wherever they conflict with the General Conditions contained in Chapter IV.

All other terms and conditions of this Policy remain unchanged.

51003 – DAMAGE TO BUILDINGS BY BURGLARY OR ROBBERY RIDER

(This insurance is provided only if mentioned in the Declarations Page).

1. INSURING AGREEMENT

The Insurer agrees to indemnify the Insured for all damage to the **“premises”** caused by **“burglary”** or **“robbery”** or attempt thereof, or by vandalism or malicious mischief committed on the same occasion, provided that the Insured is the owner thereof or is liable for such damage.

2. EXCLUSIONS

This insurance does not apply to:

- a) damage caused by fire or occurring during a fire in the **“premises”**;
- b) damage to glass, or lettering or ornamentation thereon;
- c) damage caused by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;

Nor does this Form insure:

- d) loss or damage caused directly or indirectly by the following perils:
 - DATA,
 - TERRORISMas set forth in Chapter IV – General Exclusions.

3. DEFINITIONS

When used in reference to this insurance:

“Burglary” means the felonious abstraction of property from within the premises by a person making felonious entry therein or exit therefrom by actual force and violence as evidenced by visible marks at the place of such entry or exit.

“Robbery” means the felonious taking of property by violence or threat of violence inflicted upon the custodian thereof within the **“premises”** or upon a watchman while on duty within the **“premises”**.

“Premises” means any building situated at the location designated in the Declarations Page and includes permanent fittings and fixtures attached thereto or forming part thereof.

4. SPECIAL CONDITIONS

a) Limits of liability

The limit of the Insurer’s liability for damage is limited to the actual cost of repair of such damage but not exceeding in any event the applicable limit(s) or amount(s) of insurance stated in the Declarations Page. If more than one person or interest is named as the Insured, the Insurer’s liability for such damage sustained by all such persons and interests combined shall be limited in the aggregate to the said specified limit(s) or amount(s).

b) Policy period

This rider shall apply only to damage occurring within the Policy Period defined in the Declarations Page.

- c) The conditions, limitations and other terms expressed in the Insuring Agreements, Exclusions, Definitions and Special Conditions shall prevail wherever they conflict with the General Conditions contained in Chapter IV.

All other terms and conditions of this Policy remain unchanged.

61001 – GLASS INSURANCE FORM

(This insurance is provided only if mentioned in the Declarations Page).

1. INDEMNITY AGREEMENT

In the event that any of the property insured be lost or damaged, the Insurer will indemnify the Insured, subject to the following conditions, to an amount not exceeding the interest of the Insured in the property.

2. PROPERTY INSURED

This Policy insures unscheduled glass meaning all unscheduled exterior glass including lettering, ornamentation, tape and foil and installation charges, forming part of the building or buildings at the locations designated in the Declarations Page.

3. PROPERTY EXCLUDED

The Policy does not insure sashes, bars and glass or vitrolite who are not set in frame or any glass other than clear flat plate, plain or sheet glass, unless they are specifically described on the Declarations Page.

4. PERILS INSURED

This Policy, except as herein provided, insures against damages to the glass, lettering, ornamentation, tape or foil caused by accidental breakage which occurs during the Policy period.

5. PERILS EXCLUDED

The Insurer shall not be liable for loss or damage:

- a) caused by fire;
- b) during construction of, alteration or addition to the premises described in the Declarations Page other than ordinary repair or maintenance;

- c) while the premises containing such glass is, to the knowledge of the Insured, vacant or unoccupied for more than thirty consecutive days or being a manufacturing premises ceases to be operated and continues out of operation for more than thirty consecutive days;
- d) or increased costs or repair due to the operation of any law regulating the zoning, demolition, repair or construction of buildings;
- e) caused by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;

Nor does this Form insure:

- f) loss or damage caused directly or indirectly by the following perils:
 - DATA,
 - TERRORISMas set forth in Chapter IV – General Exclusions.

6. LIMITS OF INDEMNITY

The Insurer's liability is limited to the actual cost of replacement, including installation charges, of such glass, lettering, ornamentation, tape and foil, at the time of the breakage, not exceeding the limit of insurance (if any).

7. DEDUCTIBLE

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

All other terms and conditions of this Policy remain unchanged.

61002 – SIGN FLOATER

(This insurance is provided only if mentioned in the Declarations Page).

1. INDEMNITY AGREEMENT

In the event that any of the property insured be lost or damaged by the perils insured against, the Insurer will indemnify the Insured, subject to the statements contained on the Declarations Page, and such other applicable exclusions, limitations, conditions and terms contained in this Policy, against the direct loss so caused to an amount not exceeding whichever is the least of:

- a) the actual cash value of the property at the time of loss or damage;
- b) the interest of the Insured in the property;
- c) the amount of insurance specified on the Declarations Page or any Schedule pertaining hereto in respect of the property lost or damaged.

Provided, however, that where the insurance applies to the property of more than one person or interest, the Insurer's total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the amount or amounts specified in the Declarations Page or any Schedule pertaining hereto.

2. PROPERTY INSURED

Exterior signs, as described on the Declarations Page, the property of the Insured or of others for which the Insured is legally liable while in the custody or under the control of the Insured.

3. PROPERTY EXCLUDED

This Policy does not insure property illegally acquired, kept, stored or transported, or property seized or confiscated for breach of any law or by order of any public authority.

