

Declaration of Emergency Endorsement - Extension of Termination or Expiry Date

Intact Insurance Company

The effective date of termination of this policy by the Insurer or the expiry date of this policy is extended, subject to the conditions and definitions set out below, as follows when an “emergency” is declared by a Canadian public authority designated by statute for the purpose of issuing such an order.

1. The “emergency” must have a direct effect or impact on:
 - i) the Insured, the insured site or insured property located in the declared emergency area; or
 - ii) the operations of the Insurer or its agent/broker located in the declared emergency area.

2. A. Any time limitation described in the Termination condition of this policy, with respect to termination of this policy by the Insurer, will not continue to run until the “emergency” is terminated plus the lesser of:
 - i) 30 days; or
 - ii) the number of days equal to the total time the “emergency” order was in effect.

2. B. If this policy is due to expire during an “emergency”, it will continue in force until the “emergency” is terminated plus the lesser of:
 - i) 30 days; or
 - ii) the number of days equal to the total time the “emergency” order was in effect.

3. In no event shall the total term of this extension exceed 120 consecutive days

The Insured agrees to pay the pro rata premium earned for the additional time the Insurer remains on risk as a result of the above.

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

- a) with respect to a situation or an impending situation that constitutes a danger of major proportions that could result in serious harm to persons or substantial damage to property and that is caused by the forces of nature, a disease or other health risk, an accident or an act whether intentional or otherwise; or
- b) as provided for by the relevant governing legislation if different from a).

but does not include any subsequent statutory declaration(s) that may be issued relating to the same event.

All other terms and conditions of the Policy to which this endorsement applies remain unchanged.

Profits

1. INDEMNITY AGREEMENT

This Form insures, up to the limit specified in the Declaration Page(s), against loss directly resulting from necessary interruption of the Insured's business caused by direct physical loss or direct physical damage by the perils insured against, to building(s), equipment or stock on the "premises" specified in the Declaration Page(s), occurring during the term of the policy.

2. MEASURE OF RECOVERY

This Form, subject to the limit of insurance specified in the Declaration Page(s), is limited to the Insured's interest in 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 Special 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" shall, 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. SPECIAL 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 the Insured's 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) On the happening of any destruction or damage by a peril insured against in consequence of which a claim is made 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 would be reasonably practicable to minimize or check any interruption of or interference with the business or to avoid or diminish the loss.

4. SPECIAL EXCLUSION

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

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 "premises" described in the Declaration Page(s) is prohibited by order of civil authority, but only when such order is given as a direct result of direct physical loss or direct physical damage to neighbouring premises by a peril insured against under this policy.

6. PERMISSION

Permission is hereby granted:

(a) for other insurance concurrent with this Form;

(b) to make additions, alterations or repairs;

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

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. 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:

(a) 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

(b) 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.

9. ADDITIONAL DEFINITIONS

Wherever used in this Form:

Annual Turnover means,

the "turnover" during the twelve (12) months or to a proportionately increased multiple thereof where the maximum "indemnity period" exceeds twelve (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 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.

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.

Indemnity Period means,

the period beginning with the occurrence of a peril insured against and ending no later than, the period of time (in months) specified in the Declaration Page(s) or if no period of indemnity is stated therein, twelve (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 are damaged or destroyed by the perils insured against, the length of time for which the Insurer shall be liable under this Form shall not exceed:

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

Insured Standing Charges means,

all standing charges unless otherwise specified in the Declaration Page(s) in which case only those standing charges so specified are insured.

In no event shall the following be deemed to be standing charges:

- (a) depreciation of stock;
- (b) bad debts;
- (c) 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.

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" specified in the Declaration Page(s) after due provision has been made for all standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.

Premises means,

the entire area within the property lines at the location(s) specified in the Declaration Page(s), including areas under adjoining sidewalks and driveways.

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 a peril 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 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 twelve (12) months immediately before the date of the destruction or damage by perils insured against 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 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.

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" specified in the Declaration Page(s).



Intact Insurance Company

Flood Endorsement

This endorsement modifies insurance provided under the following:

Commercial Building and Contents Broad Form (BF02)
Commercial Building and Contents Named Perils Form (NP02)
Residential Condominium Corporation Broad Form (BF12)
Builders' Risk Broad Form (BF03)
Builders' Risk Named Perils (NP03)
Business and Professional Services Edge Advantage (Property) Form BF41
Graphic Trades Edge Advantage (Property) Form BF43
Manufacturers Edge Advantage (Property) Form BF40
Oil & Gas Lease Property Form BF35
Real Estate Edge Advantage (Property) Form BF44
Warehouse Edge Advantage (Property) Form BF45
Wholesalers Edge Advantage (Property) Form BF42

1. Insured Peril

This insurance is extended to include "flood".

2. Deductible

The Insurer is liable for the amount by which the loss or damage caused by "flood" exceeds the amount of the deductible specified on the "Declarations Page" for this endorsement in any one "flood occurrence".

This Deductible Clause applies separately to each "premises" or "project site" to which this endorsement applies.

3. Exclusions

This endorsement does not cover loss or damage caused directly or indirectly by any of the following perils whether or not caused by or attributable to "flood":

- (a) the backing up or overflow, within the area bounded by the bearing walls and foundations of the building described on the "Declarations Page", of water from within sewers, sumps, septic tanks or drains;
- (b) water below the surface of the ground including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows or other openings in such sidewalks, driveways, foundations, walls or floors;
- (c) (i) fire, explosion, smoke, leakage from "fire protective equipment", theft, riot, vandalism or malicious acts;
(ii) leakage from a water main.

4. Extension of Coverage

The Insurer shall be liable for loss of or damage to the insured property caused by wind, hail, rain or snow entering a building through an opening in the roof or walls directly resulting from "flood".

5. Definitions

- (a) "Flood" means the breaking out or overflow of any natural or artificial body of water and includes "surface water", waves, tides, tidal waves and tsunamis.
- (b) "Flood occurrence" means all flooding which occurs within any 168 consecutive hours commencing during the policy period on or after the effective date of this endorsement. The expiration of this policy will not reduce the 168 hour period.
- (c) "Surface water" means water or natural precipitation temporarily diffused over the surface of the ground.

Except as otherwise provided in this extension all terms and conditions of the policy remain unchanged.



Sewer Backup Extension

This endorsement modifies insurance provided under the following:

Commercial Building and Contents Broad Form (BF02)
Commercial Building and Contents Named Perils Form (NP02)
Residential Condominium Corporation Broad Form (BF12)

1. Insured Peril

This insurance is extended to include “sewer back up”.

2. Deductible

The Insurer is liable for the amount by which the loss or damage caused by “sewer back up” exceeds the amount of the deductible specified on the “Declarations Page” for this endorsement in any one occurrence.

This Deductible Clause applies separately to each “premises” to which this endorsement applies.

3. Limit of Insurance

If an amount of insurance is specified on the “Declarations Page” for this endorsement the Insurer shall not be liable for more than that amount.

4. Definition

“Sewer back up” means the backing up or overflow, within the area bounded by the bearing walls and foundations of the building described on the “Declarations Page”, of water from within sewers, sumps, septic tanks or drains. For the purpose of this definition, the building does not include roadways, parking lots, other exterior paved surfaces, retaining walls or permanently installed landscape structures.

Except as otherwise provided in this endorsement all terms and conditions of this policy shall remain unchanged



Intact Insurance Company

Data Exclusion Endorsement

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN THE DEFINITIONS SECTION OF THIS FORM.

Section A

Attached to and forming part of the Property and Miscellaneous Coverages as stated on the "Declaration Page(s)" with the exception of Accounts Receivable and Valuable Papers Coverages found in the following Forms:

BF01 Accounts Receivable
BF16 Valuable Papers
BF40 Manufacturers Edge Advantage (Property)
BF41 Business and Professional Services Edge Advantage (Property)
BF42 Wholesalers Edge Advantage (Property)
BF43 Graphic Trades Edge Advantage (Property)
BF44 Real Estate Edge Advantage (Property)
BF45 Warehouse Edge Advantage (Property)
EP01 The Light Manufacturers Edge Coverage Endorsement (Property)
EP02 The Wholesalers Edge Coverage Endorsement (Property)
EP03 Commercial Edge Express Endorsement – Property/Business Interruption (Plus)
EP06 Commercial Edge Express Endorsement (Property – Business Interruption)
EP07 Contractors Edge Coverage Endorsement (Property – Business Interruption)
EP10 Contractors Edge Plus Coverage Endorsement (Property – Business Interruption)

This policy does not insure:

- (i) "Data"
- (ii) loss or damage caused directly or indirectly by "Data problem". However, if loss or damage caused by "Data problem" results in the occurrence of further loss of or damage to insured property that is directly caused by fire, "explosion", "smoke", "leakage from fire protective equipment", water damage caused by bursting of frozen pipes and tanks, this exclusion shall not apply to such resulting loss or damage.

Section B

Attached to and forming part of Accounts Receivable and Valuable Papers Coverages found in the following Forms, if these forms are attached to this policy:

BF01 Accounts Receivable
BF16 Valuable Papers
BF40 Manufacturers Edge Advantage (Property)
BF41 Business and Professional Services Edge Advantage (Property)
BF42 Wholesalers Edge Advantage (Property)
BF43 Graphic Trades Edge Advantage (Property)
BF44 Real Estate Building Edge Advantage (Property)
BF45 Warehouse Edge Advantage (Property)
EP01 The Manufacturers Edge Coverage Endorsement (Property)
EP02 The Wholesalers Edge Coverage Endorsement (Property)
EP03 Commercial Edge Express Endorsement – Property/Business Interruption (Plus)
EP06 Commercial Edge Express Endorsement (Property – Business Interruption)

EP07 Contractors Edge Coverage Endorsement (Property – Business Interruption)
 EP10 Contractors Edge Plus Coverage Endorsement (Property – Business Interruption)

This form does not insure loss or damage caused directly or indirectly by “Data Problem”. This exclusion does not apply:

- (i) to any resulting loss or damage if “Data problem” results in direct physical loss or damage to property at the “premises” caused by fire, “explosion”, “smoke”, “leakage from fire protective equipment”, water damage caused by bursting of frozen pipes and tanks; or
- (ii) if “Data problem” is the direct result of fire, lightning, “explosion”, “smoke”, “leakage from fire protective equipment”, “impact by aircraft, spacecraft or land vehicle”, “windstorm or hail”, earthquake, tsunami, flood, water damage caused by bursting of frozen pipes and tanks, at the “premises”, provided that such perils are insured under this policy.

Definitions:

Wherever used in this Form:

(a) “Data” means representations of information or concepts in electronic form.

(b) “Data Problem” means:

- (i) erasure, destruction, corruption, misappropriation, misinterpretation of “Data”;
- (ii) error in creating, amending, entering, deleting or using “Data”; or
- (iii) inability to receive, transmit or use “Data”;

(c) “Explosion” means:

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

- (i) (1) 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;
- (2) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
- (3) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion from them;
- (4) smelt dissolving tanks;
- (ii) other vessels and apparatus, and their connected pipe, while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 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 their connected pipes while undergoing pressure tests, but this exclusion shall not apply to other insured property that has been damaged by such explosion;
- (v) gas turbines.

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

1. electric arcing or any coincident rupture of electrical equipment due to such arcing;
2. bursting or rupture caused by hydrostatic pressure or freezing;
3. bursting or rupture of any safety disc, rupture diaphragm or fusible plug.

(d) “Impact by aircraft, spacecraft or land vehicle”: the terms “Aircraft” and “Spacecraft” include articles dropped from them. There shall in no event be any liability hereunder due to cumulative damage or for loss or damage:

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

(e) “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 declaration page(s) or for adjoining “premises” and loss or damage caused by the fall or breakage or freezing of such equipment.



- (f) "Smoke" means smoke due to a sudden, unusual or faulty operation of any stationary furnace. There shall in no event be any liability hereunder for any cumulative damage.
- (g) "Windstorm or hail": There shall in no event be any liability for loss or damage 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.

Except as otherwise provided in this endorsement all terms of this policy shall remain unchanged.



Intact Insurance Company

Terrorism Exclusion (Commercial Property)

This endorsement changes the Policy. Please read it carefully.

Attached to and forming part of the Property and Miscellaneous Coverages as stated on the "Declaration Page(s)".

This form does not insure loss or damage caused directly or indirectly, in whole or in part, by "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism". This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.

This exclusion does not apply:

- a. to any ensuing loss or damage that results directly from the following perils: Fire; or the explosion of natural gas, coal, manufactured gas or manually portable gas cylinders;
- b. with respect to "Terrorism" (or to any activity or decision of a government agency or other entity to prevent, respond to or terminate "Terrorism") to only that portion of any loss or damage (including that specified under 1 (a) above) that is required, b) by a provincial or territorial Insurance Act, its Regulations or other statute, to be covered under a property insurance policy. In no event shall this exception 1(b) be construed to give coverage beyond the strict requirements of the provincial or territorial Insurance Act, its Regulations or other statute governing that policy.

The remainder of this Terrorism Exclusion Endorsement shall remain in full force and effect.

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.

Except as otherwise provided in this endorsement all terms and conditions of this policy shall remain unchanged.

Fungi and Fungal Derivatives Exclusion

This endorsement changes the policy. Please read it carefully.

Attached to and forming part of the Property and Miscellaneous Coverages as stated on the "Declaration page(s)".

This Form shall not insure:

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

Definitions:

- (a) "**Fungi**" includes, but is not limited to, any form or type of mould, yeast, mushroom, mildew, bacteria or wet or dry rot, 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.
- (b) "**Spores**" includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any "fungi".

Except as otherwise provided in this endorsement all terms and conditions of this policy shall remain unchanged.



Intact Insurance Company

Water Damage Deductible

Attached to and forming part of the Property and Miscellaneous Coverages as stated on the "Declaration Page(s)".

Each claim for loss of, or damage to, insured property caused by the following perils, on the insured premises shall be adjusted separately and from the amount of each such adjusted claim, the sum specified on the "Declaration Page(s)" under deductible shall be deducted:

- a) Freezing of a heating, plumbing, sprinkler or air conditioning system,
- b) Escape of water from a heating, plumbing, sprinkler or air conditioning system,
- c) Escape of water from a public watermain,
- d) Overflow of water from sinks, bathtubs or other water containers.

Except as otherwise provided in this endorsement all terms and conditions of this policy shall remain unchanged.



Intact Insurance Company

Legal Guard[®] Information Service

Legal Guard provides the following services:

- 24/7 telephone access to a legal information service for questions you have relating to your business.
- Unlimited access – use the service as often as you want.
- Legal information will be provided by qualified lawyers in response to your questions.
- If you need full legal representation or advice, referral to a local lawyer can be arranged at preferred rates.

How to Obtain Service

Call the toll-free Legal Guard number 1-855-365-LEGAL (1-855-365-5342) and you will be contacted by a qualified lawyer. When you call, please be prepared to provide:

- Your policy number;
- Your first and last name;
- Your business title and company name the policy is under;
- The phone number where you can be reached.

Legal Guard is a confidential service that applies to Canadian legal issues only. Legal information services are provided by an independent third party. The service provider does not disclose to us any details of your call.

Conditions and Limitations

- Only officers of the company named on the policy may contact Legal Guard.
- Legal information cannot be provided regarding personal matters, criminal law or questions relating to a business other than that shown on the policy this form is attached to.
- The legal information provided does not constitute legal advice. If you require legal advice, please consult a lawyer. You can be referred to a qualified lawyer through Legal Guard.
- Intact insurance Company assumes no responsibility for the cost or consequences of any action you take after receiving legal information and reserves the right to change this offer and/or services at any time.
- Legal Guard is an information service only. It does not provide coverage or reimbursement for any legal fees incurred.

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Intact Insurance Company

Commercial Edge Express Crime Coverage Endorsement (Plus)

Unless specifically endorsed on the “Declaration Page(s)”, the limits stated below apply to the coverage, subject to the conditions, exclusions, limitations and definitions of this Form.

Summary of Coverages

Item	Coverage	Limit of Insurance
1	Computer Fraud Coverage (i) Insured’s Interest (ii) Customer’s Interest	Aggregate: \$2,500 Per Customer: \$500/ Aggregate: \$2,500
2	Service Extension	Included

Unless specifically endorsed on the “Declaration Page(s)”, the limits stated below apply to the coverage, subject to the deductible shown for the Comprehensive Dishonesty, Disappearance, Destruction and Forgery Form, C002 on the “Declaration Page(s)”.

ITEM 1 – COMPUTER FRAUD COVERAGE

(i) Insured’s Interest

Loss of money, securities and other property to an amount not exceeding in the aggregate the limit stated in the Summary of Coverages applicable to this Item which the Insured shall sustain resulting from theft following and directly related to the use of any computer to fraudulently cause a transfer of money, securities or other property from inside the premises or banking premises to a person (other than an employee, messenger or custodian) outside those premises or to a place outside those premises.

(ii) Customers’ Interest

Loss of money and securities to an amount not exceeding in the aggregate the limit stated in the Summary of Coverages applicable to this Item belonging to a customer or customers of the Insured, resulting from theft following and directly related to the use of any computer to fraudulently cause a transfer of money or securities from inside the premises or banking premises to a person (other than an employee, messenger or custodian) outside those premises or to a place outside those premises.

ITEM 2 – SERVICE EXTENSION

Attached to and forming part of the Comprehensive Dishonesty, Disappearance, Destruction and Forgery Form C002, Insuring Agreement I:

This extension covers any direct loss or losses which any person or organization, having engaged the services of the Insured, shall sustain with respect to money or other property:

- 1) belonging to such person or organization; or
- 2) in which such person or organization has a pecuniary interest; or
- 3) held in any capacity by such person or organization, whether legally liable or not;

through any fraudulent or dishonest act(s) by the Insured or any of the Insured’s employees, acting alone or in collusion with others, during the period of performance of such services.