4. PERILS INSURED

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

5. PERILS EXCLUDED

The Insurer shall not be liable for loss or damage:

- a) caused by wear and tear or mechanical breakdown, deterioration, inherent vice or latent defect;
- b) caused by electrical currents other than lightning, unless fire or explosion ensues and then only for the loss or damage caused by such ensuing fire or explosion;

- c) sustained while the property insured is actually being worked upon, including installation, repair or maintenance, and where any loss or damage is due thereto, unless fire or explosion ensues and then only for the loss or damage caused by such ensuing fire or explosion;
- d) caused by marring or denting unless directly caused by fire, explosion, theft, collision, upset or overturn of a transporting conveyance;
- e) caused by strikers, locked out workmen or persons taking part in labour disturbances, or riots or civil commotions;
- f) caused by the neglect of the Insured to use all reasonable means to save and preserve the property at and after any disaster insured against or when the property is endangered by fire in neighbouring premises;
- g) by dampness of atmosphere or extremes of temperature;
- h) caused by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;

Nor does this Form insure:

- i) loss or damage caused directly or indirectly by the following perils:
 - DATA,
 - TERRORISMas set forth in Chapter IV – General Exclusions.

6. LIMITATIONS

a) Deductible

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

b) Co-insurance clause

The Insurer shall not be liable for a greater proportion of any loss or damage to the property insured than the amount of insurance bears to 100% of the actual cash value of said property at the time such loss shall happen. If the insurance under this Policy applies to two or more items, the foregoing shall apply to each item separately.

All other terms and conditions of this Policy remain unchanged.

61003 – MISCELLANEOUS PROPERTY FLOATER

BROAD FORM

(This insurance is provided only if mentioned in the Declarations Page).

This policy covers the described property owned by the Insured or the property of others for which the Insured may be liable, as per the attached schedule, up to the limit as indicated on the **"Declarations Page"**.

1. DEDUCTIBLE

Each claim for loss or damage (separately occurring) shall be adjusted separately, and from the amount of each such adjusted claim the sum specified on the **"Declarations Page"** or on the ATTACHED SCHEDULE, as applicable, shall be deducted.

If two or more items are involved in a loss, then the deductible shall be that applicable to the largest item.

2. PERILS INSURED

All risks of direct physical loss or damage to the described property from any external cause, except as hereinafter provided.

3. EXCLUSIONS

A - PERILS EXCLUDED

This Form does not insure against:

- a) Loss or damage caused by wear and tear, gradual deterioration, dampness of atmosphere, extremes of temperature, insect, vermin, latent defect, inherent vice, or damage sustained due to any process or while being actually worked upon and resulting therefrom;
- b) Loss or damage caused by short circuit or other electrical injury or disturbance, exclusive of lightning to electrical appliances, devices or other electrically operated property or wiring unless fire or explosion ensues and then for the loss or damage by fire or explosion only;
- c) Loss or damage due to mechanical breakdown, breakage of glass or other brittle articles or parts (lenses of scientific instruments excepted), marring, scratching unless caused by fire, lightning, theft or attempted theft, cyclone, tornado, windstorm, earthquake, flood, explosion, malicious damage or collision, derailment or overturn of transporting vehicle, strike, riot, aircraft, vehicles other than transporting conveyance, rupture of pipes, breakage of apparatus, sprinkler leakage, vandalism;
- d) Loss or damage caused by or resulting from misappropriation, secretion, conversion, infidelity or any dishonest act on the part of the Insured or other party of interest, his or their employees or agents or others to whom the property may be entrusted (carriers for hire excepted);
- e) Loss or damage caused by or resulting from theft from an unattended vehicle unless said vehicle is equipped with a fully enclosed metal body, and the loss is a direct result of violent forcible entry (of which there shall be visible evidence) into such fully enclosed metal body, the doors and windows of which have been securely locked;
- f) Loss of or damage to money, notes, securities, bullion, platinum, stamps, tickets and tokens, evidence of debt or title;
- g) Loss or damage caused directly or indirectly by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- h) Loss or damage caused directly or indirectly:
 - 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;
- i) Loss or damage caused directly or indirectly by the following perils:
 - DATA,
 - TERRORISMas set forth in Chapter IV – General Exclusions.

B - POLLUTION EXCLUDED

This Form does not insure against:

- i) 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:

- 1) 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;
 - 2) to loss or damage caused directly by a peril not otherwise excluded under this Form;
- ii) cost or expense for any testing, monitoring, evaluating or assessing of an actual, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release of **"pollutants"**.

4. PROPERTY EXCLUDED

This rider does not insure:

- a) Property illegally acquired, kept, stored or transported, or property seized or confiscated for breach of any law or by order of any public authority;
- b) Automobiles, aircraft, watercraft, motorcycles or similar conveyances;
- c) Property whilst waterborne, except that while the property insured is being transported on any regular ferry or is in or on railway cars or transfers in connection therewith, this Policy insures against direct physical loss or damage to the property insured caused by the Stranding, Sinking, Burning, or Collision of the vessel, including General Average and Salvage Charges.

5. SPECIAL CONDITIONS

a) Territorial limits

The property insured by this Form is covered at and in transit between points and places anywhere in Canada and the continental United States of America.

b) Coinsurance

The Company shall be liable, in the event of loss, for no greater proportion thereof than the amount insured hereunder bears to 100% of the actual value of the property insured hereunder at the time when such loss or damage shall happen. If this policy covers two or more items, this condition shall apply to each item separately.

c) All other matters

Subject to all conditions of the policy to which this Form is attached, except that any and all clauses and conditions in the printed portion of the policy in conflict with the terms of this special Form are waived and declared null and void.

c) New acquisitions

On the condition that the Insured report additional property of the kind insured hereunder, purchased by the Insured subsequent to the attachment date of this policy within thirty (30) days from the date purchased and in consideration of the payment of full premium thereon from the date purchased at pro rata of the current rates of the Company for such insurance, this policy insures each property for not exceeding 25% of the total amount of the policy (exclusive of the provisions of this clause) in respect to any one loss, disaster or casualty, but not exceeding \$25,000 on any one item. (This clause is effective only when all property insured by this Policy is scheduled).

d) 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.

6. DEFINITIONS

When used in reference to this insurance:

- a) **"Clean up"** means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of **"pollutants"**, including testing which is integral to the aforementioned processes.
- b) **"Declarations Page"** means Declarations Page applicable to this Form.
- c) **"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.

All other terms and conditions of this Policy remain unchanged.

61005 – EQUIPMENT BREAKDOWN FORM

(This insurance is provided only if mentioned in the Declarations Page).

INSURING AGREEMENTS

In the event of loss from an “**accident**”, as defined herein, to an insured “**object**”, and subject to all the terms, provisions and conditions (including General Conditions), of the policy to which this Form is attached, the Insurer agrees to indemnify the Insured as follows:

Coverage A – Loss to Property of Insured

TO PAY for loss to the property of the Insured and property of others in the care, custody or control of the Insured for which the Insured is legally liable, directly damaged by an “**accident**” (or, if the Insurer so elects, to repair or replace such damaged property), as defined herein.

Coverage B – Expediting Expenses

TO PAY for the reasonable extra cost of temporary repair and of expediting the repair of such damaged property directly damaged by an “**accident**”, including overtime and the extra cost of express or other rapid means of transportation.

Coverage C – Business Interruption/Extra Expense

If Business Interruption/Extra Expense is covered by the policy to which this Form is attached, to pay the Insured for loss due to Business Interruption/Extra Expense which results solely from an “**accident**” as defined herein. The amount payable shall be separate from and in addition to the limit of liability specified on the Declarations Page applicable to this Form. This liability, however, shall not exceed the limit of Business Interruption/Extra Expense specified for this coverage in the policy.

Coverage D – Consequential Damage

To pay for loss to perishable property due to spoilage resulting solely from an “**accident**” to a limit of \$25,000 unless otherwise stated on the Declarations Page.

EXCLUSIONS

This Policy does not apply:

1. To loss or damage

- a) from fire or smoke concomitant with or following an “**accident**” or from the use of water or other means to extinguish fire;
- b) from an “**accident**” caused directly or indirectly by fire or smoke or from the use of water or other means to extinguish fire;
- c) from a combustion explosion outside the “**object**” concomitant with or following an “**accident**”;
- d) from an “**accident**” caused directly or indirectly by a combustion explosion outside the “**object**”;
- e) from flood unless an “**accident**” ensues and the Insurer shall then be liable only for loss or damage from such ensuing “**accident**”;
- f) from an “**accident**” caused directly or indirectly by earthquake, including snowslide, landslide or other earth movements occurring concurrently with and directly resulting from an earthquake shock;
- g) from wind, including but not limited to cyclone, tornado or hurricane;
- h) from a sudden and accidental explosion of gas or unconsumed fuel within the furnace of any “**object**” or within the gas passages therefrom to the atmosphere.
- i) caused by or resulting from lightning, if coverage for that cause of loss is provided by any other policy of insurance in effect at the time of loss;
- j) to Property of Insured damaged by water, resulting from an “**accident**” if coverage is provided by any other insurance in effect at the time of the loss;
- k) from any other indirect result of an “**accident**”.

2. To loss or damage from an “**accident**” caused directly or indirectly by war, bombardment, invasion, insurrection, rebellion, revolution, military or usurped power, enemy attack including any action or measure taken in resisting, combating, or delaying the enemy by operations of armed forces while engaged in hostilities, whether war be declared or not, or by the explosion of a concentration of munitions or explosives being manufactured, stored or transported in Canada.

3. To loss or damage, whether it be direct or indirect, proximate or remote:

- a) from an “**accident**” caused directly or indirectly by nuclear reaction, nuclear radiation or radioactive contamination, all whether controlled or uncontrolled;
- b) from nuclear reaction, nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, caused directly or indirectly by, contributed to or aggravated by an “**accident**”, nor shall the Insurer be liable for any loss covered in whole or in part by any contract of insurance, carried by the Insured, which also covers any hazard or peril of nuclear reaction or nuclear radiation.

4. To any increase in loss:

- a) necessitated by any ordinance, law, regulation, rule or ruling, regulating or restricting repair, alteration, use, operation, construction or installation, except as provided in Extensions of Coverage.
- b) as a result of damage, contamination or pollution by a “**hazardous substance**” except as provided in Extensions of Coverage.

DEFINITIONS

1. Accident

“**Accident**” shall mean a sudden and accidental breakdown of the “**object**”, as defined herein, or a part thereof, which manifests itself at the time of its occurrence by physical damage to the “**object**” that necessitates repair or replacement of the “**object**” or part thereof; but “**accident**” shall not mean or include:

- a) depletion, deterioration, corrosion, or erosion of material;
- b) wear and tear;
- c) leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- d) the breakdown of any structure or foundation supporting the “**object**” or any part thereof; nor
- e) the functioning of any safety device or protective device.