Intact Insurance Company

General Deductible

In the event of a claim under any Broad Form or Named Perils Form in this policy caused by an insured peril, the Insurer shall be liable only for the amount by which the adjusted claim exceeds the deductible amount shown on the "Declaration Page(s)" for that Form.

Should any occurrence give rise to the application of more than one deductible amount for any one "premises", only the highest deductible will be applied.

The Insured expressly warrants that it will itself bear any loss to the extent of any applicable deductible amount, and warrants that it will not contract for insurance in respect of such deductible amount.

The term "adjusted claim" as used in this endorsement means the amount which would be payable to the Insured under the applicable item(s) of insurance provided by this policy in respect of direct loss or damage arising out of one occurrence before the application of any deductible amount.

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

Except as otherwise provided in this endorsement all terms and conditions of this policy shall remain unchanged.

Statutory Conditions (except Quebec)

The following Statutory and Additional Conditions, as modified or supplemented by the attached forms or endorsements, apply to all coverages insured by this policy (including fire), except where indicated.

Statutory Conditions 1, 6, 7, 8, 9, 10, 11, 12 and 13 apply only to property insurance.

1. Misrepresentation

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

2. Property of Others

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

3. Change of Interest

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

4. Material Change

Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected by the change, unless the change is promptly notified in writing to the Insurer or its local agent. The Insurer or its agent, when so notified, may return the unearned portion, if any, of the premium paid and cancel the contract in accordance with Statutory Condition 5. Alternatively, the Insurer may notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within 15 days of the receipt of the notice, pay to the Insurer an additional premium. In default of such payment the contract is terminated at that time and Statutory Condition 5.(2)(a) applies in respect of the unearned portion of the premium.

5. Termination

(1) This contract may be terminated,

(a) by the Insurer's giving to the Insured written notice of termination at least:

(i) five (5) days before the effective date of termination if personally delivered;

(ii) 15 days before the effective date of termination if the contract is terminated by registered mail for non-payment of premium; or

(iii) 30 days before the effective date of termination if the contract is terminated by registered mail for any other reason.

(b) by the Insured at any time on request.

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

(a) the Insurer shall refund the excess of premium actually paid by the Insured over the proportionate premium for the expired time, subject to any minimum retained premium specified in the contract; and

(b) the refund shall accompany the notice, unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.

- (3) When this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
- (4) The 15 and 30 days mentioned in clauses (1)(a)(ii) and (iii) of this condition commence to run on the day following the receipt of the registered letter at the post office to which it is addressed.

6. Requirements After Loss

- (1) Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11,
 - (a) immediately give notice of the loss or damage in writing to the Insurer;
 - (b) deliver as soon as practicable to the Insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration,
 - (i) giving a complete inventory of the lost or damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed,
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes,
 - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the Insured,
 - (iv) showing the amount of other insurances and the names of other insurers,
 - (v) showing the interest of the Insured and of all others in the property with particulars of all mortgages, liens, encumbrances and other charges upon the property,
 - (vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract,
 - (vii) showing the place where the insured property was located at the time of loss or damage;
 - (c) if required by the Insurer, give a complete inventory of undamaged property, showing in detail quantities, cost, actual cash value;
 - (d) if required by the Insurer and if practicable, produce accounts, warehouse receipts, stock lists, invoices and other pertinent records, verified by statutory declaration, as well as any relevant contracts or agreements with others.
- (2) The evidence furnished under clauses (1) (c) and (d) of this condition shall not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

7. Fraud

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

8. Who May Give Notice and Proof

In case of absence or inability of the Insured to give notice of loss or make proof of loss, notice of loss may be given and proof of loss may be made by the agent of the Insured. If the Insured fails to give notice immediately, the notice of loss may be given and the proof of loss may be made by a person to whom any part of the insurance money is payable.

9. Salvage

- (1) The Insured, in the event of any loss or damage to any insured property, shall take all reasonable steps to prevent further damage to such property and to prevent damage to other insured property, including, if necessary, removal to a secure location.

- (2) The Insurer shall contribute proportionately, according to the respective interests of the parties, towards any reasonable and proper expenses in connection with steps taken by the Insured and required under subsection (1) of this condition.

10. Entry, Control, Abandonment

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

11. Appraisal (In Case of Disagreement)

In the event of disagreement as to the value of the insured property or the value of the property saved or the amount of the loss including the nature and extent of repairs or replacements required, or if made, their adequacy, those questions shall be determined by the applicable dispute resolution process (including appraisal) as provided under the *Insurance Act* before there can be any recovery under this contract, whether the right to recover under the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand for one is made in writing and until proof of loss has been delivered.

12. When Loss Payable

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

13. Repair or Replacement

- (1) The Insurer, instead of making payment, may repair, rebuild, or replace the property lost or damaged, giving written notice of its intention to do so within 30 days after receipt of the proof of loss. Where legislation requires, this Statutory Condition 13. Subcondition (1) may not proceed if a dispute resolution process has been initiated.
- (2) In the event that the Insurer gives notice under subparagraph (1) of this condition, the Insurer shall commence to repair, rebuild, or replace the property within 45 days after receipt of the proof of loss, and shall proceed with all due diligence to completion of the work.

14. Notice

Any written notice to the Insurer may be sent by registered mail or delivered to the chief agency or any office of the Insurer in the Province. Written notice may be given to the Insured by letter personally delivered to the Insured or by registered mail addressed to the Insured at the Insured's latest post office address as notified to the Insurer. In this condition, the expression "registered" means registered in or outside Canada.

15. Action

An action or proceeding against an insurer in relation to a contract must be commenced, where required under legislation:

- (1) in the case of loss or damage to insured property, not later than 2 years after the date the insured knew or ought to have known the loss or damage occurred, and
- (2) in any other case, not later than 2 years after the date the cause of action against the insurer arose.

Additional Conditions (applicable only to property insurance unless noted otherwise)

I. Notice to Authorities

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

II. No Benefit to Bailee

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

III. Pair and Set

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

IV. Parts

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

V. Sue and Labour

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

VI. Basis of Settlement

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

VII. Subrogation (all lines of insurance)

The Insurer, upon making any payment or assuming liability for payment under this policy, is subrogated to all rights of recovery of the Insured against others, and may bring action in the name of the Insured to enforce such rights. With respect to property policies only, all rights of subrogation are waived against any corporation, firm, individual or other interest with respect to which insurance is provided by this policy.

Where the net amount recovered, after deducting the costs of recovery, is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in the proportion in which the loss or damage has been borne by them respectively.

Any release from liability entered into by the Insured prior to loss shall not affect the right of the Insured to recover.



Intact Insurance Company

Sixty Days Notice of Cancellation/Termination

Except for cancellations for non-payment of premium, the number of days notice by the Insurer as stated in the Notice of Cancellation or Termination clause(s) contained in this policy is amended to the number of days as shown above.

Except as otherwise provided in this endorsement all terms and conditions of this policy shall remain unchanged.



Intact Insurance Company

Additional Insured Endorsement

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ATTACHED TO AND FORMING PART OF LR20 COMMERCIAL GENERAL LIABILITY MAX, OR LR10 COMMERCIAL GENERAL LIABILITY, WHICHEVER IS APPLICABLE.

Section II – Who is an Insured is amended to include the following:

The following is also an Insured:

- g) The person or organization designated in the Declaration Page(s) but only insofar as their legal liability arises out of the operations performed by the Named Insured.

Except as otherwise provided in this endorsement all terms and conditions of this policy shall remain unchanged.

Employee Benefits Liability Extension

This Endorsement Changes the Policy. Please Read it Carefully.

Attached to and forming part of The Commercial General Liability Form LR02.

1. INSURING AGREEMENT

EMPLOYEE BENEFITS LIABILITY

The Insurer agrees to pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as “compensatory damages” on account of any claim for injury caused by any negligent act, error or omission in the “administration” of the Named Insured’s “employee benefits program”, and the Insurer shall have the right and duty to defend any “action” against the Insured seeking damages on account of such injury, even if any of the allegations of the “action” are groundless, false or fraudulent, and may make such investigation and settlement of any claim or “action” as it deems expedient. However, the Insurer will have no duty to defend the Insured against any “action” seeking “compensatory damages” for “bodily injury” or “property damage” to which this insurance does not apply. The Insurer may, at their discretion, investigate any “occurrence” and settle any claim or “action” that may result, but the Insurer shall not be obligated to pay any claim or judgment or to defend any suit after the applicable Limit of Insurance has been exhausted by payment of judgments or settlements.

2. POLICY PERIOD – TERRITORY

This insurance applies only to claims first brought against the Insured during the policy period within Canada, provided, that as respects any such claim based on or arising out of a negligent act, error or omission occurring prior to the effective date of this insurance, the Insured shall have had no knowledge, as of said effective date, of any negligent act, error or omission which might be expected to result in such claim.

3. PERSONS INSURED

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

- (1) the Named Insured
- (2) each executive officer and “employee” of the Named Insured authorized to administer the Named Insured’s “employee benefits program”.

4. EXCLUSIONS

This insurance does not apply to:

- (a) any dishonest, fraudulent, criminal or malicious act or omission, libel, slander, discrimination or humiliation on the part of any Insured;
- (b) “bodily injury”, “property damage”, “personal injury” or “advertising injury”;
- (c) any claim for failure of performance of contract by an Insurer, or any other party, including the Insured, obligated to afford the benefits;
- (d) any claim based on insufficiency of funds to meet any obligation under any plan included in the “employee benefits program”;
- (e) any claim based on the failure of the Named Insured to comply with the mandatory provisions of any law concerning workers’ compensation, unemployment insurance, social security or disability benefits; or under any similar law;

(f) any claim based on:

- (1) failure of stocks, bonds or other securities to perform as represented by the Insured, including, but not limited to, their failure to produce financial gain, profit or growth;
- (2) advice given by an Insured to participate in stock subscription plans.

5. LIMITS OF INSURANCE

The Limits of Insurance shown in the Declarations and the rules below fix the most the Insurer will pay regardless of:

- (1) Insureds under this policy
 - (2) acts or omissions causing injury for which coverage is afforded under this Form
 - (3) persons sustaining any such injury,
 - (4) claims made or "actions" brought on account of any such injury, or (5) plans included in the Named Insured's "employee benefits program".
1. The Limit of Insurance stated in the Declarations as applicable to "Each Employee" is the total limit of the Insurer's liability for all "compensatory damages" because of injury to which this insurance applies sustained by any one "employee", including such "employee's" dependants and beneficiaries.
 2. Subject to the foregoing provision as respects "Each Employee", the total liability of the Insurer for all "compensatory damages" to which this insurance applies shall not exceed the Limit of Insurance stated in the Declarations as the Aggregate Limit applicable to this endorsement. If the policy is for a term in excess of one year, the Aggregate Limit of Insurance shall apply separately to each consecutive annual period thereof. If the Named Insured elects to exercise the option described in the Optional Condition herein, the Aggregate Limit of Insurance shall apply separately, but not cumulatively, to such extended reporting period.

6. DEDUCTIBLE

Subject to the foregoing clause as respects Limits of Insurance, the liability of the Insurer with respect to Each Employee shall be only for the amount of each claim that is in excess of the deductible amount stated in the Declarations as applicable to Each Employee.

The terms of this insurance, including those with respect to notice of claim or suit, the Insurer's right to investigate, negotiate and settle any claim or suit, and the Insurer's right and duty to defend apply irrespective of the application of the deductible amount.

The Insurer may pay any part of or 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.

7. ADDITIONAL DEFINITIONS

Wherever used in this Form:

"Employee Benefits program", means

one or more of the following types of insurance or plans maintained by the Named Insured solely for the benefit of "employees" of the Named Insured:

- (a) group life insurance, group accident or health insurance, profit sharing plans, pension plans and stock subscription plans, unemployment insurance, social security benefits, workers' compensation and disability benefits insurance; or
- (b) any other similar employee benefits program sponsored by the Named Insured.

"Administration", means

performance of the following ministerial functions for an employee benefits program:

- (a) application of rules determining eligibility for participation of benefits;
- (b) calculation of service and compensation credits for benefits;
- (c) preparation of employee communications material;
- (d) maintenance of participants' service and employment records;
- (e) preparation of reports required by government agencies;
- (f) calculation of benefits;

- (g) orientation of new participants and advising participants of their rights and options under the plan;
- (h) collection of contributions and application of contributions as provided in the plan;
- (i) preparation of reports concerning participants' benefits; and
- (j) processing of claims.

"Employee" for the purposes of this endorsement, includes an officer or "employee" of the Named Insured, whether actively employed, disabled or retired.

8. ADDITIONAL CONDITION

NOTICE

Upon the Insured's becoming aware of any negligent act, error or omission which may give rise to any injury covered hereunder, written notice shall be given by or on behalf of the Insured in accordance with condition 4. of the Commercial General Liability Form, Duties in the Event of "Occurrence", Claim or "Action".

9. OPTIONAL CONDITION

EXTENDED REPORTING PERIOD (optional)

If the Insurer or the Named Insured shall terminate or not renew the insurance afforded by this Form for any reason other than non-payment of premium by the Named Insured, the Named Insured may elect to purchase a one year extension of time to report claims, hereafter called "extended reporting period", but only as respects claims which are brought against the Insured during the "extended reporting period" on account of negligent acts, errors or omissions which occurred prior to the termination date of this insurance. To exercise this option, the Named Insured shall give written notice of such election to the Insurer within 30 days following such termination date and by paying, when due, the premium required by the Insurer's rules, rates and rating plans then in effect.

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

Legal Liability for Damage to Hired Automobiles Endorsement (S.E.F.No.94)

Applicable to Non-Owned Automobile Liability – S. P. F. No. 6

In consideration of the premium herein stated, the Policy to which this endorsement is attached is extended, subject always to the condition that the Insurer shall be liable under the subsection or subsections as specified in the "Declarations".

Legal Liability for Damage to Hired Automobiles

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

Subsection 1 – **All Perils** – from all perils;

Subsection 2 – **Collision or Upset** – caused by collision with another object or by upset;

Subsection 3 – **Comprehensive** – from any peril other than by collision with another object or by upset;

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

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

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

Deductible Clause

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

Two or More Automobiles

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

The Insurer shall not be liable:

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

Additional Agreement

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

Except as otherwise provided in this endorsement all terms and conditions of this policy shall remain unchanged.



Intact Insurance Company

SEF No. 99 Excluding Long Term Leased Vehicle Endorsement

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

In consideration of the premium for which this policy is issued, it is understood and agreed that Item 3 (Hired Automobiles Defined) of the General Provisions and Definitions of the policy to which this endorsement is attached is hereby amended to read as follows:

The term "Hired Automobiles" as used in this policy means (a) automobiles hired or leased from others with drivers or (b) hired or leased by the Named Insured from others without driver for periods not exceeding 30 days, used under the control of the Insured in the business stated in Item 3 of the application but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

Except as otherwise provided in this endorsement all terms and conditions of this policy shall remain unchanged.



Intact Insurance Company

Bodily Injury and Property Damage Deductible Endorsement

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT APPLIES TO THE GENERAL LIABILITY SECTION(S) OF THE POLICY.

Attached to and forming part of form LR20 Commercial General Liability Max, or LR10 Commercial General Liability, whichever is applicable, as follows:

General Conditions, Clause 14. Deductible Clause, Coverage A of this policy is deleted and replaced by the following:

14. DEDUCTIBLE CLAUSE:

COVERAGE A

The Insured shall pay the amount stated in the Declarations for this form as "Deductible" or "Deductible - U.S. Claims" for each and every claim under Insuring Agreements 1(a) "Bodily Injury" and 1(c) "Property Damage". If more than one claim arises or results from a single "occurrence", the deductible amount shall only apply once.

Except as otherwise provided in this endorsement all terms and conditions of this policy shall remain unchanged.



Intact Insurance Company

Commercial Building and Contents Broad Form

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN THE CLAUSE 21.

1. INDEMNITY AGREEMENT

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

- (a) the value of the lost or damaged property as determined in Clause 20;
 - (b) the interest of the Insured in the property;
 - (c) the amount of insurance specified on the "Declarations Page" for the lost or damaged property.
- The inclusion of more than one person or interest shall not increase the Insurer's liability.

2. INSURED PROPERTY

This form insures those of the following items for which an amount of insurance is specified on the "Declarations Page" and only while at the "premises":

"Building"

"Equipment"

"Stock"

"Contents of Every Description"

"Property of Every Description"

3. LIMIT OF LIABILITY:

Irrespective of property that is insured on a blanket basis or of any reference in the Policy to blanket coverage, the maximum limit of liability of the Insurer in any one loss shall not exceed the lesser of:

- (a) the actual amount of loss after loss adjustment in accordance with the Policy terms, provisions, and conditions, less applicable deductible(s); or
- (b) the total value(s) for each scheduled location or item of property, as declared in the most current Statement of Values on file with the Insurer, less applicable deductibles; or
- (c) any other Limit of Liability or amount of insurance specifically used in the Policy or stated in the Declarations, less applicable deductibles;
- (d) in the case of property insured on a blanket basis, 115% of the total value(s) for each insured location subject to the schedule of property declared in a current Statement of Values that is filed with the Insurer within 90 days of the most recent renewal preceding insured loss or damage; less applicable deductibles.

4. DEDUCTIBLE CLAUSE

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

5. COINSURANCE

This clause applies separately to each item for which a coinsurance percentage is specified on the “Declarations Page” and only where the amount of loss or damage exceeds the lesser of 5% of the applicable amount of insurance or \$10,000.

The Insured shall maintain insurance concurrent with this form on the insured property to the extent of at least the amount produced by multiplying the value of the property as determined in Clause 20 by the coinsurance percentage specified on the “Declarations Page”. If the Insured fails to do so, the Insured shall be entitled to recover only that portion of any loss that the amount of insurance in force at the time of loss bears to the amount of insurance required to be maintained by this clause.