Subject to Exclusion 2. of this policy, any “**accident**” arising out of strike, riot, civil commotion, acts of sabotage, vandalism or malicious mischief shall also be considered “**Accidental**” within the terms of the Definition of “**accident**”.

2. Object

“**Object**” shall mean any equipment or apparatus described below, subject to the exclusions specified herein:

- A - Any boiler, fired pressure vessel, metal unfired vessel or any A.S.M.E. approved fibreglass reinforced plastic vessel normally subject to vacuum or internal pressure other than static pressure of contents, metal piping and its accessory equipment but “**object**” shall not mean or include:
- 1) any refractory or insulating material, non metallic lining or covering, or boiler setting;
 - 2) any oven, stove, furnace or Incinerator; nor
 - 3) any sewer piping, buried piping which is not contained within a duct, tunnel or runway, piping forming a part of a sprinkler system or water piping other than:
 - a) feed water piping between any boiler and its feed pumps or injectors;
 - b) boiler condensate return piping;
 - c) any arrangement of piping used in conjunction with a hot water heating system, together with valves, radiators and fittings connected to such system.
 - 4) any refrigerating or air conditioning vessels and piping.
- B - Any mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power, but “**object**” shall not mean or include:
- 1) any structure or foundation other than the bedplate of a machine;
 - 2) any oven, stove, furnace or incinerator;
 - 3) any vehicle, aircraft, or any floating vessel or structure;

- 4) any elevator, escalator, conveyor, crane or hoist, but not excluding any electrical equipment mounted on, or forming a part of any such machine or apparatus;
- 5) any “data” processing, calculating or computing equipment, or any electronic machine, device or instrument;
- 6) any X ray machine, electron microscope, laser, particle accelerator, Beta gauge, spectrograph, or any equipment or apparatus utilizing radioactive materials;
- 7) any refrigerating unit or air conditioning unit including all compressors, driving motors, fans, blowers and all other ancillary equipment.

C - Any refrigerating unit or air conditioning unit, including:

- 1) any refrigerating or air conditioning vessels and piping;
- 2) any water piping connected to and forming a part of refrigerating or air conditioning vessels and piping;
- 3) all compressors, driving motors, fans, blowers and all other auxiliary equipment.

D - Any electronic machine, device or instrument used for research, diagnosis, treatment, communication, word processing, “data” processing, duplicating, monitoring or scanning.

3. Hazardous Substances

A “hazardous substance” is any substance declared by a Governmental Agency to be hazardous to health or the environment.

4. Data

“Data” means facts, information, knowledge or software in a machine readable form capable of being processed by data processing or other computerized equipment.

5. Media

“Media” means material on which “data” is recorded, such as magnetic tapes, hard discs or floppy discs.

EXTENSIONS OF COVERAGE

The following Extensions of Coverage are subject to the conditions and limitations of the policy.

1. Hazardous Substances

If property of the Insured, as defined in Coverage A, is damaged, contaminated or polluted by a “hazardous substance” as a result of an “accident” to insured equipment, the Insurer shall be liable for:

- a) the increase in cost for the clean up, repair or replacement or disposal of the property;
- b) the increase in the Business Interruption/Extra Expense which results from the presence of the “hazardous substance”, but, the total amount payable under this extension shall not exceed \$50,000, such amount being in addition to the Property damage limit on the Declarations Page of the policy.

2. By Laws

If Property of Insured is damaged as a result of an “accident” to insured equipment, the Insurer shall be liable for any increase in the cost of repairing, replacing, or constructing or reconstructing (including the necessary demolition and site clearance costs), occasioned by the enforcement of the minimum requirements of any by law, regulation, ordinance or law which is in force at the time of the Insured loss and which regulates zoning, or the demolition, repair or construction of the damaged property.

If Business Interruption/Extra Expense is covered by this Form, the Insurer shall be liable for the Increase in Business Interruption/Extra Expense which results solely from the enforcement of the by law, regulation, ordinance or law.

3. Professional Fees

If Professional Fees are covered by the policy to which this Form is attached, but not otherwise, the Insurer shall be liable for Professional or Auditors Fees subject to the limit specified for this coverage in the policy.

4. Service Interruption

If an “accident” occurs to equipment not owned or operated by the Insured, the Insurer shall be liable for any resulting Business Interruption/Extra Expense loss provided that:

- a) the equipment satisfies the Definition of “object” for the Coverage Option specified on the Declarations Page;
- b) the equipment is located within three hundred (300) metres of the Insured location;
- c) the equipment is used to supply electricity, steam, water, gas, heating, air conditioning, refrigeration or telephone services to the Insured location;
- d) the equipment is owned by the building owner at the premises of the Insured or by a public utility company.

5. Data Coverage

If, as a result of an “accident” to insured equipment, “data” is lost or damaged, the Insurer shall be liable for:

- a) the cost of gathering or reproducing the “data”;
- b) the business interruption/extra expense resulting from the loss or damage to the “data”;

But, the total amount payable under this Extension shall not exceed the amount specified for “data” on the Declarations Page applicable to this Form, such amount being in addition to the other Limits specified.

The Insurer shall not be liable for “data” which is lost or damaged as a result of programming errors.