6. INSURED PERILS:

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

7. EXCLUSIONS

A. EXCLUDED PROPERTY:

This form does not insure loss of or damage to:

- (a) sewers, drains or water mains located beyond the outside bearing walls or foundations of the insured property, but this exclusion does not apply to loss caused by “Named Perils”;
- (b) property at locations which, to the knowledge of the Insured, are vacant, unoccupied or shut down for more than 30 consecutive days;
- (c) electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing. This exclusion does not apply to loss or damage caused directly by resultant fire or explosion as described in DEFINITIONS Section 21. (h);
- (d) growing plants, trees, shrubs or flowers, all while outside the “building”, except as provided in EXTENSIONS OF COVERAGE 8.(c);
- (e) animals, fish or birds. This exclusion does not apply to loss or damage caused directly by “Named Perils” or by theft or attempted theft;
- (f) money, “cash cards”, bullion, platinum or other precious metals or alloys, securities, stamps, tickets (except lottery tickets) or tokens, or evidence of debt or title;
- (g) automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property. This exclusion does not apply to watercraft or amphibious or air cushion vehicles held for sale, or to unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the “premises”;
- (h) furs, fur garments, jewels, jewellery, pearls, precious and semi-precious stones, but this exclusion does not apply to:
 - i. the first \$5,000 of any loss to which insurance under this Form otherwise applies, nor
 - ii. does this exclusion apply to loss or damage caused by “Named Perils”;
- (i) property that is insured under the terms of any marine insurance;
- (j) property from the time of leaving the Insured’s custody if it is:
 - i. loaned or rented to others; or
 - ii. sold by the Insured under conditional sale or instalment payment or other deferred payment plan. This exclusion (j) does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at the risk of the Insured;
- (k) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
- (l) a. any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure;

- b. any boiler, including its connected piping and equipment, which contains steam or water under steam pressure (except tanks having an internal diameter of 610 millimetres (24 inches) or less used for the storage of hot water for domestic use);

caused directly or indirectly by explosion, rupture, bursting, cracking, burning out or bulging of such property while connected ready for use.

This exclusion l) does not apply to:

- i. manually portable gas cylinders;
- ii. explosion of natural, coal or manufactured gas;
- iii. explosion of gas or unconsumed fuel within a furnace or within the gas passages from the furnace to the atmosphere;

- (m) roadways, walkways, parking lots, other exterior paved surfaces, retaining walls or permanently installed landscape structures outside the “building”. This exclusion does not apply to the first \$10,000 of any loss otherwise insured;

B. EXCLUDED PERILS:

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

- (a) in whole or in part by earthquake. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for loss or damage caused directly by resultant fire, explosion, smoke or leakage from “fire protective equipment”, all as described in Section 21. DEFINITIONS, Item (h). This exclusion does not apply to property in transit;
- (b) in whole or in part by flood, including “surface water”, waves, tides, tidal waves, tsunamis, or the breaking out or overflow of any natural or artificial body of water. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for loss or damage caused directly by resultant fire, explosion, smoke, leakage from “fire protective equipment”, all as described in Section 21. DEFINITIONS, Item (h). This exclusion does not apply to property in transit or loss or damage caused directly by leakage from a water main;
- (c) by water damage as follows:
 - i. seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other basement openings, foundations, basement floors, sidewalks or sidewalk lights, unless concurrently caused by a peril not otherwise excluded;
 - ii. by the backing up or overflow of water from sewers, sumps, septic tanks or drains, wherever located, unless concurrently and directly caused by a peril not otherwise excluded in this Form;
 - iii. the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings unless concurrently caused by a peril not otherwise excluded;
- (d) centrifugal force, mechanical breakdown or electrical breakdown or derangement in or on the “premises”. This exclusion does not apply to loss or damage caused directly by resultant fire;
- (e)
 - a. by dampness or dryness of atmosphere;
 - b. by changes in or extremes of temperature, heating or freezing;
 - c. by total or partial interruption to the supply of electricity, water, gas or steam;
 This exclusion (e) does not apply to:
 - i. loss or damage caused directly by rupture of pipes or breakage of apparatus not excluded in paragraph (l) of EXCLUDED PROPERTY 7.A.;
 - ii. damage to pipes caused directly by freezing, unless such pipes are excluded in paragraph (l) of EXCLUDED PROPERTY 7.A.;
 - iii. loss of or damage to “building” or “equipment” caused directly by “Named Perils”, theft or attempted theft;
 - iv. loss or damage caused directly by an accident to a transporting conveyance
- (f)
 - a. by shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, or change in colour or texture or finish;
 - b. by contamination;
 - c. by marring, scratching or crushing.
 This exclusion (f) does not apply to loss or damage caused directly by:

- i. "Named Perils";
 - ii. rupture of pipes or breakage of apparatus not excluded in paragraph (l) of EXCLUDED PROPERTY 7.A.;
 - iii. theft or attempted theft;
 - iv. an accident to a transporting conveyance
- (g) rodents, insects or vermin, unless directly caused by a peril otherwise insured and not otherwise excluded under this Form;
- (h) by delay, loss of market, or loss of use or occupancy;
- (i) in whole or in part by war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage;
- (j) i. by any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any amending law) or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas, all as described in Section 21. DEFINITIONS Item (h);
- ii. by contamination by radioactive material;
- (k) i. by any dishonest or criminal act committed by the Insured or any agent of the Insured, acting alone or in collusion with others;
- ii. by theft or attempted theft committed by any employee of the Insured, acting alone or in collusion with others;
 - iii. by any dishonest or criminal act committed by anyone, except as stated in EXCLUDED PERIL 7.B. (k) ii when the Insured or any agent of the Insured knew or ought to have known prior to the loss or damage, of the dishonest or criminal act.
This exclusion 7.B.(k) iii. does not apply if, upon becoming aware of the dishonest or criminal act, the Insured or any agent of the Insured immediately notifies the police and the Insurer.
- (l) by snowslide, landslide, subsidence or other earth movement. This exclusion does not apply to property in transit, or to loss or damage caused directly by resultant fire, explosion, smoke or leakage from "fire protective equipment", all as described in Section 21. DEFINITIONS Item (h);
- (m) by explosion (except explosion of natural, coal, or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured:
- iv. 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;
 - v. piping and apparatus or their parts normally containing steam or water under steam pressure from an external source and while under such pressure;
 - vi. other vessels and apparatus and their connected pipes while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure, but this exclusion does not apply to loss or damage resulting directly from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimetres (24 inches) or less used for the heating and storage of hot water for domestic use;
 - vii. moving or rotating machinery or its parts;
 - viii. any vessels and apparatus and their connected pipes while undergoing pressure tests, but this exclusion does not apply to other insured property that has been damaged by such explosion;
 - ix. gas turbines.
- This exclusion (m) does not apply to loss or damage caused by resultant fire;
- (n) by settling, expansion, contraction, moving, shifting or cracking. This exclusion does not apply to loss or damage caused directly and concurrently by a peril not otherwise excluded in this form;
- (o) 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.

C. POLLUTION EXCLUSION:

This form does not insure against:

- (a) loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants”, nor the cost or expense of any resulting “clean up”. This exclusion does not apply:
 - i. if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants” is directly caused by a peril not otherwise excluded in this form, or
 - ii. to loss or damage caused directly by a resultant peril not otherwise excluded in this form;
- (b) cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants”.

D. OTHER EXCLUDED LOSSES:

This form does not insure:

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

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

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

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

- (c) mysterious disappearance, or shortage of “equipment” or “stock” disclosed on taking inventory.

8. EXTENSIONS OF COVERAGE:

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

(a) **Building Damage By “Burglary”:**

Where the Insured is not the owner of the building included in “Premises”, this Form is extended to insure up to a maximum of \$2,500 on damage (except damage by fire) to that part of the building occupied by the Insured and directly resulting from actual or attempted “Burglary” and from vandalism or malicious acts committed on the same occasion as “Burglary”, provided the Insured is liable for such damage to the building.

(b) **Debris Removal:**

- i. Debris Removal: The Insurer will indemnify the Insured for expenses incurred in the removal from the “premises” of debris of the insured property, occasioned by loss of 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 the “premises”.

EXTENSIONS OF COVERAGE 8.(b) i. and 8.(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 calculation of the value as determined in Clause 20 for the purpose of applying co-insurance.

(c) **Growing Plants, Trees, Shrubs or Flowers Outside of “Building”:**

The insurance under this Form is extended to insure loss of or damage to growing plants, trees, shrubs or flowers, outside of the “Building” caused directly by “Named Perils” (with the exception of windstorm or hail as described in Clause 21.(h) or from theft or attempted theft. This extension of coverage shall be limited to a maximum recovery, including debris removal expense of

- i. \$500 for each growing plant, tree, shrub or flower; and
- ii. \$5,000 for any one occurrence.

(d) **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 the “premises”.

(e) **Removal:**

If any of the insured property is necessarily removed from the “premises” to prevent loss of or damage to or further loss of or damage to such property, that part of the insurance under this form that exceeds the amount of the Insurer’s liability for any loss already incurred shall, for seven (7) days only, or for the unexpired term of the policy if less than seven (7) days, insure the property removed and any property remaining at the “premises” in the proportions which the value of the property in each of the locations bears to the value of the property in them all.

9. BREACH OF CONDITION

If the Insured does not comply with a condition of this insurance, any claim for subsequent loss or damage is not recoverable. The Insurer will not deny a claim for this reason if the Insured proves that the non-compliance neither caused nor worsened the loss or damage. Coverage will not be affected if the Insured fails to comply with a condition in part of the “premises” over which the Insured has no control.

10. INTERRUPTION BY CIVIL AUTHORITY:

This clause 10 shall not apply if coverage for loss arising out of interruption by civil authority is specifically insured under a separate form of business interruption insurance, whether attached to this Policy or not. This Form is extended to include the actual loss as covered under this clause 10 during the period of time, not exceeding 30 days, 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 that would have been insured against under this Form had the loss occurred on “Premises”.

11. LIBERALIZATION CLAUSE:

If, during the Policy Period, the Insurer shall introduce any broadening of this Form and for which no additional premium is charged, then such broadened insurance shall inure to the benefit of the Insured under this Form.

12. OTHER INSURANCE :

The Insurer is not liable:

- (a) for more than the portion of any loss, destruction or damage covered by this Policy which the applicable limit of this Policy bears to the total amount of insurance covering against the peril of fire irrespective of whether or not such other insurance gives insurance in respect of the perils covered by this Policy, whether by endorsement thereto or otherwise;

- (b) where such other insurance does not insure against loss, destruction or damage by fire, for more than the excess (if any) of any loss or damage over the applicable limit of any other insurance which would attach if this insurance had not been effected.

13. PERMISSION:

Permission is granted:

- (a) for plant changes, alterations and repairs, and for ordinary additions without limit of time; but extraordinary additions and extensions are only permitted provided notice of the alterations and repairs is given to the Insurer at or about the time when work is commenced. Subject to the foregoing, the insurance on the property covered under this Policy is extended to said additions and extensions, subject to all the terms and conditions of this Policy and to any adjustment of premium deemed necessary.
- (b) to do such work and to keep and use such articles, materials and supplies in such quantities as are usual or necessary to the Insured's business;
- (c) With respect to unsprinklered locations only, to cease operations or to remain vacant or unoccupied for a period not exceeding 30 days at any one time;
- (d) With respect to sprinklered locations only, to cease operations in any individual building and for any building to remain vacant or unoccupied without limit of time, but the entire plant is not to cease operations or be vacant or unoccupied for a period exceeding 30 days at any one time.

14. 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 policy period, the Insured shall file with the Insurer a Premium Adjustment Application Form showing, for the policy period, the value of the "stock" on the last day of each month at each "premises" as commented upon by the Insured's Accountant, the actual premium for the policy period shall then be calculated at the rate applying to each "premises" 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.

15. PROPERTY OF OTHERS

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

16. PROPERTY PROTECTION SYSTEMS

It is a condition of this insurance, for the purpose of the BREACH OF CONDITION Clause 9, that the Insured shall immediately notify 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 immediately notify 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.

17. REINSTATEMENT

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

18. SUBROGATION

The Insurer, upon making any payment or assuming liability for payment under this form, shall be subrogated to all rights of recovery of the Insured against others and may bring action to enforce such rights. All rights of subrogation are waived against any corporation, firm, individual or other interest with respect to which insurance is provided by this policy.

Where the net amount recovered, after deducting the costs of recovery, is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in the proportion in which the loss or damage has been borne by them respectively.

Any release from liability entered into by the Insured prior to loss shall not affect the right of the Insured to recover.

19. VERIFICATION OF VALUES

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

20. LOSS SETTLEMENT – BASIS OF VALUATION

The value of the insured property shall be determined as follows:

- (a) unsold "stock": the actual cash value of the property at the time and place of loss or damage, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;
- (b) sold "stock": the selling price after allowance for discounts;
- (c) the property of others in the custody or control of the Insured for the purpose of performing work upon it: the amount for which the Insured is liable, but not exceeding the actual cash value at the time and place of loss or damage plus allowance for labour and materials expended to such time;
- (d) tenant's improvements:
 - i. if repaired or replaced with due diligence and dispatch, the amount actually and necessarily expended, but not exceeding the actual cash value of the tenant's improvements at the time and place of loss or damage;
 - ii. if not repaired or replaced with due diligence and dispatch, that portion of the original cost of the lost or damaged tenant's improvements which the unexpired term of the lease at the time of loss or damage bears to the period(s) from the date(s) such tenant's improvements were made to the expiration date of the lease;
- (e) business records, including those which exist on electronic or magnetic media (other than pre-packaged software programs):
 - i. the cost of blank materials for reproducing the records; and
 - ii. the costs of labour to transcribe or copy the records when there is a duplicate.
- (f) all other insured property under this form and for which no more specific conditions have been set out: the actual cash value at the time and place of loss or damage, but not exceeding what it would then cost to repair or replace with material of like kind and quality.

Actual Cash Value: Various factors shall be considered in the determination of actual cash value. The factors to be considered shall include, but not be limited to, replacement cost less any depreciation and market value. In determining depreciation, consideration shall be given to the condition of the property immediately before the damage, the resale value, the normal life expectancy of the property and obsolescence.

21. DEFINITIONS

Wherever used in this form:

- (a) "Building" in the singular or the plural means the building specified in the Declarations and fixed structures pertaining to the building and located on "Premises", and includes:
- i. additions and extensions communicating with the building;
 - ii. permanent fittings and fixtures attached to and forming part of the building;
 - iii. materials, "Equipment" and supplies on "Premises" for maintenance of, and normal repairs and minor alterations to the building or for building services;
 - iv. at the option of the Insured, and without increasing the limit(s) of liability specified in the Declarations, and only in respect of a residentially occupied "Building" (excluding Strata Corporations and Co-Operatives): landlord's permanent fittings and fixtures (excluding furniture and furnishings of furnished suites or apartments) and generally everything pertaining to the structure of the "Building" or connected with the building; also heating and cooking apparatus, electrical fixtures and "Equipment", blinds, refrigerators, fuel, summer and winter doors, screens, awnings and shutters belonging to the building, including fencing;
- (b) "Cash cards" means cards designed to store a cash value by electronic means as a mode of payment, without a personal identification number and without direct access to a bank or other account;
- (c) "Clean up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to any of these processes;
- (d) "Contents of Every Description" means "equipment" and "stock";
- (e) "Declarations Page" means the Declarations Page applicable to this form;
- (f) "Equipment" means:
- i. generally all contents usual to the Insured's business, including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances, other than "building" or "stock";
 - ii. similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;
 - iii. tenant's improvements, which are defined as building improvements, alterations and betterments made at the expense of the Insured to a "building" occupied by the Insured and which are not otherwise insured, provided the Insured is not the owner of such "building". If the Insured purchased the use interest in tenant's improvements made by a predecessor tenant, this form applies as though such tenant's improvements had been made at the expense of the Insured.
- (g) "Fire protective equipment" includes tanks, water mains, hydrants, valves and any other apparatus whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:
- i. branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - ii. any water mains or appurtenances located outside of the "premises" and forming a part of the public water distribution system;
 - iii. any pond or reservoir in which the water is impounded by a dam;
- (h) "Named Perils" means:
- i. FIRE OR LIGHTNING
 - ii. EXPLOSION: Except with respect to the explosion of natural, coal or manufactured gas, there shall in no event be any liability for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the Insured:
 - a.
 - (1) 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;
 - (2) piping and apparatus or their parts normally containing steam or water under steam pressure from an external source and while under such pressure;
 - (3) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion from them;
 - (4) smelt dissolving tanks;
 - b. other vessels and apparatus and connected pipes, while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure, except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders;

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

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

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

- iii. **IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE:** The terms Aircraft and Spacecraft include articles dropped from them.

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

- a. to aircraft, spacecraft or land vehicles causing the loss;
- b. caused by any aircraft or spacecraft when being taxied or moved inside or outside of a "building".

- iv. **RIOT, VANDALISM OR MALICIOUS ACTS:** The term Riot includes open assemblies of strikers inside or outside the "premises" who have quitted work and of locked-out employees.

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

- a. due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
- b. due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under Clause 21. (h)(ii);
- c. due to theft or attempted theft.

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

- vi. **LEAKAGE FROM "FIRE PROTECTIVE EQUIPMENT":** The term Leakage From "Fire Protective Equipment" means:

- a. the leakage or discharge of water or other substances from;
- b. the collapse of;
- c. the rupture due to freezing of "fire protective equipment" for the "premises" or for adjoining structures.

- vii. **WINDSTORM OR HAIL:** There shall in no event be any liability for loss or damage:

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

- (i) "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
- (j) "Premises" means the entire area within the property lines at the location(s) of the Insured described in the Declarations, including vehicles of the Insured within 100 metres (333 feet) of such area and also including areas under adjoining sidewalks and driveways, and in the open within 304.8 metres (1000 feet) of the property lines;
- (k) "Property of Every Description" means "building", "equipment" and "stock".
- (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) "Surface water" means water or natural precipitation temporarily diffused over the surface of the ground.