POLICY CONDITIONS AND LIMITATIONS

1. DEDUCTIBLE (APPLICABLE TO COVERAGE’S A, B, C AND D)

From the total amount of loss and expense for which the Insurer is liable with respect to an “accident” as described herein there shall first be deducted the Deductible specified on the Declarations Page.

2. ELECTRICAL EQUIPMENT

As respects any electrical equipment forming a part of any insured “object”, exclusion 1.a) of the Policy is changed to read “from fire or smoke outside said electrical equipment concomitant with or following an “accident” or from the use of water or other means to extinguish fire”.

3. INSPECTION

The Insurer shall be permitted but not obliged to inspect, at all reasonable times, any “object” designated and described in the policy. Neither the Insurer’s right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the named Insured or others, to determine or warrant that such “object” is safe or healthful.

4. NOTICE OF ACCIDENT AND COMMENCEMENT OF LIABILITY

When an “accident” occurs, written notice shall be given by or on behalf of the Insured to the Insurer or any of its authorized agents as soon as practicable. The Insured shall give like notice of any claim made on account of such “accident”. The Insurer shall have reasonable time and opportunity to examine the property and the premises of the Insured before repairs are undertaken or physical evidence of the “accident” is removed, except for protection or salvage. Proof of loss shall be made by the Insured in such form as the Insurer may require. The Insured upon request of the Insurer shall render every assistance facilitating the investigation and adjustment of any claim, submitting to examination and interrogation by any representative of the Insurer.

With respects to Coverage C (Business Interruption/Extra Expense) the commencement of the Insurer’s liability shall be

- a) the time of the “accident” or
- b) twenty four (24) hours before the Notice of “accident” is received, whichever is later.

5. OTHER INSURANCE

In the event a recoverable loss exists, should a dispute arise between Property and Boiler Insurers as to which Insurer is liable or as to the proportion of loss to be paid by each Insurer, the IBC Agreement “Respecting Disputed Losses Between Property Insurance and Boiler and Machinery Insurance Policies” shall apply with respect to those participating Insurers who are signatories to this Agreement, or have agreed in writing to be bound by its contents.

It is hereby understood and agreed that the IBC Property/Boiler Disputed Loss Agreement supersedes and replaces any master or individual Insurers “Joint Loss” Agreement previously issued.

6. REPAIR OR REPLACEMENT

The Insurer shall be liable for loss from any one “**accident**” on property of the Insured as specified in Coverage A of the Insuring Agreements of this Form, for the amount actually expended by the Insured to repair or replace the damaged property, subject to the Property Damage Limit and the following provisions:

- a) The damaged property shall be repaired or replaced within twelve months from the date of the “**accident**” unless such period is extended with written consent of the Insurer.
- b) The Insurer’s liability for any repair or replacement shall be limited to the smaller of
 - i) the cost at the time of the “**accident**” to repair the damaged property; or
 - ii) the cost at the time of the “**accident**” to replace the damaged property on the same site with property of like kind, capacity, size and quality; provided that in the event the replacement is by property of a better kind, quality or of larger capacity or size, the liability of the Insurer shall not exceed the amount that would be paid if the replacement had been made by property of like kind, capacity, size and quality.
- c) The Insurer shall not be liable for
 - i) loss or damage to property useless to the Insured or obsolete to the Insured;
 - ii) the cost of repairing or replacing any part or parts of an “**object**” which is in excess of the cost of repairing or replacing the entire “**object**”.
- d) If any damaged property is not repaired or replaced the Insurer’s liability as respects such property shall be limited to its Actual Cash Value at the time of the “**accident**”.

7. PROPERTY VALUATION

- i) As respects “**media**”, the Insurer’s liability shall be limited to the cost of blank material.
- ii) As respects exposed film, records, manuscripts and drawings, the Insurer’s liability shall be limited to the cost of blank material plus the cost of transcription.
- iii) The Insurer’s liability as respects Perishable Property of the Insured damaged or destroyed shall be limited to the actual cash value thereof at the time of the “**accident**”, with proper deductions for depreciation, however, caused.

8. SUSPENSION

Upon the discovery of a dangerous condition with respect to any “**object**”, any representative of the Insurer may immediately suspend the Insurance with respect to an “**accident**” to said “**object**” by written notice mailed or delivered to the Insured at the address of the Insured, as specified in the Declarations Page of this policy, or at the location of the “**object**”, as specified for it in the Declarations Page. Insurance so suspended may be reinstated by the Insurer, but only by an Endorsement issued to form a part of this policy and executed by the Insurer and countersigned by a duly Authorized Representative of the Insurer. The Insured shall be allowed the unearned portion of the premium paid for such suspended Insurance, pro rata for the period of suspension.

All other terms and conditions of this Policy remain unchanged.

61006 – SEWER BACK-UP

(This insurance is provided only if mentioned in the Declarations Page).

WE INSURE the following peril up to the amount of insurance stated on the Declarations Page, subject to the deductible: Loss or damage to the building or contents caused by the accidental backing up, discharge or overflow of water from:

- a) a sewer, sump or septic tank;
- b) a holding pond, retention tank or French drain.

WE DO NOT INSURE:

1. continuous or repeated loss or damage;

2. loss or damage caused by the backing up, discharge or overflow of a sewer, whether occurring before, during or after flood damage to the premises. “Flood” includes waves, tides, tidal waves and the rising or overflow of any stream of water or body of water, whether natural or man-made;
3. loss or damage occurring while the building is under construction or vacant even if we have given permission for construction or vacancy.

All other terms and conditions of the policy remain unchanged.

CHAPTER IV – GENERAL CONDITIONS / ADDITIONAL CONDITIONS AND GENERAL EXCLUSIONS

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.

By accepting this Policy, the Insured agrees:

– The statements in the “**Declarations Page**” are accurate and complete;

– Those statements were made to the Insurer; and the Policy was issued in reliance upon those statements.

The Insured acknowledges the cancellation from the effective date of this Policy of any previous Policy, or the renewal thereof, which is stated as being replaced.

GENERAL CONDITIONS

This policy is subject to the Civil Code of the Province of Quebec.

Reference to Civil Code articles in some instances is for easier reading only and should not be construed as exact quotations.

For all coverages except where inapplicable.

1. STATEMENTS

1.1 Representation of risk (Article 2408)

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

The client means the person submitting an insurance application.

1.2 Material change in risk (Articles 2466 and 2467)

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

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

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

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

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

1.4 Warranties (Articles 2412)

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

2. GENERAL PROVISIONS

2.1 Insurable interest (Articles 2481 and 2484)

(Applicable only to property insurance)

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

2.2 Changes (Article 2405)

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

2.3 Assignment (Articles 2475 and 2476)

This policy may be assigned only with the consent of the Insurer and in favour of a person who has an insurable interest in the insured property. Upon the death or bankruptcy of the Insured or the assignment of his interest in the insurance to a co-Insured, the insurance continues in

favour of the heir, trustee in bankruptcy or remaining Insured, subject to his performing the obligations that were incumbent upon the Insured.

2.4 Books and records

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

2.5 Inspection

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

2.6 Currency

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

2.7 No Benefit to Bailee

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

3. LOSSES

3.1 Notice of loss (Article 2470)

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

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

3.2 Information to be provided (Article 2471)

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

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

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

3.3 False representation (Article 2472)

Any deceitful representation entails the loss of the right of the person making it to any indemnity in respect of the risk to which the representation relates.

However, if the occurrence of the event insured against entails the loss of both movable and immovable property or of both property for occupational use and personal property, forfeiture is incurred only with respect to the class of property to which the representation relates.

3.4 Intentional Fault (Article 2464)

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

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

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

3.5 Notice to police

(applicable to property insurance only)

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

3.6 Safeguarding and examination of property (Article 2495)

(applicable to property insurance only)

At the expense of the Insurer, the Insured must take all reasonable steps to prevent further loss or damage to the insured property and any further loss or damage resulting directly or indirectly from the Insured's failure to take such action shall not be recoverable.

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

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

3.7 Admission of liability and cooperation

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

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

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

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

3.8 Right of action (Article 2502)

(applicable to liability insurance only)

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

4. COMPENSATION AND SETTLEMENT

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

(applicable to property insurance only)

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

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

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

4.2 Pair and set

(applicable to property insurance only)

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

4.3 Parts

(applicable to property insurance only)

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

4.4 Replacement (Article 2494)

(applicable to property insurance only)

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

4.5 Time of payment (Articles 1591, 2469 and 2473)

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

Any outstanding premium may be deducted from the indemnity payable.

4.6 Property of others

(applicable to property insurance only)

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

4.7 Waiver

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

4.8 Limitation of actions (Article 2925)

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

4.9 Subrogation (Article 2474)

Unless otherwise provided, the Insurer shall be subrogated to the extent of the amount paid or the liability assumed therefor under this policy to the rights of the Insured against persons responsible for the loss except when they are members of the Insured's household. The Insurer may be fully or partly released from his obligation towards the Insured where, owing to any act of the Insured, he cannot be so subrogated.

4.10 Disagreement

Any disagreement as to the nature, extent, amount of the loss or the adequacy of repairs or replacement, shall be determined by arbitration whether the right to recover on the contract is disputed or not.

The Insured and the Insurer shall each select one appraiser and the two so chosen shall then select an umpire.

Thereafter the two appraisers together shall determine the matters in disagreement before them, specifying the property damaged and its value, and failing agreement shall submit their differences to the umpire.

If either party fails to name an appraiser within seven days after being served with written notice to do so, or if the appraisers fail to agree upon an umpire within fifteen days after their appointment, or if an appraiser or umpire refuses to act or is incapable of acting, a judge of a court having jurisdiction may appoint such appraiser or umpire on the application of the Insured or of the Insurer.

The award shall be made in writing by a majority

For the remainder, the procedure provided in the Quebec Code of Civil Procedure applies mutatis mutandis.

Each party shall pay the appraiser selected by him, and shall bear equally the other expenses of the arbitration and of the umpire.

5. OTHER INSURANCE

5.1 Property insurance (Article 2496)

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

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

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

5.2 Liability insurance

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

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

6. CANCELLATION (Articles 2477 and 2479)

This policy may be cancelled at any time:

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

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

In this Condition, the words "premium actually paid" 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.

7. NOTICE

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

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

Any notice given to the First Named Insured appearing on the policy shall be deemed to have been given to all Named Insureds.

ADDITIONAL CONDITIONS

PROPERTY INSURANCE

1. REMOVAL

If any of the insured property is necessarily removed from the location(s) specified herein to prevent loss or damage or further loss 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 7 days only, or for the unexpired term of this Policy if less than 7 days, insure the property removed and any property remaining in the location(s) specified herein in the proportions which the value of the property in each of the respective location(s) bears to the value of the property in them all.