Equipment Breakdown Rider

1. INSURING AGREEMENT

In consideration of the premium, the Company agrees with the Insured that if there is an Accident occurring during the Period of Coverage to the Insured Equipment as defined herein, while the Insured Equipment is at a location specified in the Declarations and subject to all the terms, provisions and conditions (including Statutory Conditions) of the policy, except as they may be varied herein, and to the Declarations, Exclusions and Conditions applicable to this Rider, as follows:

- (a) to pay for loss
 - (i) to the Insured Equipment and
 - (ii) to other Insured Propertydirectly damaged by the Accident;
- (b) if Option 3 is indicated as covered in the Declarations, to pay for loss of perishable Insured Property that spoils solely as a result of the Accident;
- (c) if Business Interruption / Extra Expense is covered by the policy to which this Rider is attached, to pay for the Business Interruption / Extra Expense which results solely from the Accident.

2. EXCLUSIONS

This Rider does not apply:

- (a) to loss caused by or resulting from nuclear reaction or radiation, or radioactive contamination, however caused;
- (b) to loss caused by or resulting from:
 - (i) war, including undeclared or civil war;
 - (ii) warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - (iii) insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these;
 - (iv) civil commotion or sabotage;but unless associated with the foregoing, loss from an Accident of Insured Equipment arising out of any strike, riot, civil commotion, acts of sabotage, vandalism or malicious acts by others is covered;
- (c) to loss caused by or resulting from pollution, contamination or damage by a Hazardous Substance, however caused, except as provided in Condition 7;

(d) to loss from an Accident caused by or resulting from:

- (i)** earth movement, including but not limited to earthquake, landslide, mud flow, subsidence, volcanic eruption, tidal wave or tsunami;
- (ii)** wind, including but not limited to cyclone, tornado or hurricane;
- (iii)** fire, smoke or combustion explosion; or
- (iv)** water or other means used to extinguish a fire;

(e) to loss caused by or resulting from:

- (i)** fire, smoke or combustion explosion that occurs at the same time as an Accident or that ensues from an Accident. However, with respect to any Insured Equipment which is an electrical or electronic machine or apparatus, fire damage within the said machine or apparatus which occurs at the same time as an Accident or that ensues from an Accident is covered;
- (ii)** flood, however, if an Accident of Insured Equipment results from a flood, damage or expense caused by the Accident is covered;
- (iii)** lightning, if coverage for that cause of loss is provided by any other insurance in effect at the time of the loss;
- (iv)** escape of water resulting from an Accident unless:
 - a.** coverage is not provided by any other insurance in effect at the time of the loss, and
 - b.** the water escapes from Insured Equipment that normally contains water or steam
- (v)** damage to Data used with any electronic computer or electronic data processing equipment except as provided in Condition 8;

(f) to loss from:

- (i)** delay or interruption of business except as may be provided in Insuring Agreement 1(c);
- (ii)** any other indirect result of an Accident except as may be provided in Insuring Agreement 1(b) and 1(c);

(g) to loss caused by or resulting from:

the partial or total failure, malfunction or loss of use of any electronic equipment, computer system, information repository, microchip, integrated circuit or other similar device due to:

- (i)** the erasure, destruction, corruption, misappropriation or misinterpretation of Data;
- (ii)** any error in creating, amending, entering, deleting or using Data;
- (iii)** the inability to receive, transmit or use Data; or
- (iv)** the impact of any virus or the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or of any internet address, website or similar facility;

however the Company shall pay for loss that ensues solely from the Accident of any other Insured Equipment;

(h) to loss covered under the Commercial Edge or Business Edge policies.

3. CONDITIONS

1. Limit of Liability

The Company's total liability from any One Accident under Insuring Agreements 1(a) and 1(b) shall not exceed the Limit of Liability as specified in the Declarations as applicable to this Rider.

2. Business Interruption/Extra Expense

If the policy to which this Rider is attached insures against Business Interruption / Extra Expense, but not otherwise, this Rider also covers such Business Interruption / Extra Expense which results solely from an Accident of Insured Equipment subject to all the terms, provisions and conditions of the Business Interruption / Extra Expense coverages forming a part of this policy, and subject to the following additional provisions:

(i) Notice of Accident and Commencement of Liability

The Insured shall immediately give notice of Accident to any office of the Company and that notice must be confirmed in writing. The commencement of the Company's liability under this coverage shall be (1) the time of the Accident or (2) twenty-four hours before the notice of Accident is received, whichever is later.

(ii) Limit of Insurance

Under Insuring Agreement 1(c), the Company's liability for Business Interruption / Extra Expense shall be separate from and in addition to the Limit of Liability specified in the Declarations applicable to this Rider. This liability, however, is not to exceed the limit of Business Interruption / Extra Expense specified for this coverage in the policy.

3. Expediting Expenses

If there is an Accident of Insured Equipment, the Company shall pay the reasonable extra cost to:

- (i) make temporary repairs;
- (ii) expedite permanent repairs; or
- (iii) expedite permanent replacement;

of the Insured Equipment or other Insured Property which is directly damaged by the Accident.

4. By- Laws

If prior to the time of an Accident of Insured Equipment there is in force a law, by-law, ordinance, regulation, rule or ruling regulating or restricting repair, alteration, use, operation, construction or installation of Insured Property, the Company shall be liable under this Rider for:

- (i) the increase in cost of repair or replacement of both damaged and undamaged property (including any demolition and site clearing costs) which is necessary to meet the minimum requirements of the law, by-law, ordinance, regulation, rule or ruling;

(ii) if Business Interruption / Extra Expense is provided by this Rider, but not otherwise, the increase in Business Interruption / Extra Expense caused solely as a result of the law, by-law, ordinance, regulation, rule or ruling.

5. Professional Fees/Auditors Fees

If the policy to which this Rider is attached covers Professional Fees or Auditors Fees, but not otherwise, this Rider also covers such Professional or Auditors Fees subject to the limit specified for this coverage in the policy.

6. Service Interruption

If there is an Accident of equipment not owned or operated by the Insured, the Company shall be liable:

- (i) only if Option 3 is specified as covered in the Declarations, for loss of perishable Insured Property which spoils; and
- (ii) only if Business Interruption / Extra Expense insurance is provided by this Rider, for Business Interruption / Extra Expense;

but only if the equipment is:

- (i) of a type described in the applicable definition of Insured Equipment;
- (ii) located on or within one thousand (1000) metres of the Insured's premises;
- (iii) owned by the building owner at the premises of the Insured or by a public utility company; and
- (iv) used to supply steam, gas, air, water, refrigeration, electricity, air conditioning, heating or communication services to the Insured's premises.

7. Hazardous Substances

If a Hazardous Substance is involved in or released by an Accident of Insured Equipment, the Company shall be liable to pay:

- (i) the increase in cost to repair, replace, clean up or dispose of, affected Insured Property; and
- (ii) if Business Interruption / Extra Expense coverage is provided by this Rider, the increase in Business Interruption / Extra Expense loss because of the presence of Hazardous Substances;

however, in no event shall the Company be liable for loss in excess of \$100,000.

As used in this coverage, increase in cost or in loss is that cost or loss beyond that for which the Company would have been liable had no Hazardous Substance been present.

8. Data Coverage

If, as a result of an Accident of Insured Equipment, Data is lost or damaged, the Company shall be liable for:

- (i) the cost of gathering or reproducing the Data; and
- (ii) the Business Interruption/Extra Expense resulting from the loss or damage to the Data only if business Interruption/Extra Expense is provided by this form,

However, in no event shall the insurer be liable for loss in excess of \$50,000.

The Company shall not be liable for Data which is lost or damaged as a result of programming errors of any kind including the inability of software to correctly read, recognize, save, process or interpret any data or time.

9. Basis of Settlement

(a) Property Damage

Under Insuring Agreement 1(a), the Company agrees to pay for Insured Property which is damaged, as follows:

- (i) on media, the cost of blank material;
- (ii) on exposed film, records, manuscripts and drawings, the cost of blank material plus the cost of transcription;
- (iii) on any heat exchanger that forms part of forced air heating equipment that is five (5) years old or more from the date of purchase new, its Actual Cash Value;
- (iv) on all other Insured Property, the lesser of the cost at the time of the Breakdown
 - (a) to repair; or
 - (b) to replace with similar property of like kind, capacity, size, quality and function.

The Company shall not be liable:

- (i) for the cost of repairing or replacing any part or parts of a piece of equipment which is greater than the cost of repairing or replacing the entire piece of equipment;
- (ii) for more than the cost to replace the property with other property of like kind, capacity, size, quality and function; nor
- (iii) for loss or damage to property which is useless or obsolete to the Insured.

If the damaged property is not repaired or replaced within 12 months after the date of the Accident, the Company's liability will only be for the Actual Cash Value of the damaged property. Actual Cash Value is the cost of replacing the damaged property with property of similar kind, capacity, size, quality and function less depreciation however caused. In determining depreciation consideration will be given to such items as the age, condition, and normal life expectancy of the property.

(b) Spoilage

If Option 3 is specified in the Declarations of this Rider, the Company shall pay under Insuring Agreement 1(b) the amount that is spent to replace perishable Insured Property which spoils solely as a result of the Accident of Insured Equipment. If the Insured Property is not replaced, the Company shall only pay for the Actual Cash Value of the property.

10. Deductible

From the total amount of loss, damage and expense for which the Company is liable following any One Accident of Insured Equipment shall be subtracted the Deductible specified in the Declarations.

11. Inspection

The Company shall have the right to make inspections of Insured Equipment at any reasonable time. Neither this right to make inspections nor making them is an undertaking to the Insured or others that the Insured Equipment is safe and not hazardous or injurious to health.

12. Suspension

Upon the discovery of Insured Equipment in or exposed to a dangerous condition any representative of the Company may immediately suspend the Insurance against loss from an Accident of that equipment (which will include any insurance applying to the interest of any Mortgagee specified in the policy). Notice of suspension shall be given either at the Mailing Address specified in the Declarations, or at the location of the equipment. The Company agrees to furnish a copy of the Suspension Notice to the Mortgagee. Once coverage has been suspended, it can only be reinstated by an endorsement issued to form part of this policy. The Insured shall be allowed a pro-rata refund of premium for that equipment for the period that coverage is suspended.

13. Errors and Omissions

Insurance under this policy is extended to include the actual amount of loss, up to a maximum of \$250,000.00 for loss not otherwise payable if such loss arises solely out of an error or unintentional omission by the Named Insured in the description of insured property or in a description of the insured property's location. Immediately upon the discovery of any such error or omission, the Named Insured must notify the Insurer of the corrections that are needed. Nothing contained in this Coverage Extension 13 operates to increase the Insurer's limit of liability. The Insurer reserves the right to charge an appropriate premium or to impose appropriate, additional conditions with respect to any such corrections that are made to the policy.

14. Brands and Labels

This Coverage Extension 14 applies in the event of loss or damage (arising out of an Accident) to insured property bearing a brand name or trademark. The salvage value of such damaged insured property is determined after removal (in the customary manner) of all such brands or trademarks or other identifying characteristics. Insurance under this policy is extended to insure, up to a maximum of \$100,000.00, the cost of removal of such brands, trademarks or other identifying characteristics (provided that such removal will not physically damage the insured property) prior to the sale, as salvage, of such insured property damaged by an Accident; in accordance with value established by the Insurer during loss adjustment.

14. Liberalization Clause

For a period not exceeding twenty four months from this policy's first inception date, this policy is extended to include any extension of coverage afforded under the direct property damage section of the Equipment Breakdown/Boiler and Machinery policy immediately preceding this policy but not afforded by this policy or subject to a lesser limit under this policy, provided that:

- (a) such extension of coverage has not been declined by the present Insurer; and
- (b) such extension of coverage has not been refused by the Insured following conditions proposed by the present Insurer; and
- (c) the Insurer's liability does not exceed the amount of insurance specified for such extension of coverage in the prior policy; and

(d) this Coverage Extension 14 is limited to a maximum recovery of \$50,000.00 in any one Policy Period.

If during the Policy Period the Insurer introduces any broadening of this Form BM12 and for which no additional premium is charged, then such broadened insurance inures to the benefit of the Insured under this Form (effective from the date of formal introduction by the Insurer of such broadened insurance).

15. Interruption by civil authority:

This Coverage Extension 15 does not apply if coverage for loss arising out of interruption by civil authority is specifically insured under a separate form of commercial property or business interruption insurance, whether attached to this policy or not. Insurance under this policy is extended to include the contiguous period of time, not exceeding twenty-one consecutive days that access to the insured premises is prohibited or denied by order of civil authority. Coverage under this extension clause 14 applies only when such order or denial is given as a direct result of an Accident at premises adjacent to the insured premises and only when such order or denial of access arises out of a peril that would have been insured against under this policy had the loss or damage occurred on the Named Insured's premises.

4. DEFINITIONS

1. Insured Equipment - Option 1

If Option 1 is specified as covered in the Declarations applicable to this Rider, Insured Equipment shall mean any equipment owned, leased, operated or controlled by the Insured as described below:

- A.** any boiler, fired or unfired pressure vessel normally subject to vacuum or internal pressure other than static pressure of contents, any piping and its accessory equipment, any heat exchanger that forms part of forced air heating equipment, but not including:
 - (i)** any vessel or piping forming a part of a refrigerating or air conditioning system;
 - (ii)** any boiler setting, any refractory or insulating material;
 - (iii)** any part of a boiler or fired pressure vessel that does not contain steam or water; nor
 - (iv)** any buried piping, any drainage piping, any sprinkler piping and its accessory equipment;
- B.** any mechanical or electrical equipment used for the generation, transmission or utilisation of mechanical or electrical power, but not including:
 - (i)** any machinery or apparatus used for refrigeration or air conditioning;
 - (ii)** any vehicle or mobile equipment;
 - (iii)** any lifting or safety cables, anchorages, car buffers or counterweight buffers forming part of an elevator system; nor
 - (iv)** any electronic machine, device or instrument or fibre optic cable used for research, diagnosis, treatment, communication, word processing, data processing, duplicating, monitoring or scanning.

2. Insured Equipment - Option 2

If Option 2 is specified as covered in the Declarations applicable to this Rider, Insured Equipment shall mean any equipment owned, leased, operated or controlled by the Insured as described below:

- A.** any boiler, fired or unfired pressure vessel normally subject to vacuum or internal pressure other than static pressure of contents, any refrigerating or air conditioning vessels and piping or any other piping and its accessory equipment, any heat exchanger that forms part of forced air heating equipment, but not including:
 - (i)** any boiler setting, any refractory or insulating material;
 - (ii)** any part of a boiler or fired pressure vessel that does not contain steam or water; nor
 - (iii)** any buried piping, any drainage piping, any sprinkler piping and its accessory equipment;
- B.** any mechanical or electrical equipment used for the generation, transmission or utilisation of mechanical or electrical power, but not including:
 - (i)** any vehicle or mobile equipment;
 - (ii)** any lifting or safety cables, anchorages, car buffers or counterweight buffers forming part of an elevator system; nor
 - (iii)** any electronic machine, device or instrument used for research, diagnosis, treatment, communication, word processing, data processing, duplicating, monitoring or scanning.

3. Insured Equipment - Option 3

If Option 3 is specified as covered in the Declarations applicable to this Rider, Insured Equipment shall mean any equipment owned, leased, operated or controlled by the Insured as described below:

- A.** any boiler, fired or unfired pressure vessel normally subject to vacuum or internal pressure other than static pressure of contents, any refrigerating or air conditioning vessels and piping or any other piping and its accessory equipment, any heat exchanger that forms part of forced air heating equipment, but not including:
 - (i)** any boiler setting, any refractory or insulating material;
 - (ii)** any part of a boiler or fired pressure vessel that does not contain steam or water; nor
 - (iii)** any buried piping, any drainage piping, any sprinkler piping and its accessory equipment;
- B.** any mechanical or electrical equipment used for the generation, transmission or utilisation of mechanical or electrical power, but not including:
 - (i)** any vehicle or mobile equipment; nor
 - (ii)** any lifting or safety cables, anchorages, car buffers or counterweight buffers forming part of an elevator system;
- C.** any electronic machine, device or instrument or fibre optic cable used for research, diagnosis, treatment, communication, word processing, data processing, duplicating, monitoring or scanning.

4. Insured Property

Insured Property is:

- (a) property of the Insured; or
- (b) property of others in the Insured's care, custody or control and for which the Insured is legally liable.

5. Accident

Accident means a sudden and accidental failure of equipment resulting in physical damage to the equipment which requires the repair or replacement of the equipment or a part of the equipment.

Accident does not mean:

- (i) depletion, deterioration, corrosion or erosion of material;
- (ii) wear and tear;
- (iii) vibration or misalignment;
- (iv) the functioning of any safety device or protective device; nor
- (v) the failure of a structure or foundation supporting the equipment or a part of the equipment.

6. One Accident

If either the Accident of Insured Equipment causes the Accident of other Insured Equipment or a series of Accidents occur at the same time as a result of the same cause, they will all be considered as One Accident.

7. Hazardous Substance

A Hazardous Substance is

- (i) any pollutant, contaminant or other substance declared by a government authority to be hazardous to health or the environment; or
- (ii) any Fungi or Spores or toxins created or produced by or emanating from such fungi or spores whether or not allergenic, pathogenic or toxigenic.

As used herein Fungi includes, but is not limited to, any form or type of mould, yeast, mushroom, mildew, bacteria or wet or dry rot, 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.

As used herein Spores includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any Fungi.

8. Data

Data means facts, concepts, information or software in a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment.

9. Media

Media means material on which data is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.



Intact Insurance Company

Comprehensive Dishonesty, Destruction, Disappearance, and Forgery

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN THE DEFINITIONS SECTION OF THIS FORM.

1. INSURING AGREEMENTS

Subject to the provisions of this policy and only provided that an amount of insurance is shown in the Declaration Page(s) for this policy opposite the categories as listed in the Insuring Agreements below, the Insurer agrees to pay the Insured for:

Insuring Agreement I.A Employee Dishonesty Coverage - Form A (Commercial Blanket Bond)

"Loss" of "money", "securities" and other property which the Insured shall sustain, to an amount not exceeding in the aggregate the amount stated in the Declaration Page(s) applicable to this Insuring Agreement I.A, resulting directly from one or more "fraudulent or dishonest acts" committed by an "employee", acting alone or in collusion with others.

Insuring Agreement I.B Employee Dishonesty Coverage - Form B (Blanket Position Bond)

"Loss" of "money", "securities" and other property which the Insured shall sustain, resulting directly from one or more "fraudulent or dishonest acts" committed by an "employee", acting alone or in collusion with others, the amount of insurance on each of the "employees" being the amount stated in the Declaration Page(s) applicable to this Insuring Agreement I.B.

Insuring Agreement II.A Loss Inside The Premises Coverage - Broad Form

- (a) "Loss" of "money" and "securities" by the actual destruction, disappearance or wrongful abstraction of such "money" and "securities" within the "premises" or within any "banking premises" or similar recognized places of safe deposit;
- (b) "Loss" of (a) other property by "safe burglary" or "robbery" within the "premises" or attempt thereat, and (b) a locked cash drawer, cash box or cash register by felonious entry into such container within the "premises" or attempt thereat or by felonious abstraction of such container from within the "premises" or attempt thereat;
- (c) Damage to the "premises" by such "safe burglary", "robbery" or felonious abstraction, or by or following burglarious entry into the "premises" or attempted illegal entry, provided with respect to damage to the "premises" of which the Insured is the owner or for which the Insured is liable.

Insuring Agreement II.B Loss Inside The Premises Coverage - Limited Form

"Loss" of "money" and "securities" and business contents occasioned by "robbery".

Insuring Agreement III.A

Loss Outside The Premises Coverage - Broad Form

- (a) "Loss" of "money" and "securities" by the actual destruction, disappearance or wrongful abstraction of such "money" and "securities" outside the "premises" while being conveyed by a "messenger" or any armoured motor vehicle company or while within the living quarters in the home of any "messenger";
- (b) "Loss" of other property by "robbery" or attempted "robbery" outside the "premises" while being conveyed by a "messenger" or any armoured motor vehicle company, or by theft within the living quarters in the home of any "messenger".

Insuring Agreement III.B

Loss Outside The Premises Coverage - Limited Form

"Loss" of "money" and "securities" and business contents occasioned by:

- (a) "Robbery" or attempted "robbery" 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;
- (b) Theft from within the home of a "custodian" not exceeding \$1,000. This limitation shall not apply to "robbery".

Insuring Agreement IV

Money Orders and Counterfeit Paper Currency Coverage

"Loss" due to the acceptance in good faith, in exchange for merchandise, "money" or services, of any post office or express "money" order, issued or purporting to have been issued by any post office or express company, if such "money" order is not paid upon presentation, or due to the acceptance in good faith in the regular course of business of counterfeit Canadian or United States paper currency.

Insuring Agreement V

Depositors Forgery Coverage

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

- (a) any cheque or draft made or drawn in the name of the Insured, payable to a fictitious payee and endorsed in the name of such fictitious payee;
 - (b) any cheque or draft procured in a face to face transaction with the Insured, or with one acting as an agent of the Insured, by anyone impersonating another and made or drawn payable to the one impersonated and endorsed by anyone other than the one impersonated; and
 - (c) any payroll cheque, payroll draft or payroll order made or drawn by the Insured, payable to bearer as well as to a named payee and endorsed by anyone other than the named payee without authority from such payee;
- whether or not any endorsement mentioned in (a), (b) or (c) be a forgery within the law of the place controlling the construction thereof.

Mechanically reproduced facsimile signatures are treated the same as handwritten signatures.

The Insured shall be entitled to priority of payment over "loss" sustained by any bank aforesaid. "Loss" under this Insuring Agreement, whether sustained by the Insured or such bank, shall be paid directly to the Insured in its own name, except in cases where such bank shall have already fully reimbursed the Insured for such "loss". The liability of the Insurer to such bank for such "loss" shall be a part of and not in addition to the amount of insurance applicable to the Insured's office to which such "loss" would have been allocated had such "loss" been sustained by the Insured. If the Insured or such bank shall refuse to pay any of the foregoing instruments made or drawn as hereinbefore set forth, alleging that such instruments are forged or altered, and such refusal shall result in suit being brought against the Insured or such bank to enforce such payment and the Insurer shall give its written consent to the defence of such

suit, then any reasonable attorneys' fees, court costs, or similar legal expenses incurred and paid by the Insured or such bank in such defence shall be construed to be a "loss" under this Insuring Agreement and the liability of the Insurer for such "loss" shall be in addition to any other liability under this Insuring Agreement.

Insuring Agreement VI Credit Card Forgery Coverage

- (a) "Loss" which the Insured shall sustain through forgery or alteration of, on or in any written instrument required in conjunction with any credit card issued to the Insured or to any partner, officer or "employee" of the Insured or to the Insured's spouse or any child residing permanently in the residence of the Insured; provided, however, that the Insured shall fully comply with the provisions, conditions and other terms under which such credit card shall have been issued;
- (b) Reasonable attorney's fees, court costs or similar legal expenses incurred and paid by the Insured in the defence of any suit brought against the Insured to enforce payment on any written instrument specified in the preceding paragraph, alleging that such instrument is forged or altered; provided, however, that such suit shall have resulted from the refusal of the Insured to pay such instrument, that the Insurer shall have given its written consent to the defence of such suit and that the Insured shall have fully complied with the provisions, conditions and other terms under which any credit card, as indicated, shall have been issued. The liability of the Insurer under this Insuring Agreement for such attorney's fees, court costs or similar legal expenses shall be in addition to any other liability under this Insuring Agreement.

Insuring Agreement VII.A Securities In Safe Deposit Boxes - Broad Form

"Loss" of "securities" by the actual destruction, disappearance or wrongful abstraction of such "money" and "securities":

- (a) from within the Insured's safe deposit box in a vault within the "banking premises"; or
- (b) while temporarily elsewhere within the "banking premises" and in the course of deposit in or removal from such safe deposit box.

Insuring Agreement VII.B Property In Safe Deposit Boxes - Burglary and Robbery

"Loss" of property other than "money":

- (a) by burglary or attempted burglar, vandalism or malicious mischief from within the Insured's safe deposit box in a vault within the "depository premises";
- (b) by "robbery" or attempted "robbery", vandalism or malicious mischief from within that part of the "depository premises" in the safe deposit vault department reserved for customers; the banking enclosure reserved for the use of the bank's officers and "employees", provided at least one such persons is at work in it; or the "banking premises", while such property is being conveyed between the entrance to the "banking premises" and the vault.

2. GENERAL AGREEMENTS

A. Consolidation – Merger

If, through consolidation or merger with, or purchase of assets of, some other concern, any person shall become "employees" or if the Insured shall thereby acquire the use and control of any additional "premises", the insurance afforded by this Form shall also apply as respects such "employees" and "premises", provided the Insured shall give the Insurer written notice thereof within 30 days thereafter and shall pay the Insurer an additional premium computed pro rata from the date of such consolidation, merger or purchase to the end of the current policy period.

B. Joint Insured

If more than one Insured is covered under this Form, the Insured first named shall act for itself and for every other Insured for all purposes of this Form. Knowledge possessed or discovery made by any Insured or by any partner or officer of the Insured shall, for the purposes of Items G., H. and O. of Clause 3, constitute knowledge possessed or discovery made by every Insured.

Cancellation of the insurance under this Form as respects any "employee" as provided in Item O. of Clause 3 shall apply to every Insured. If, prior to the cancellation or termination of this Form, this Form or any Insuring Agreement under this Form is cancelled or terminated as to any Insured, there shall be no liability for any "loss" sustained by such Insured unless discovered within one (1) year from the date of such cancellation or termination or, as respects Insuring Agreement 1.B, within two (2) years of cancellation or termination date.

Payment by the Insurer to the Insured first named of any "loss" under this Form shall fully release the Insurer on account of such "loss". If the Insured first named ceases for any reason to be covered under this Form, then the Insured next named shall thereafter be considered as the Insured first named for all purposes of this Form.

C. Loss Under Prior Bond Or Policy

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

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

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

- (a) the coverage of Insuring Agreement V is substituted on or after the date hereof for such prior forgery coverage and the Insured or such predecessor, as the case may be, carried such prior forgery coverage on the office at which such "loss" was sustained continuously from the time such "loss" was sustained to the date the coverage of Insuring Agreement V was substituted therefor;
- (b) at the time of discovery of such "loss", the period for discovery of "loss" under all such prior forgery insurance has expired; and
- (c) if the amount of insurance carried under Insuring Agreement V applicable to the office at which such "loss" is sustained is larger than the amount applicable to such office under such prior forgery insurance and in force at the time such "loss" is sustained, then liability under this Form for such "loss" shall not exceed the smaller amount.

3. CONDITIONS, EXCLUSIONS, DEFINITIONS AND LIMITATIONS

A. Policy Period, Territory, Discovery

“Loss” is covered under this Form only if discovered not later than one (1) year from the end of the policy period, except that Insuring Agreement I.B, “loss” is covered only if discovered not later than two (2) years from the end of the policy period.

Subject to General Agreement C:

- (a) this Form, except under Insuring Agreements I.A, I.B, V and VI applies only to “loss” which occurs during the policy period within Canada and the United States of America;
- (b) Insuring Agreements I.A and I.B applies only to “loss” sustained by the Insured through “fraudulent or dishonest acts” committed during the policy period by any of the “employees” engaged in the regular service of the Insured within the territory designated in (a) above or while such “employees” are elsewhere for a limited period;
- (c) Insuring Agreements V and VI applies only to “loss” sustained during the policy period.

B. Exclusions

This policy does not apply:

- (a) to “loss” due to any fraudulent, dishonest or criminal act by any Insured or a partner therein, whether acting alone or in collusion with others;
- (b) under Insuring Agreement I.A or I.B, to “loss” on account of the fraudulent or dishonest signing, issuing, cancelling or non-cancelling of any warehouse receipt or any papers or advices in connection therewith;
- (c) under Insuring Agreement I.A or I.B, to “loss”, or that part of any “loss”, as the case may be, the proof of which, either as to its factual existence or as to its amount, is dependent upon an inventory computation or a profit and “loss” computation;
- (d) under Insuring Agreement I.A or I.B, to “loss” sustained by any client of the Insured through “fraudulent or dishonest acts” committed by any of the Insured’s “employees” while performing their duties on the “premises” of such client, whether or not the Insured is liable for such “loss”;
- (e) under Insuring Agreements II.A, II.B, III.A, III.B, V, VI, VII.A and VII.B, to “loss” due to any fraudulent, dishonest or criminal act by an “employee”, director, trustee or authorised representative of any Insured, while working or otherwise and whether acting alone or in collusion with others, provided this Exclusion (e) does not apply to “safe burglary” or “robbery” or attempted “robbery”;
- (f) under Insuring Agreements II.A, II.B, III.A, III.B, VII.A and VII.B, to “loss” due to war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- (g) under Insuring Agreements II.A, II.B, III.A, III.B, VII.A and VII.B, to “loss” due to the giving or surrendering of “money” or “securities” in any exchange or purchase;
- (h) under Insuring Agreements II.A, II.B, III.A and III.B, to “loss” due to accounting or arithmetical errors or omissions;
- (i) under Insuring Agreements II.A, II.B, III.A and III.B, to “loss” of manuscripts, books of account or records, except for blank value;
- (j) under Insuring Agreement II.A or II.B, to “loss” of “money” contained in coin operated amusement devices or vending machines, unless the amount of “money” deposited within the device or machine is recorded by a continuous recording instrument within the device;
- (k) under Insuring Agreement III.A or III.B, to “loss” of insured property while in the custody of any armoured motor vehicle company, unless such “loss” is in excess of the amount recovered or received by the Insured under (1) the Insured’s contract with the armoured motor vehicle company, (2) the insurance carried by the armoured motor vehicle company for the benefit of users of its service, and (3) all other insurance and indemnity in force in whatsoever form carried by or for the benefit of users of the armoured motor vehicle company’s service, and then this Form shall cover only such excess;
- (l) under Insuring Agreements II.A, II.B, III.A, III.B, VII.A and VII.B, to “loss” due to any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;

- (m) under Insuring Agreement II.A or II.B, to “loss”, other than to “money”, “securities” and safe or vault, by fire whether or not such fire is caused by, contributed to by or arises out of the occurrence of a hazard insured against;
- (n) to potential income, including but not limited to interest and dividends, not realized by the Insured because of a “loss” covered under this Form;
- (o) to all damages of any type for which the Insured is legally liable, except direct compensatory damages arising from a “loss” covered under this Form;
- (p) to all costs, fees and other expenses incurred by the Insured in establishing the existence of or amount of “loss” covered under this Form;
- (q) except as may be specifically stated to the contrary in this Form or any applicable endorsement, to the defence of any legal proceeding brought against the Insured, or to fees, costs or expenses incurred or paid by the Insured in prosecuting or defending any legal proceeding whether or not such proceeding results or would result in a “loss” to the Insured covered by this Form;
- (r) under Insuring Agreement III.A or III.B, to “loss” due to the surrender of “money”, “securities” or other property away from the “premises” as a result of a threat to do (1) bodily harm to the Insured or any other person, or (2) damage to the “premises” or property owned by the Insured or held by the Insured in any capacity; provided that this exclusion shall not apply to “loss” of “money”, “securities” or other property while being conveyed by a “messenger” when there was no knowledge by the Insured of any such threat at the time the conveyance was initiated;
- (s) under Insuring Agreements II.A, IIB, VII.A and VII.B, to “loss” of insured property which has been transferred by any computer to a person or to a place outside the “premises” on the basis of unauthorised instructions;
- (t) under Insuring Agreement VII.A or VII.B, to “loss” of “securities” held by the Depository as collateral or held by the Depository in trust for more than 30 days;
- (u) under Insuring Agreement VII.A or VII.B, to “loss” of “securities” owned by the Depository.

C. Definitions

As used in this Form:

“Banking premises” means, the interior of that portion of any building which is occupied by a banking institution in conducting its business or a similar safe depository.

“Custodian” means the Insured or a partner of the Insured or any “employee” who is duly authorised by the Insured to have the care and custody of insured property within the “premises”, excluding any person while acting as a watchman, porter or janitor.

“Employee(s)” means, any natural person (other than a director or trustee of the Insured, if a corporation, who is not also an officer or employee thereof in some other capacity) while in the regular service of the Insured in the ordinary course of the Insured’s business including persons hired through an intervening employment agency or employer during the policy period and whom the Insured compensates by salary, wages or commissions and has the right to govern and direct in the performance of such service, but does not mean any broker, factor, commission merchant, consignee, contractor or other agent or representative of the same general character. As applied to “loss” under Insuring Agreement I.A or I.B, the above words “while in the regular service of the Insured” shall include the first 30 days thereafter; subject however to Items O. and P. of Clause 3.

“Fraudulent or Dishonest Acts” means fraudulent or dishonest acts committed by such “employee” with manifest intent:

- (a) to cause the Insured to sustain such “loss”; and
- (b) to obtain financial benefit for the “employee”, or for any other person or organization intended by the “employee” to receive such benefit, other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other “employee” benefits earned in the normal course of employment.

“Loss”, except under Insuring Agreements I.A, I.B, V and VI, includes damage.

“Messenger” means the Insured or a partner of the Insured or any “employee” who is duly authorised by the Insured to have the care and custody of insured property outside the “premises”.

“Money” means currency, coins, bank notes and bullion; and travellers’ cheques, register cheques and money orders held for sale to the public.

“Premises” means the interior portion of that portion of any building which is occupied by the Insured in conducting its business. With respect to “robbery” only, the “premises” shall include the space immediately surrounding such building.

“Robbery” means the taking of insured property (1) by violence inflicted upon a “messenger” or “custodian”; (2) by putting that person in fear of violence; (3) by any other overt felonious act committed in that person’s presence and of which that person was actually cognisant, provided such other act is not committed by a partner or “employee” of the Insured, (4) from the person or direct care and custody of a “messenger” or “custodian”, who has been killed or rendered unconscious, or (5) under Insuring Agreement II.A or II.B: (i) from within the “premises” by means of compelling a “messenger” or “custodian” by violence or threat of violence while outside the “premises” to admit a person into the “premises” or to furnish that person with means of ingress into the “premises”; or (ii) from a showcase or show window within the “premises” while regularly open for business, by a person who has broken the glass thereof from outside the “premises”.

“Safe Burglary” means, (1) the felonious abstraction of insured property from within a vault or safe, the door of which is equipped with a combination lock, located within the “premises” by a person making felonious entry into such vault or such safe and any vault containing the safe, when all doors of the safe ~~thereof~~ are duly closed and locked by all combination locks thereon, provided such entry shall be made by actual force and violence, of which force and violence there are visible marks made by tools, explosives, electricity or chemicals upon the exterior of (i) all of said doors of such vault or such safe and any vault containing the safe, if entry is made through such doors, or (ii) the top, bottom or walls of such vault or such safe and any vault containing the safe through which entry is made, if not made through such doors, or (2) the felonious abstraction of such safe from within the “premises”, or (3) with respect to Insuring Agreement VII.A or VII.B, the felonious abstraction of insured property from within the Insured’s safe deposit box in a vault by a person making felonious entry into such safe deposit box and also such safe and vault doors are duly closed and locked, provided such entry shall be made by actual force and violence, of which force and violence there are visible marks made by tools, explosives, electricity or chemicals, upon the exterior of the safe.

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

D. Loss Cause by Unidentifiable Employees

If a “loss” is alleged to have been caused by the “fraudulent or dishonest acts” of any one or more of the “employees” and the Insured shall be unable to designate the specific “employee” or “employees” causing such “loss”, the Insured shall nevertheless have the benefit of Insuring Agreement I.A or I.B, provided that the evidence submitted reasonably proves that the “loss” was in fact due to the fraud or dishonesty of one or more of the said “employees”, and provided, further, that the aggregate liability of the Insurer for any such “loss” shall not exceed the limit of liability applicable to Insuring Agreement I.A or I.B.