2. 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.

3. Permission

Permission is hereby granted:

- a) for other insurance concurrent with this Policy;
- 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.

4. Breach of condition

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 Policy, 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.

5. Reinstatement

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

LIABILITY INSURANCE

The following conditions apply to all liability coverages.

1. INDIVIDUALITY OF GUARANTEE

The insurance afforded applies separately to each Insured against whom claim is made.

2. THE PREMIUM

Payment

The first Named Insured shown in the Declarations Page is responsible for the payment of all premiums and will be the payee for any return premiums we pay.

Premium Adjustment

We will compute all premiums for this Policy in accordance with our rules and rates.

Unless otherwise stated, the premium shown in the Declarations Page as advance premium is an estimated deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured subject to the retention of the minimum premium shown in the Declarations Page of this policy.

The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

3. Insured's Duties in the event of Accident, Occurrence, or Suit:

- a) In the event of an accident or occurrence, written notice containing particulars sufficient to identify the Insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given promptly by or for the Insured to the Insurer or any of its authorized agents.
- b) If claim is made or suit is brought against the Insured, the Insured shall immediately forward to the Insurer every writ, letter, document or advice received by him or his representative.
- c) The Insured shall co-operate with the Insurer and, upon the Insurer's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the Insured because of injury or damage with respect to which insurance is afforded under this Policy; and the Insured shall attend hearing and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.
- d) The Insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expenses other than for the first aid to others at the time of accident.

4. ACTION AGAINST INSURER

No action shall lie against the Insurer under any Insuring Agreement of this Policy including the Insuring Agreement relating to Defence, Settlement, Supplementary Payments unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this Policy, nor until the amount of the Insured's obligation to pay shall have been finally determined either by judgment against the Insured after actual trial or by written agreement of the Insured, the claimant and the Insurer. Every action or proceeding against the Insurer shall be commenced within one year next after the date of such judgment or written agreement and not afterwards. If this Policy is governed by the law of Quebec, every action or proceeding against the Insurer shall be commenced within three (3) years from the time the right of action arises. Nothing contained in this Policy shall give any person or organization any right to join the Insurer as a co-defendant in any action against the Insured to determine the Insured's liability.

Bankruptcy of insolvency of the Insured or the Insured's estate shall not relieve the Insurer of any of its obligations hereunder.

GENERAL EXCLUSIONS

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

DATA PROBLEM EXCLUSION

(applicable to all coverages)

- a) This policy does not insure “**data**”.
- b) This policy does not insure loss or damage directly or indirectly by “**data problem**”, notably any loss attributable to the interruption of business, regardless of any other cause or event that contributes concurrently or in any sequence to such loss or damage. However, if loss or damage caused by “**data problem**”, results in the occurrence of further loss of or damage to property insured that is directly caused by fire, explosion, smoke, leakage from fire protective equipment, this exclusion b) shall not apply to such resulting loss or damage, when these risks are covered.
- c) All claims, including any loss of use arising therefrom, related with “**data problem**” are excluded from Bodily Injury and Property Damage Liability and Tenants Legal Liability coverages.
- d) The Personal Injury Liability coverage does not apply to personal injury arising out of the distribution or display of “**data**”, by means of an Internet Website, the Internet, an intranet, extranet, or similar device or system designed or intended for electronic communication of “**data**”.

Limitation

For Business interruption coverages, if media for, or programming records pertaining to, electronic data processing or electronically controlled equipment including “**data**” thereon be lost or damaged by a peril insured against then the indemnity period in respect thereof shall not extend beyond:

- 30 consecutive days after the occurrence of such damage; or
- the date upon which liability ceases under this insurance for loss arising from other property lost or damaged by the same occurrence;

whichever shall be the later.

Basis of settlement

The liability of the Insurer for loss or damage to media, data storage devices, and programme devices for electronic and electro-mechanical data processing or for electronically controlled equipment, except in presence of a specific coverage, shall not exceed the cost of reproducing such media, data storage devices, and programme devices from duplicates or from originals of the previous generation of the media, but no liability is assumed hereunder for the cost of gathering or assembling information or “**data**” for such reproduction.

Definitions

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

“**Data Problem**” means:

- erasure, destruction, corruption, misappropriation, misinterpretation of “**data**”;
- error in creating, amending, entering, deleting or using “**data**”; or
- inability to receive, transmit or use “**data**”.

TERRORISM EXCLUSION

(applicable to all coverages)

1. 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**”, regardless of any other cause or event that contributes concurrently or in any sequence to such loss or damage.
Where any portion of this exclusion is found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect.
2. The Insurer shall not be liable for any loss of business income resulting from 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**”, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

3. The liability insurance in this policy does not apply to bodily injury, property damage or personal injury arising directly or indirectly, in whole or in part, out of “**terrorism**” or out of any activity or decision of a government agency or other entity to prevent, respond to or terminate “**terrorism**”. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the bodily injury, property damage or personal injury.

Definition

“**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.