E. Ownership of Property: Interests Covered

The insured property may be owned by the Insured, or held by the Insured in any capacity whether or not the Insured is liable for the “loss” under this Form or may be property as respects which the Insured is legally liable; provided, Insuring Agreements II.A, II.B, III.A, III.B and IV apply only to the interest of the Insured in such

property, including the Insured's liability to others, and do not apply to the interest of any other person or organization in any of said property unless included in the Insured's proof of "loss", in which event the third paragraph of Item H. is applicable to them.

F. Books and Records

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

G. Prior Fraud, Dishonesty Or Cancellation

The coverage of Insuring Agreement I.A or I.B shall not apply to any "employee" from and after the time that the Insured or any partner or officer of the Insured not in collusion with such "employee" shall have knowledge or information that such "employee" has committed any fraudulent or dishonest act in the service of the Insured or otherwise, whether such act be committed before or after the date of employment by the Insured. If, prior to the issuance of this policy, any fidelity insurance in favour of the Insured or any predecessor in interest of the Insured and covering one or more of the Insured's "employees" shall have been cancelled as to any of such "employees" by reason of the giving of written notice of cancellation by the insurer issuing such fidelity insurance, whether the Insurer or not, and if such "employees" shall not have been reinstated under the coverage of said fidelity insurance or superseding fidelity insurance, the Insurer shall not be liable on account of such "employees" unless the Insurer shall agree in writing to include such "employees" within the coverage of Insuring Agreement I.A or I.B.

H. Loss - Notice - Proof - Action Against Insurer

Upon knowledge or discovery of "loss" or of an occurrence which may give rise to a claim for "loss", the Insured shall: (a) give notice of the "loss" as soon as practicable to the Insurer or any of its authorised agents and, except under Insuring Agreements I.A, I.B, V and VI, also to the police, if the "loss" is due to a violation of the law; (b) file detailed proof of "loss", duly sworn to, with the Insurer within four (4) months after the discovery of "loss".

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

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

No action shall lie against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Form, nor until 90 days after the required proofs of loss have been filed with the Insurer, nor at all unless commenced within two (2) years from the date when the Insured discovers the "loss". If any limitation of time for notice of "loss" or any legal proceeding, contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this Form, the shortest permissible statutory limitation of time shall govern and shall supersede the time limitation stated under this Form.

I. Valuation - Payment – Replacement

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

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

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

J. Recoveries

If the Insured shall sustain any “loss” covered by this Form which exceeds the applicable amount of insurance under this Form, the Insured shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security or indemnity taken by or for the benefit of the Insurer) by whomsoever made, on account of such “loss” under this Form until fully reimbursed, less the actual cost of effecting the same; and any remainder shall be applied to the reimbursement of the Insurer.

K. Limits of Liability

Payment of “loss” under Insuring Agreements I.A, I.B, V or VI shall not reduce the Insurer’s liability for other losses under the applicable Insuring Agreement whenever sustained.

The Insurer’s total liability (1) under Insuring Agreement I.A, for all “loss” caused by any “employee” or in which such “employee” is concerned or implicated or (2) under Insuring Agreement I.B, as to each “employee” or (3) under Insuring Agreements V and VI, for all “loss” by forgery or alteration committed by any person or in which such person is concerned or implicated, whether such forgery or alteration involves one or more instruments, is limited to the applicable amount of insurance specified in the Declaration Page(s) or endorsements amendatory thereto.

The liability of the Insurer for “loss” sustained by any or all of the Insureds shall not exceed the amount for which the Insurer would be liable had all such “loss” been sustained by any one of the Insureds.

Except under Insuring Agreements I.A, I.B and V, the applicable limit of liability stated in the Declaration Page(s) is the total limit of the Insurer’s liability with respect to all “loss” of property of one or more persons or organizations arising out of any one occurrence. All “loss” incidental to an actual or attempted fraudulent, dishonest or criminal act or series of related acts at the “premises”, whether committed by one or more persons, shall be deemed to arise out of one occurrence.

Regardless of the number of years this Form shall continue in force and the number of premiums which shall be payable or paid, the limit of the Insurer’s liability as specified in the Declaration Page(s) shall not be cumulative from year to year or policy period to policy period.

L. Limit of Liability Under This Form and Prior Insurance

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

With respect to “loss” caused by any person (whether one of the “employees” or not) or in which such person is concerned or implicated or which is chargeable to any “employee” as provided in Item D. and which occurs partly during the policy period and partly during the period of other bonds or policies issued by the Insurer to the Insured or to any predecessor in interest of the Insured and terminated or cancelled or allowed to expire and in which the period for discovery has not expired at the time any such “loss” under this Form is discovered, the total liability of the Insurer under this Form and under such other bonds or policies shall not exceed, in the aggregate, the amount carried under the applicable Insuring Agreement of this Form on such “loss” or the amount available to the Insured under such other bonds or policies, as limited by the terms and conditions under this Form, for any such “loss”, if the latter amount be the larger.

M. Other Insurance

If there is available to the Insured any other insurance or indemnity covering any “loss” covered by Insuring Agreement I.A, I.B, V or VI, the Insurer shall be liable under this Form only for that part of such “loss” which is in excess of the amount recoverable or recovered from such other insurance or indemnity, except that if such other

insurance or indemnity is a bond or policy of fidelity insurance, any "loss" covered under both such fidelity insurance and Insuring Agreement V or VI shall first be paid under Insuring Agreement V or VI. Any "loss" covered under Insuring Agreements I.A, I.B, V or VI shall first be paid under Insuring Agreement V or VI and the excess, if any, shall be paid under Insuring Agreement I.A or I.B. The Insurer waives any right of contribution which it may have against any forgery insurance carried by any depository bank which is indemnified under Insuring Agreement V or VI.

Under any other Insuring Agreement, if there is any other valid and collectible insurance which would apply in the absence of such Insuring Agreement, the insurance under this Form shall apply only as excess insurance over such other insurance; provided, the insurance shall not apply (1) to property which is separately described and enumerated and specifically insured in whole or in part by any other insurance; or (2) to property otherwise insured unless such property is owned by the Insured.

N. Subrogation

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

O. Cancellation as to Any Employee

Insuring Agreement I.A or I.B shall be deemed cancelled as to any "employee": (1) immediately upon discovery by the Insured, or by any partner or officer of the Insured not in collusion with such "employee", of any "fraudulent or dishonest act" on the part of such "employee"; or (2) at 12:01 A.M. Standard Time at the effective date specified in a written notice mailed to the Insured. Such date shall be not less than 15 days after the date of mailing. The mailing by the Insurer, of notice, to the Insured at the postal address shown in the Declaration Page(s) shall be sufficient proof of notice. Delivery of such written notice by the Insurer shall be equivalent to mailing.

P. No Benefit to Bailee

This Item shall apply only to Insuring Agreements II.A, II.B and III.A and III.B. The insurance afforded by this Form shall not apply directly or indirectly to the benefit of any carrier or other bailee for hire.

Q. Assignment

Assignment of interest under this Form shall not bind the Insurer until its consent is endorsed on this policy, if, however, the Insured shall die, this Form shall cover the Insured's legal representatives as Insured; provided that notice of cancellation addressed to the Insured named in the Declaration Page(s) and mailed to the postal address shown in the Declaration Page(s) shall be sufficient notice to effect cancellation of this Form.

R. Changes

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

S. Increase or Decrease in Amount of Insurance

Liability under Insuring Agreement I.A or I.B on account of any "loss" through acts or defaults committed during the periods during which Insuring Agreement I.A or I.B shall have been in the two (2) amounts last mentioned

shall not be cumulative; in case there shall have been made more than one change in the amount of Insuring Agreement I.A or I.B, the liability of the Insurer on account of any "loss" through acts or defaults as aforesaid committed during periods during which Insuring Agreement I.A or I.B shall have been in different amounts, or committed during periods during which Insuring Agreement I.A or I.B shall have been in the same amount, or committed partly during periods during which Insuring Agreement I.A or I.B shall have been in different amounts and partly during periods during which Insuring Agreement I.A or I.B shall have been in the same amount, shall not be cumulative.

T. Deductible

If a deductible is specified in the Declaration Page(s):

Insuring Agreement I.A

The Insurer shall not be liable under Insuring Agreement I.A on account of "loss" through acts or defaults committed at any time, by any "employee" or in which such "employee" is concerned or implicated, unless the amount of such "loss", after deducting the net amount of all reimbursement and recovery, including any cash deposit taken by the Insured, obtained or made by the Insured, other than from any bond or policy of insurance issued by a surety or insurance company and covering such "loss", or by the Insurer on account thereof prior to payment by the Insurer of such "loss", shall be in excess of the dollar amount of deductible as stated in the Declaration Page(s) and then for such excess only, but in no event for more than the amount of insurance carried under Insuring Agreement I.A on such "loss".

Insuring Agreement I.B

The Insurer shall not be liable under Insuring Agreement I.B on account of "loss" through acts or defaults committed at any time, by any "employee", unless the amount of such "loss", after deducting the net amount of all reimbursement and recovery, including any cash deposit taken by the Insured, obtained or made by the Insured, other than from any bond or policy of insurance issued by a surety or insurance company and covering such "loss", or by the Insurer on account thereof prior to payment by the Insurer of such "loss", shall be in excess of the dollar amount of deductible as stated in the Declaration Page(s) and then for such excess only, but in no event for more than the amount of insurance carried on such "employee" under Insuring Agreement I.B. If more than one (1) "employee" is concerned or implicated in such "loss", such deductible amount shall apply to each "employee" so concerned or implicated.

Insuring Agreement II.A or II.B

The Insurer shall not be liable under Insuring Agreement II.A or II.B on account of any "loss", except to the extent such "loss" is in excess of the dollar amount of deductible as stated in the Declaration Page(s), with the insurance then applying to such excess only, subject otherwise to the applicable limit of the Insurer's liability.

Insuring Agreement III.A or III.B

The Insurer shall not be liable under Insuring Agreement III.A or III.B on account of any "loss", except to the extent such "loss" is in excess of the dollar amount of deductible as stated in the Declaration Page(s), with the insurance then applying to such excess only, subject otherwise to the applicable limit of the Insurer's liability.

Insuring Agreements V or VI

The Insurer shall not be liable under Insuring Agreements V or VI on account of "loss" through forgery or alteration committed by any person or in which such person is concerned or implicated, whether such forgery or alteration involves one or more instruments, except to the extent such "loss" is in excess of the dollar amount of deductible as stated in the Declaration Page(s), with the insurance then applying to such excess only, subject otherwise to the applicable limit of the Insurer's liability.

4. CANCELLATION OF FORM OR INSURING AGREEMENT

- (1) This policy may be terminated
 - (a) by the Insurer giving to the Insured
 - (i) 30 days written notice of termination by registered mail;
 - (ii) five (5) days written notice of termination personally delivered;
 - (iii) 15 days written notice of termination by registered mail when cancelling for non-payment of premium;
 - (b) by the Named Insured at any time on request.
- (2) Where the policy is terminated by the Insurer, the Insurer will refund the excess of the paid premium for the time the policy has been in force, calculated pro rata.
- (3) Where the policy is terminated by the Named Insured, the Insurer will refund the excess of the paid premium above the short rate premium for the time the policy has been in force calculated in accordance with the short rate premium table in use by the Insurer, subject to the retention of the minimum premium, if any, provided by the policy.
- (4) Refund of premium may be made by money, postal or express company money order or by cheque payable at par.
- (5) The 30 days mentioned in clause (a)(i) and the 15 days in clause (a)(iii) of sub-condition (1) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.



Intact Insurance Company

Commercial Edge Coverage Endorsement (Property/Business Interruption)

Unless specifically endorsed on the “Declaration Page(s)”, the limits stated below apply to the coverage, subject to the deductible shown for the Commercial Building and Contents Broad Form BF02 on the “Declaration Page(s)”. Each limit shown is in addition to the limit of insurance for the “building”, “equipment”, “stock”, “contents of every description” or “property of every description” unless indicated to the contrary in this endorsement. In the event that coverage provided under any extension is more specifically and separately insured elsewhere in this policy, then the relevant extension under this Form shall not apply.

Summary of Coverage Extensions		
Section	Item No. Coverage	Limit of Insurance
A	Property Extensions	
	1 Accounts Receivable	\$50,000
	2 Arson Reward	\$10,000
	3 Automatic Fire Suppression System Recharge Expense	\$25,000
	4 Blanket Glass	Included
	5 Brands & Labels	\$100,000
	6 Broad Form Consequential Loss	Included
	7 Building Bylaws	Included
	8 Building Damage by Burglary	\$50,000
	9 Computer Systems	
	Computer Equipment	\$50,000
	Computer Media	\$25,000
	Computer Equipment Breakdown Extension	\$25,000
	Transfer Between Locations Extension	\$25,000
	Fire Protection Devices Extension	\$10,000
	Additionally Acquired Computer Equipment Extension	\$25,000
	Temporary Locations & Transit Extension	\$10,000
	10 Condominium Unit Owners Assessment	
	(a) Betterments & Improvements	\$25,000
	(b) Condominium Contingency Cover	\$25,000
	(c) Special Assessments	\$25,000
	11 Contents at Unnamed Locations	\$30,000
	12 Cost to Prepare Proof of Loss	\$10,000
	13 Customers' Goods	\$10,000
	14 Deferred Sales	\$25,000
	15 Exhibition Extension	\$20,000
	16 Expediting Expenses	\$30,000
	17 Extra Expense	\$25,000
	18 Fine Arts	\$15,000

A. PROPERTY EXTENSIONS

The following extensions are subject to all terms, conditions and provisions applicable to the Commercial Building and Contents Broad Form BF02 unless stated otherwise. In addition, the extensions are subject to the Limits of Insurance specified in the Summary of Coverage Extensions in this Form or the limit of insurance specified on the "Declaration Page(s)", whichever is greater. In the event that coverage provided under any extension is more specifically and separately insured elsewhere in this Policy, then the relevant extension under this Form shall not apply.

ITEM 1 ACCOUNTS RECEIVABLE

Subject of Insurance

This Form insures:

- (a) All sums due to the Insured from customers, provided the Insured is unable to effect collection of unpaid balances or accounts as a direct result of loss or damage to records of accounts receivable;
- (b) Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectable by such loss or damage;
- (c) Collection expense in excess of normal collection cost and made necessary because of such loss or damage;
- (d) Other expenses, while reasonably incurred by the insured in re-establishing records of accounts receivable following such loss or damage.

Location of Accounts Receivable

This insurance applies while the insured records are contained in the Insured's "premises" specified in the "Declaration Page(s)".

Insured Perils and Limit of Liability

This Form insures against all risks of direct loss or damage to the Insured's records of accounts receivable. The limit of the Insurer's liability shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions in this Form, or the limit of insurance specified on the "Declaration Page(s)" whichever is greater.

Excluded Perils

In addition to the exclusions contained in the Commercial Building and Contents Broad Form BF02, the Insurer shall not be liable for loss or damage:

- (a) due to any fraudulent, dishonest or criminal act by any Insured, a partner, officer, director or trustee of the Insured, while working or otherwise and whether acting alone or in collusion with others;
- (b) due to bookkeeping, accounting or billing errors or omissions;
- (c) the proof of which as to factual existence, is dependent upon an audit of records or an inventory computation. This shall not preclude the use of such procedures in support of claim for loss which the Insured can prove, through evidence wholly apart there from, is due solely to a risk of loss to records of accounts receivable not otherwise excluded hereunder;
- (d) due to alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining, or withholding of money, securities or other property but only to the extent of such wrongful giving, taking, obtaining or withholding.

Removal

Such insurance as is afforded by this Form applies while the records of accounts receivable are being removed to and while at a place of safety because of imminent danger of loss or damage and while being returned from such place, provided the Insured gives written notice to the Insurer of such removal

within ten (10) days of the removal .

Inspection and Audit

The Insurer shall be permitted to inspect the “premises” and the receptacles in which the records of accounts receivable are kept by the Insured, and to examine and audit the Insured’s books and records at any time during the policy period and any extension in policy period and within three (3) years after the final termination of this Policy, as far as they relate to the premium basis or the subject matter of this insurance, and to verify the statements of any outstanding records of accounts receivable submitted by the Insured and the amount of recoveries of accounts receivable on which the Insurer has made any settlement.

Recoveries

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

Basis of Settlement

When there is proof that a loss covered by this Form has occurred but the Insured cannot accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be based on the Insured’s monthly accounts receivable and shall be computed as follows:

- (a) determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;
- (b) calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the 12 months immediately preceding the month in which the loss occurs, or such part of the year for which the Insured has furnished monthly statements to the Insurer, as compared with such average for the same months of the preceding year;
- (c) the amount determined under (a) above, increased or decreased by the percentage calculated under (b) above, shall be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;
- (d) the amount determined under (c) above shall be increased or decreased in conformity with the normal fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the business since the last day of the last fiscal month for which statement has been rendered.

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

Other Insurance

The Insurer is not liable:

- (a) For more than the portion of any loss or damage covered by this Form which the applicable limit of this Form bears to the total amount of insurance covering against the peril of fire irrespective of whether or not such other insurance gives insurance in respect of perils covered by this Form whether by endorsement to this Form or otherwise;
- (b) Where such other insurance does not insure against loss or damage by fire for more than the excess (if any) of any loss or damage over the applicable limit of any other insurance which would attach if this insurance had not been effected.

Action Against Insurer

All adjusted claims shall be paid or made good to the Insured within 30 days after presentation and acceptance of satisfactory proof of interest and loss at the office of the Insurer. No action shall lie against the Insurer unless, as a condition precedent to this policy, there shall have been full compliance with all

the terms of this Policy, nor at all unless commenced within two (2) years after the discovery by the Insured of the occurrence which gives rise to the loss. If this limitation of time is shorter than that prescribed by any statute controlling the construction of this Policy, the shortest permissible statutory limitation in time shall govern

ITEM 2 ARSON REWARD

In the event of loss of or damage to insured property, caused by fire which results from an act of arson, the insurance under this Form is extended to indemnify the Insured for a reward paid for information leading to convictions for that act of arson.