FUNGI AND FUNGAL DERIVATIVES EXCLUSION

(applicable to all coverages)

1. This policy does not insure:
 - a) loss or damage consisting of or caused directly or indirectly, in whole or in part, by any “**fungi**” or “**spores**” unless such “**fungi**” or “**spores**” are directly caused by or directly result from a peril insured against and not otherwise excluded by this policy;
 - b) the cost or expense for any testing, monitoring, evaluating or assessing of “**fungi**” or “**spores**”.
2. The insurer shall not be liable for any loss of business income resulting from loss or damage consisting of or caused directly or indirectly, in whole or in part, by any “**fungi**” or “**spores**” unless such “**fungi**” or “**spores**” are directly caused by or directly result from a peril insured against and not otherwise excluded by this policy.
3. This insurance shall not apply to:
 - a) bodily injury, property damage, personal injury, advertising injury or medical payments or any other cost, loss or expense incurred by others, arising directly or indirectly from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any “**fungi**” or “**spores**” however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, clean up, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of “**fungi**” or “**spores**”; 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.

Definitions

“**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**”.

COMMUNICABLE DISEASE ENDORSEMENT - PROPERTY

(applicable to property coverages)

1. This policy, subject to all applicable terms, conditions and exclusions, covers losses attributable to direct physical loss or physical damage occurring during the period of insurance. Consequently and notwithstanding any other provision of this policy to the contrary, this policy does not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
 - 2.1. for a Communicable Disease, or
 - 2.2. any property insured hereunder that is affected by such Communicable Disease.
3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - 3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - 3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - 3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.
4. This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

All other terms, conditions and exclusions of the policy remain the same

CONTAGIOUS DISEASE EXCLUSION -LIABILITY

This exclusion forms a part of the insurance policy to which it is attached (the "Policy") and is applicable to all liability coverages and endorsements contained in the Policy.

1. Notwithstanding any provision to the contrary within this Policy, this Policy does not cover all actual or alleged loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defence cost, cost, expense or any other amount, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with a Contagious Disease or the fear or threat (whether actual or perceived) of a Contagious Disease.
2. For the purposes of this exclusion, loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defence cost, cost, expense or any other amount, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test for a Contagious Disease.
3. As used herein, a Contagious Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - 3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - 3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - 3.3. the disease, substance or agent can cause or threaten bodily injury, illness, emotional distress, damage to human health, human welfare or property damage.

All other terms and conditions of the Policy shall remain unchanged.

PYRITE OR PYRRHOTITE EXCLUSION

"Bodily injury", "property damage" arising directly or indirectly, in whole or in part, from any reactive aggregate or granular substance, including those containing pyrite, pyrrhotite, ferrous sulfide and any materials containing such reactive aggregates or granular substances, in any form and in any quantity. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the **"bodily injury"** or **"property damage"**.

CYBER RISK EXCLUSION - PROPERTY

1. This Exclusion forms a part of the insurance policy to which it is attached and is applicable to all property, business income, inland marine, crime, and equipment breakdown coverages and applies to all endorsements, coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s) contained in these coverage forms.

The property, business income, inland marine, crime, and equipment breakdown coverages do not insure any loss, costs, damage or expense arising from or contributed to, directly or indirectly, by "cyber risk" from one or more of the following

- a. Loss of, alteration of, or damage to, corruption of, or a reduction in the functionality, availability or operation of any "computer and/or network system" or "data", whether the property of the Insured or not;
- b. Any access to or disclosure of any person's or organization's confidential, personal, proprietary or other nonpublic information in any recordable form, including without limitation expenses associated with notification, remediation, mitigation or prevention of a security breach; or
- c. Extortion threats, fraud or theft involving any "computer and/or network system", or any other electronic data system or any confidential, personal, proprietary or other nonpublic information.

This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.

If any portion of this exclusion is found to be invalid, unenforceable or contrary to statute, the remainder will remain in full force and effect.

2. Definitions:

As used in this exclusion:

- a. "computer and/or network system" means any computer, hardware, software, process, program, microchip, integrated circuit or similar device in computer equipment or non-computer equipment, information repository, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, website or any other electronic data system, owned or operated by the Insured or any other party.
- b. "cyber risk" means an unauthorized, malicious or criminal act or series of related unauthorized, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any "computer and/or network system".
- c. "data" means representations of information or concepts, in any form.

CYBER RISK EXCLUSION - LIABILITY

This policy excludes any **Cyber Loss** regardless of any other cause or event contributing concurrently or in any other sequence to the occasioning of the **Cyber Incident** and is applicable to all liability coverages and endorsements contained in the policy to which it is attached.

Cyber Loss means

Any loss, loss of use, damage, liability, claim, cost, expense of any nature, including but not limited to any statutory fine or penalty, directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any **Cyber Incident** including but not limited to, any action taken in controlling, preventing, suppressing or remediating any **Cyber Incident**.

Cyber Incident

As used herein, a **Cyber incident** means:

- i. Any unauthorized or malicious or criminal act or series of related unauthorized or malicious or criminal acts, regardless of time and place, or the threat or hoax thereof; and/or
- ii. Any failure to act, any error or omission or accident or event or series of related failures to act, errors or omission or accidents or events; and/or
- iii. Any breach of duty, whether derived from law, statute, regulation, or trust or series of related breaches of duty, whether derived from law, statute, regulation or trust; involving access to, processing of, maintenance of, corruption of, use or operation of any **Computer System** or any data by any person or group(s) of persons.

Computer System

As used herein, a **Computer System** means any computer, hardware, software, process, program, microchip, integrated circuit or similar device in computer equipment or non-computer equipment, information repository, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output or data storage device, networking equipment or back-up facility, website or any other electronic data system, owned or operated by the Insured or any other party.

All other terms and conditions of the Policy will remain unchanged.