The limit of the Insurer's liability shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions in this Form.

ITEM 3 AUTOMATIC FIRE SUPPRESSION SYSTEM RECHARGE EXPENSE

This Form insures any automatic fire suppression system recharge expense (including system inspection expenses) incurred by the Insured due to the leakage or discharge of the fire suppressant within any automatic fire suppression system at the "premises" of the Insured where such discharge or leakage is caused by or results from an insured peril under this form.

Coverage under this extension may also be applied to the cost incurred during the policy period of upgrading any fire suppression system following loss or damage arising out of a fire to which this Form otherwise applies, and that caused such fire suppression system to discharge.

The limit of the Insurer's liability shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions in this Form.

ITEM 4 BLANKET GLASS

Where the Insured owns or has responsibility to insure such glass, this policy insures all exterior plate or thermopane glass, lettering and ornamentation for all damage caused by the accidental breakage of such glass.

Such insurance shall also include the expense of boarding up damaged openings or installing temporary plates.

Inclusion of this coverage shall not increase the limit of liability specified on the "Declaration Page(s)".

This extension of coverage is subject to a \$500 deductible or the deductible specified on the "Declaration Page(s)" whichever is the lesser.

ITEM 5 BRANDS AND LABELS

In case of loss or damage to property bearing a brand or trademark, or the sale of which in any way carries or implies the guarantee of the responsibility of the manufacturer or Insured, the salvage value of such damaged property shall be determined after removal and re-identifying such brands or trademarks or other identifying characteristics. The cost of such removal shall be borne by the Insurer up to the Limit of Insurance specified in the Summary of Coverage Extensions in this Form.

The Insured shall have full right to the possession and control of all damaged "stock" after suitable tests have indicated what "stock" has been damaged.

The limit of the Insurer's liability shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions in this Form.

ITEM 6 BROAD FORM CONSEQUENTIAL LOSS

Insurance is extended to cover loss on the “premises” due to:

- (a) Physical loss of or damage to “building” or “equipment”, including supply or transmission lines and pipes and their connections furnishing “services”. The physical loss or damage must directly result from an insured peril.

The part of the “building” or of the “equipment” that sustains loss or damage must be used for refrigerating, cooling, humidifying, dehumidifying, heating or for generating or converting power.

- (b) Interruption to the supply of “services” to the “premises”. The interruption must be caused by physical loss of or damage to apparatus that generates or supplies such “services” to the “premises”. The physical loss or damage must directly result from an insured peril.

This coverage does not cover loss or damage resulting from partial or total interruption to the supply of “services” arising from:

- (i) loss of or damage to any electrical transmission lines or distribution lines or their supporting structures, except for those located on the premises”;
- (ii) lack of sufficient capacity; or
- (iii) intentional reduction in supply.

Additional Definition

“Services” means electricity, water, gas or steam.

ITEM 7 BUILDING BY-LAWS

1. Indemnity Agreement

This insurance is, without increasing the amount of insurance, and only as a result of an insured peril, extended to indemnify the Insured for:

- (a) loss occasioned by the demolition of any undamaged portion of the “building”;
- (b) the cost of demolishing and clearing the site of any undamaged portion of the “building”;
- (c) any increase in the cost of repairing, replacing, constructing or reconstructing the “building” on the same site or on an adjacent site, of like height, floor area and style, and for like occupancy;

arising from the enforcement of the minimum requirements of any by-law, regulation, ordinance or law which

- (i) regulates zoning or the demolition, repair or construction of damaged “buildings” and
- (ii) is in force at the time of loss or damage.

2 Exclusions

This extension does not insure against:

- (a) the enforcement of any bylaw, regulation, ordinance or law which prohibits the Insured from rebuilding or repairing on the same site or an adjacent site or prohibits continuance of like occupancy;
- (b) direct or indirect loss, damage, cost or expense, arising out of “clean-up” resulting from any actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants”;
- (c) direct or indirect loss, damage, cost or expense, for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants”; or
- (d) the enforcement of any bylaw, regulation, ordinance or law which would apply in the absence of a loss.

ITEM 8 BUILDING DAMAGE BY BURGLARY

Where the Insured is not the owner of the “building” included in “premises”, this Form is extended to insure that part of the building occupied by the Insured and directly resulting from actual or attempted burglary and from vandalism or malicious acts committed on the same occasion as burglary (excluding damages by fire), provided the Insured is liable for such damage to the building.

The limit of the Insurer’s liability shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions in this Form.

ITEM 9 COMPUTER SYSTEMS

Coverage under this endorsement applies only to “computer equipment” including component parts owned by the Insured or leased or under the control of the Insured and “computer media”.

Computer Equipment Breakdown Extension

Coverage is extended to include loss caused directly or indirectly by:

- (a) mechanical failure, faulty construction or error in design;
- (b) short circuit, blow-out or other electrical disturbance, other than lightning within electrical apparatus; or
- (c) “computer media” failure or breakdown or malfunction of “computer equipment” including component parts when said “computer media” is being run through the equipment.

Each claim for loss or damage under the Computer Equipment Breakdown Extension shall be adjusted separately and the deductible amount specified on the “Declarations Page(s)” shall be deducted from the amount of each such adjusted claim.

Limit of Insurance

The limit of the Insurer’s liability shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions in this Form.

Additional Exclusion

This extension does not insure against loss or damage caused directly or indirectly by any change or interruption to electric power supply, if the change originates more than 30.5 metres (100 feet) away from the “premises” insured containing the property insured, except by lightning.

Special Basis of Settlement

If the valuation basis on the “Declaration Page(s)” is specified as Replacement Cost and in the event that new property of like kind and quality is not obtainable, new “computer equipment” which is the closest technological equivalent and is as similar as possible to the property damaged or destroyed and which is capable of performing the same function shall be deemed to be new property of like kind and quality for the purposes of this condition.

Transfer between Locations Extension

Coverage is extended to insure “computer equipment” and “computer media” covered under this Form which has been transferred to any location owned, leased or operated by the Insured on the condition that the Insured shall notify the Insurer within 60 days of such transfer. The Insurer shall not be liable under this extension for more than \$25,000. This extension shall not apply to laptop or notebook computers.

This extension shall not increase the limit of insurance specified in the Declaration Page(s).

Fire Protection Devices Extension

Coverage is extended to include the expense incurred to recharge or refill any fire protection devices

which are designed specifically to protect “computer equipment”, as well as other fire protection devices in the same room where insured “computer equipment” is located when these devices have been discharged as the result of a fire or “explosion”. The Insurer shall not be liable under this extension for more than \$10,000.

Additionally Acquired Computer Equipment Extension

Coverage is extended to include “computer equipment” and “computer media” which has been acquired subsequent to the inception date and during the term of the policy on condition that the Insured shall notify the Insurer within 60 days of acquiring such property. The Insurer shall not be liable under this extension for more than \$25,000.

Temporary Locations and Transit Extension

Coverage is extended to include “computer equipment” and “computer media” while in transit or in temporary locations anywhere in Canada or the United States of America (including its territories and possessions). The Insurer shall not be liable under this extension for more than \$10,000.

Additional Definitions

“Computer equipment” means electronic equipment used for data storage and word processing. “Computer media” means all forms of converted data and any material on which data or information are recorded, including but not limited to tapes, hard drives or discs. “Computer media” does not mean such property already sold or that is held for sale or for distribution.

ITEM 10 CONDOMINIUM UNIT OWNERS ASSESSMENT

Subject to the terms and conditions of the Form to which this endorsement is attached, the Insurer agrees to indemnify the Insured:

- (a) for loss or damage by an insured peril to “improvements or betterments” that become a permanent part of the “building” and which the Insured owns as a “condominium unit” owner, subject to the limit of insurance specified on the supplementary “Declaration Page(s)”.
- (b) for loss or damage by an insured peril to the Insured’s “condominium unit” as specified on the “Declaration Page(s)”, but only to the extent that said “condominium unit” is not so insured by the “condominium corporation” or to the extent that building insurance purchased by the “condominium corporation” on behalf of its “unit” owners is not effective or is inadequate, subject to the limit of insurance specified on the supplementary “Declaration Page(s)”;
- (c) for payment of the Insured’s share of Special Loss Assessments levied against the “unit” owners of the “condominium corporation” by the directors of said “condominium corporation” in accordance with the governing rules of the corporation, when such assessments are made necessary by direct loss or damage by an insured peril, to the condominium property collectively owned by the “unit” owners., subject to the limit of insurance specified on the supplementary “Declaration Page(s)”;

Limit of Insurance

The limit of the Insurer’s liability shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions in this Form.

Additional Definitions

“Condominium unit” means the condominium unit specified on the “Declaration Page(s)” to which this supplemental coverage applies and includes garages and private approaches reserved for the Insured’s private use.

“Condominium corporation” means a corporation constituted under provincial legislation relating to condominiums and includes a strata corporation and a society as so constituted.

“Improvements and betterments” means building improvements, alterations and betterments made at the expense of the Insured, or by any previous owner of the “unit”, to a building owned by the Insured as a “condominium unit” owner.

“Unit” means a unit as defined in provincial legislation relating to condominiums and includes a strata lot so defined.

ITEM 11 CONTENTS AT UNNAMED LOCATIONS

This extension insures “contents of every description” other than at a specified location, except while in transit. There shall be no liability under this item at any location owned, rented or controlled in whole or in part by the Insured.

This extension applies while the insured property is anywhere in the world.

This extension is not subject to a coinsurance clause.

The limit of the Insurer’s liability shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions in this Form, or the limit of insurance specified on the “Declaration Page(s)” whichever is greater.

ITEM 12 COST TO PREPARE PROOF OF LOSS

Except to the extent that coverage is provided by Item 31 Professional Fees Extension, the insurance under this Form is extended to pay on behalf of the Insured for reasonable costs incurred in the preparation of any Proof of Loss form required by the Insurer in connection with any claim made under this Policy.

The limit of the Insurer’s liability shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions in this Form.

ITEM 13 CUSTOMERS’ GOODS

This endorsement applies only to Customer Property, which is defined as personal property of others accepted by the Insured for the performance of work or service thereon. Coverage applies while such property is on the Insured’s “premises”, or in the custody of the Insured’s agents, branches or subcontractors or while in transit at the risk of the Insured.

The limit of the Insurer’s liability shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions in this Form, or the limit of insurance specified on the “Declaration Page(s)” whichever is greater.

Deductible

Each claim for loss or damage shall be adjusted separately and from the amount of each such adjusted claim the sum of \$500 shall be deducted. Such deductible shall not apply to loss or damage by “Named Perils”, burglary, hold up or accident involving the transportation conveyance.

Insured Perils

This policy insures against all risks of direct physical loss or damage, including confusion of goods resulting from such loss or damage, except as provided in this Form.

Exclusions

This policy does not insure against loss or damage:

- (a) to furs or fur garments while in storage or for which a storage charge is made, nor for storage charges that are accrued but uncollectable due to loss or damage;
- (b) to shipments by mail or parcel post;

- (c) caused by wear, tear, moth, vermin, Inherent vice, gradual deterioration, decay and loss of market or loss of use;
- (d) caused by theft of property while being held on the Insured's vehicle overnight unless resulting from forcible entry into or exit from (of which there shall be visible evidence) a locked building or compound in which such vehicle is garaged;
- (e) caused by Infidelity of or wrongful conversion by the Insured's agents or employees;
- (f) caused by misdelivery, careless destruction of property, mysterious disappearance, storage disclosed upon taking inventory or other unaccountable loss;
- (g) caused by seizure, destruction or condemnation under quarantine or customs regulations, confiscation or condemnation by order of any government or public authority; or risks of contraband or illegal transportation or trade.

Special Conditions

1. It is required that all thefts for which claims are made under this extension will be reported to the Police Department by the Insured.
2. The Insurer shall not be liable beyond the actual cash value of the property insured at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation however caused. In addition to the foregoing limits of liability, the Insurer will pay the Insured's customary processing charges that have been earned on such lost or damaged goods for which claim is paid under this extension. In no event however shall the Insurer's liability exceed the applicable limit of liability outlined above.

ITEM 14 DEFERRED SALES

In the event that insured property, sold by the Insured under conditional sale or instalment or deferred payment plan, is lost or damaged by an insured peril prior to the Insured's receiving complete payment, the insurance under this Form is extended to insure the Insured's interest in such lost or damaged property while in transit to or following delivery to the purchaser. The Insurer shall not be liable, under this Extension for loss arising out of default by the purchaser, under any such conditional sale or instalment or deferred payment plan.

The limit of the Insurer's liability shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions in this Form.

ITEM 15 EXHIBITION EXTENSION

Insured Property

This extension covers any property which is insured under "contents of every description" against all risks of direct physical loss or damage from any external cause, except as provided in this Form, from the time it leaves any "premises" described on the "Declaration Page(s)", while in due course of transportation to any exhibition site in Canada or the United States of America (including its territories and possessions), while at such exhibition site and then while in due course of transportation to any "premises" described on the "Declaration Page(s)".

The limit of the Insurer's liability shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions in this Form., or the limit of insurance specified on the "Declaration Page(s)" whichever is greater.

Coverage

This insurance terminates upon arrival at the final destination or at the expiration of the period for which this policy is issued, whichever first occurs.

This extension does not insure loss or damage occasioned by marring, scratching, denting or breakage of glass or articles of a fragile nature, unless caused by "Named Perils", theft or attempted theft, earthquake, flood, or accident to the conveying vehicle.

Packing Condition

It is a condition of this coverage that the insured property is packed and unpacked by competent packers.

ITEM 16 EXPEDITING EXPENSES

In the event of loss of or damage to insured property, the insurance under this Form is extended to insure the extra cost to make reasonable temporary repairs, or to expedite reasonable permanent repairs and to expedite permanent replacement of the lost or damaged property.

The limit of the Insurer's liability shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions in this Form.

ITEM 17 EXTRA EXPENSE

This Form is extended to include 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 direct physical loss or direct physical damage by the insured perils to the "building" or "contents of every description" insured under this policy, 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" or "contents of every description" as may be destroyed or damaged.

The Insurer shall not be liable for more than the Limit of Insurance specified in the Summary of Coverage Extensions in this Form.

Additional Definitions

"Extra expense" means the excess (if any) of the total cost (during the period of restoration for the purpose of continuing the Insured's business) over and above the total cost that would normally have been incurred to conduct the business during the same period had no loss occurred, including the expense of using other property or facilities of other concerns, or other similar necessary emergency expenses, as well as extra expense incurred in obtaining property for temporary use during such period of restoration and necessarily required for the conduct of the Insured's business. "Extra expense" does not include:

- (a) loss of income or any expense in excess of that necessary to continue, as nearly as practicable, "normal" conduct of the Insured's business;
- (b) the cost of repairing or replacing any of the damaged insured property, except cost in excess of "normal" cost of such repairs or replacements, necessarily incurred for the purpose of reducing the total amount of "extra expense".

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

ITEM 18 FINE ARTS

This extension insures fine arts, including paintings, etchings, pictures, tapestries and other bona fide works of arts such as valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass and bric-a-brac, of rarity, historical value or artistic merit, the property of the Insured or the property of others for which the Insured may be liable, while at the "premises" described in the "Declaration Page(s)".

Additional Exclusions

This Form does not insure:

- (a) breakage of glassware, statues, marbles, bric-a-brac, porcelains and other fragile articles unless caused by fire, lightning, earthquake, explosion, falling object striking the exterior of a building, flood, impact by aircraft or land vehicle, riot, vandalism or malicious acts, windstorm or hail, or by accident to land, water or air conveyances, or by theft or attempted theft ;
- (b) loss caused by the neglect of the Insured to use all reasonable means to save and preserve the property at and after any loss insured under this Form ;
- (c) "stock" of the Insured.

Replacement

The Insurer instead of making payment may repair, rebuild, or replace the property damaged or lost, giving written notice of its intention so to do within 30 days after receipt of the proofs of loss.

Limit of Liability:

The limit of the Insurer's liability for loss shall not exceed, the Limit of Insurance specified on the Summary of Coverage Extensions in this Form, or as specified on the "Declaration Page(s)" whichever is greater, subject to a maximum value and amount of insurance per item not to exceed \$5,000.

ITEM 19 FIRE DEPARTMENT SERVICE CHARGES

The insurance under this Form is extended to insure the Insured's liability assumed by contract or agreement, prior to a loss, for fire department service charges when a fire department is called to save or protect the insured property from an insured peril.

The limit of the Insurer's liability for loss shall not exceed, the Limit of Insurance specified on the Summary of Coverage Extensions in this Form, or as specified on the "Declaration Page(s)" whichever is greater.

ITEM 20 GROWING PLANTS

The insurance under this Form is extended to insure:

- (a) loss of or damage to growing plants, trees, shrubs or flowers, outside of a "building" (excluding such building's roof) including debris removal expenses;
- (b) loss of or damage to growing plants, trees, shrubs or flowers on a "building" "green roof", including debris removal expense.

This extension does not insure against loss or damage to the "building" or "property of every description" arising out of vegetation, when such vegetation or plant materials form part of a "green roof".

This extension replaces EXTENSIONS OF COVERAGE 8. (c) of the Commercial Building and Contents Broad Form BF02.

The limit of the Insurer's liability shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions in this Form for either (a) or (b) above.. Definition:

"Green roof" means a roof that is professionally designed to be, and is completely covered (or covered by at least 70%) with vegetation and soil (or a growing medium) and planted over a professionally installed waterproofing membrane.

ITEM 21 HOME OFFICE EXTENSION

The insurance under this Form is extended to insure "contents of every description" while such property is away from the "premises" and is at an office in the home of the Insured or at an office in the home of an Insured's employee.

The limit of the Insurer's liability for loss shall not exceed, the Limit of Insurance specified on the

Summary of Coverage Extensions in this Form, or as specified on the "Declaration Page(s)" whichever is greater.



ITEM 22 INFLATION PROTECTION

- 1 The amount of insurance applicable to:
 - (a) "building(s)" shall be increased during the policy period with reference to an amount attributable to non-residential building construction price inflation since the last "premium due date";
 - (b) "property of every description", if this insures solely "building(s)", shall be increased during the policy period with reference to an amount attributable to non-residential building construction price inflation since the last "premium due date";
- 2 At the "premium due date" the amount of insurance to "building(s)", and "property of every description" shall be increased automatically with reference to an amount attributable to information and the appropriate premium charged.
- 3 If the amount of insurance applicable to "building(s)" and "property of every description" is changed at the request of the Insured during the policy period, the effective date of this extension is deemed to coincide with the effective date of such change.

Definition

"Premium due date" means the inception, renewal or anniversary date of the Policy.

ITEM 23 INSTALLATION EXTENSION

Insured Property

This Form insures the following property at the "project site":

- (a) property in course of construction, installation, reconstruction or repair other than property described in (b):
 - (i) owned by the Insured;
 - (ii) owned by others, provided the value of such property is included in the amount of insurance; all to enter into and form part of the completed project including expendable materials and supplies, not otherwise excluded, necessary to complete the project stated on the "Declaration Page(s)";
- (b) landscaping, growing trees, plants, shrubs or flowers all to enter into and form part of the project provided that the value of such property is included in the amount of insurance;
- (c) temporary buildings, scaffolding, falsework, forms, hoardings, excavation, site preparation and similar work, provided that the value of such items are included in the amount of insurance and then only to the extent that replacement or restoration is necessary to complete the project.
- (d) property while in transit to the "project site" provided such property is covered under items (a), (b), or (c) of this Insured Property section.

Limits of Liability

The Insurer shall be liable for up to the Limit of Insurance specified in the Summary of Coverage Extensions in this Form on property at any job site or property in transit, or as specified on the "Declaration Page(s)" whichever is greater.

Excluded Property

For the purposes of this extension only, Section 7.A. EXCLUDED PROPERTY under Commercial Building and Contents Broad Form BF02 is deleted and replaced by the following:

This Form does not insure loss of or damage to:

- (a) property:
 - (i) while waterborne, from the commencement of loading until completion of discharge except on a ferry, railway car or transfer barge, all in connection with land transportation;
 - (ii) insured under a Marine policy;
 - (iii) aboard or being transported by any aircraft;
- (b) contractor's tools and equipment, including spare parts and accessories whether owned, loaned, hired or leased other than property specified in Property Insured, Item (c) under this Extension;
- (c) property at locations which to the knowledge of the Insured are vacant, unoccupied or shut down for more than 30 consecutive days or where installation ceases for more than 30 consecutive days;
- (d) 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;
- (e) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority

Excluded Perils

For the purposes of this extension only, EXCLUDED PERILS Section 7.B. and OTHER EXCLUDED LOSSES Section 7.D. under Commercial Building and Contents Broad Form BF02 are deleted and replaced by the following:

This Form does not insure:

- (a) the cost of making good:
 - (i) faulty or improper material;
 - (ii) faulty or improper workmanship;
 - (iii) faulty or improper design;provided, however, to the extent otherwise insured and not otherwise excluded under this Form, resultant damage to the property is insured;
- (b) wear and tear, gradual deterioration, latent defect or inherent vice, provided, however, to the extent otherwise insured and not otherwise excluded under this Form, resultant damage to the property is insured;
- (c) mysterious disappearance or shortage of insured property disclosed when taking inventory. Nor does this Form insure against loss or damage caused directly or indirectly:
 - (d) by cessation of work or by interruption of construction, unless directly caused by a peril otherwise insured and not otherwise excluded under this Form;
 - (e) by mechanical or electrical breakdown or derangement provided, however to the extent otherwise insured and not otherwise excluded under this Form, resultant damage to the property shall be insured;
 - (f) by rust or corrosion, frost or freezing, pollution or contamination unless caused directly by a peril not otherwise excluded in this Form;
 - (g) by delay, loss of market or loss of use or occupancy;
 - (h) by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
 - (i) by any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any amending law, nuclear explosion or contamination by radioactive material;
 - (j) by any dishonest or criminal act on the part of the Insured or by any other party of interest, employees or agents of the Insured, or any other person to whom the property may be entrusted (bailees for hire excepted), but this exclusion does not apply to physical damage, caused directly by employees of the Insured, which results from a peril otherwise insured and not otherwise excluded under this Form;
 - (k) by disturbance or erasure of electronic recordings by electric or magnetic injury except by lightning

Extensions of Coverage

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

(a) Removal

If any of the insured property is necessarily removed from the "project site" to prevent loss or damage or further loss or damage to the insured property, that part of the insurance under this Form that exceeds the amount of the Insurer's liability for any loss already incurred shall, for seven (7) days only, or for the seven (7) days, insure the property removed and any property remaining at the "project site" in the proportions which the value of the property in each of the respective locations bears to the value of the property in them all.

(b) Debris Removal

The Insurer will indemnify the Insured for expenses incurred in the removal from the "project site" of debris of the property insured, occasioned by loss or damage to such property for which loss or damage insurance is afforded under this Form.

The 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 upon the "project site".

(c) Offsite Coverage

This Form insures the property described in the Insured Property section of this extension:

- (i) in transit in Canada and the continental United States of America (excluding Alaska) for the amount of insurance specified on the "Declaration Page(s)" for In Transit; and
- (ii) at any location in Canada and the continental United States of America (excluding Alaska) other than in transit or while being manufactured or undergoing any process, for the amount of insurance specified on the "Declaration Page(s) for Any Other Location.

Cessation of Coverage

This Form ceases to insure the project:

- (a) on the commencement of use or occupancy of any part or section of the project unless such use or occupancy is for:
 - (i) construction purposes;
 - (ii) office or habitational purposes;
 - (iii) installing, testing or storing equipment or machinery;
 - (b) when left unattended for more than 30 consecutive days or when construction activity has ceased for more than 30 consecutive days;
 - (c) the expiration of this insurance;
- whichever first occurs.

Loss Adjustment

Any claim for loss or damage under this Form shall be adjusted with, if named in the policy, the General Contractor or Owner.

Definitions

"Project site" means any work site within Canada at which the Insured has been contracted to do work usual to the operations of the Insured as described on the "Declaration Page(s)".

ITEM 24 MASTER KEY

The Insurer will cover the cost of replacing and/or re-adjusting locks following a loss or damage due to an insured peril, to a master key that controls all doors at the location(s) listed on the "Declaration Page(s)".

The limit of the Insurer's liability shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions in this Form.

ITEM 25 NEW CONSTRUCTION

The insurance under this Form is extended to insure property in the course of construction and that comprises additions, extensions, and alterations to “premises”, including:

- (a) foundations, piers or other supports, excavation, site preparation, landscaping and similar work;
- (b) building materials and supplies, landlord’s permanent fittings and fixtures to be attached to and to from part of “building”;
- (c) fences, frescoes, glass, and machinery and “equipment” forming part of “building” services;
- (d) temporary scaffolding, forms for concrete and hoardings.

The limit of the Insurer’s liability shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions in this Form.

ITEM 26 NEWLY ACQUIRED PROPERTY

This extension insures:

- (a) i . Newly acquired “buildings” are covered on the condition that notification of such acquisition shall be filed with the Insurer within 90 days of such acquisition and any additional premium required by the Insurer shall be effected from the date of acquisition;
- ii Coverage under extension 26 (a) also applies to newly acquired “contents of every description” while at the “premises” owned, leased or operated by the Insured other than those described on the “Declaration Page(s)”.

The limit of the Insurer’s liability for Items 26(a) i. and 26 (a) ii. combined shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions for Extension A.26 (a) in this Form. This limit is in addition to the limit of Insurance applicable to “buildings”, “stock”, “equipment”, or “contents of every description” or “property of every description”.

- (b) “Contents of every description” at any newly acquired location in the United States of America that is owned, rented or controlled in whole or in part by the Insured. The limit applicable to this item attaches at the time of acquisition and extends for a period of 30 days.

The limit of the Insurer’s liability shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions in this Form for this item. This limit is in addition to the limit of Insurance “stock”, “equipment”, or “contents of every description” or “property of every description”.

This extension is not subject to a coinsurance clause.

ITEM 27 ON PREMISES POLLUTANT CLEAN UP

The insurance under this Form is extended to insure the cost or expenses incurred by the Insured to engage in “clean up” from land or water, at “premises”, but only if the spill, discharge, emission, dispersal, leakage, release, or escape of “pollutants”:

- (a) arises out of loss of or damage to insured property on “premises” and for which insurance for such loss or damage is afforded under the Form to which this extension is attached; and
- (b) is sudden, unexpected and unintended from the standpoint of the Insured; and
- (c) first occurs during the policy period.

The Insurer shall not be liable under this extension for:

- (1) expenses for “clean up”, away from or beyond “premises”, arising out of any spill, discharge, emission, dispersal, leakage, release, or escape of “pollutants” on or emanating from “premises”, or which began prior to the policy period;
- (2) any fines, penalties, punitive or exemplary damages;

- (3) expenses for “clean up” at or from “premises”, or any site or location which is or was at any time used by or for the Insured, or others, for the purpose of handling, storage, disposal, processing, or treatment of waste;
- (4) costs to test for, monitor, or assess the existence, concentration, or effects of “pollutants”, however, this exclusion shall not apply if it has been determined that an insured loss has occurred;

Reporting Period: It is a condition precedent to recovery under this Extension that all expenses insured by this extension must be incurred and reported to the Insurer within 180 days of the spill, discharge, emission, dispersal, leakage, release, or escape of “pollutants” for which “clean up” expenses are claimed.

The limit of the Insurer’s liability shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions in this Form.

ITEM 28 PEAK SEASON

The limit of liability for property insured under this policy shall be automatically increased by 25% to provide for seasonal variations in “stock”, or if there is no amount shown for “stock” on the “Declaration Page(s)”, the amount of “stock” included in the limit of insurance applicable to “contents of every description” or “property of every description”.

However, this increase shall not apply unless the limit of liability applicable to “stock” is 100% or more of the Insured’s average monthly values for “stock” for the 12 months immediately preceding the latest effective date (inception or renewal), or in the event the Insured has been in business for less than 12 months, such shorter period of time.

ITEM 29 PERSONAL PROPERTY OF OFFICERS AND EMPLOYEES

DEFINITIONS Section 21.(f) i. of Commercial Building and Contents Broad Form BF02 is amended to read as follows:

- (f) “Equipment” means:
 - i generally all contents usual to the Insured’s business, including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances, other than “building” or “stock”. “Equipment” also includes, at the option of the Insured, personal property of officers and employees of the Insured or others not otherwise excluded;

This extension shall not increase the limit of liability specified in the “Declaration Page(s)”.

ITEM 30 PRECIOUS METALS EXTENSION

This extension insures gold, silver, platinum and other precious metals and alloys, used for industrial purposes in the business of the Insured.

The limit of the Insurer’s liability shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions in this Form.

ITEM 31 PROFESSIONAL FEES

The Insurer will pay reasonable fees to auditors, accountants, architects, lawyers, surveyors, engineers or other professional consultants for producing and certifying particulars or details of the Insured’s business required by the Insurer in order to arrive at the amount of the loss payable under this policy in the event of a claim.

This extension only applies to fees incurred in establishing the quantum of a loss, liability for which is

otherwise accepted by the Insurer.

The limit of the Insurer's liability shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions in this Form.

ITEM 32 PROPERTY LOANED, RENTED OR LEASED

EXCLUDED PROPERTY 7.A. (j) of the Commercial Building and Contents Broad Form BF02 is amended to read as follows:

This form does not insure loss of or damage to:

(j) property from the time of leaving the Insured's custody if it is:

- i. loaned or rented or leased to others; or
- ii. sold by the Insured under conditional sale or instalment payment or other deferred payment plan.

This exclusion (j) does not apply to the first \$30,000 of any loss otherwise insured.

ITEM 33 PROPERTY IN TRANSIT

Property Covered and Limit of Insurance

This Form covers contents while in transit, including transit by parcel post or courier.

The limit of the Insurer's liability shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions in this Form or as specified on the "Declaration Page(s)" whichever is greater.

Territorial Limits

This extension applies to property in transit anywhere in the world.

Additional Exclusions

This extension does not insure:

- (a) "valuable papers and records", as defined elsewhere in this Form;
- (b) fine arts;
- (c) money and securities;
- (d) property insured under Item A.9 – Computer Systems;
- (e) property insured under Item A.15 - Exhibition Extension;
- (f) property insured under Item A.23 - Installation Extension.

This extension is not subject to the terms of the coinsurance clause.

ITEM 34 REPLACEMENT COST

Applicable only to "building(s)" and/or "equipment" at the locations listed on the "Declaration Page(s)".

1 The Insurer agrees to amend the basis of valuation from actual cash value to "replacement cost"

subject to the following provisions:

- (a) "replacement" shall be effected by the Insured with due diligence and dispatch;
- (b) settlement on a "replacement cost" basis shall be made only when "replacement" has been effected by the Insured and in no event shall it exceed the amount actually and necessarily expended for such "replacement";
- (c) any other insurance effected by or on behalf of the Insured in respect of the insured perils under this policy on the property to which this extension is applicable shall be on the basis of "replacement cost";
- (d) failing compliance by the Insured with any of the above provisions, settlement shall be made as if this extension had not been in effect.

2 In the event that new property of like kind and quality is not obtainable, new property which is as

similar as possible to that lost or damaged and which is capable of performing the same function shall be deemed to be new property of like kind and quality for the purposes of this extension.

3 Exclusions

This extension does not apply to:

- (a) "stock";
- (b) 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;
- (c) business records, including those which exist on electronic or magnetic media (other than pre-packaged software programs);

4 Definitions:

- (a) "replacement" includes repair, construction or re-construction with new property; and
- (b) "replacement cost" means whichever is the least of the cost of replacing, repairing, constructing or reconstructing the property (whichever is the least) with new property without deduction for depreciation.

ITEM 35 ROADWAYS, WALKWAYS, PARKING LOTS

Loss or damage to roadways, walkways, parking lots or other exterior paved surfaces located on the "premises" specified in the "Declaration Page(s)" are covered for up to the limit of insurance specified in the Summary of Coverage Extensions in this Form for this item or as specified on the "Declaration Page(s)" whichever is greater.

This extension replaces coverage for the same property that is insured elsewhere under this policy.

ITEM 36 STATED AMOUNT WAIVER OF COINSURANCE (IF SELECTED)

- 1 **COINSURANCE** Section 5 of the Commercial Building and Contents Broad Form BF02 is deleted, provided that:
 - (a) a Statement of Values attested by the Insured is filed with the Insurer; and
 - (b) the amount of insurance is not less than the amount for that item shown on the signed Statement of Values.
- 2 The signed Statement of Values must be completed by the Insured, and filed with the Insurer each year. If the Insured fails to file a new Statement of Values within 60 days of the effective date of each policy period, the terms and conditions of the Coinsurance Clause referred to in the applicable form shall then apply.

ITEM 37 TENANT'S LEASEHOLD INTEREST

If, as a result of insured loss or damage, the landlord terminates the lease (in full accordance with the conditions of that lease), then the Insurer will pay the difference between any higher current rental value and the values stipulated in the current lease, however the Insurer shall not be liable, in any one loss occurrence, for more than:

- (a) the actual loss sustained by the insured; or
- (b) The Limit of Insurance shown in the Summary of Coverage Extensions for this form, whichever is the lesser amount.

ITEM 38 TOOL EXTENSION

Property Insured

This Form insures against all risks of direct physical loss of or damage to unscheduled portable tools while located anywhere within the Territorial Limits as shown below.

The limit of the Insurer's liability shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions in this Form, or the limit of insurance specified on the "Declaration Page(s)" whichever is greater, subject to a maximum value and limit of insurance per tool not to exceed \$1,000.

Additional Perils Excluded

This form does not insure:

- (a) Loss or damage (unless fire or explosion ensues and then only for the loss or damage caused by such ensuing fire or explosion) sustained while the insured property is actually being worked upon and directly resulting from such work or caused by any repairing, adjusting, or servicing the insured property.
- (b) Loss or damage occasioned by theft or pilferage of the insured property when left in automobiles or other conveyances unless such loss or damage be a direct result of violent forcible entry (of which there shall be visible evidence), from a fully enclosed body, the doors and windows of which shall have been securely locked, or from a compartment, which shall have been securely locked.

Territorial Limits

This Form covers only within the territorial limits of Canada and the United States of America (including its territories and possessions).

ITEM 39 VALUABLE PAPERS AND RECORDS

Property Covered and Limits of Liability

This Form insures against all risks of direct physical loss of or damage to "valuable papers and records" provided the insurance applies only to the interest of the Insured in such property, including the Insured's liability to others, and does not apply to the interest of any other person or organization in any of said property unless included in the Insured's proof of loss.

The limit of the Insurer's liability shall not exceed, the Limit of Insurance specified in the Summary of Coverage Extensions in this Form, or the limit of insurance specified on the "Declaration Page(s)" whichever is greater.

Location of Valuable Papers and Records

This insurance applies while the insured records are contained in the Insured's "premises" specified in the "Declaration Page(s)";

Such insurance as is afforded by this Form also applies while the "valuable papers and records" are being conveyed outside the "premises" and while temporarily within other premises, except for storage, provided the Insurer's liability for such loss or damage shall not exceed \$5,000.

Additional Exclusions

This extension does not apply:

- (a) to loss or damage to any property while being actually worked upon and where loss or damage is due to such work, unless fire or explosion ensues and then only for direct loss or damage caused by such ensuing fire or explosion;
- (b) to loss of property held as samples or for sale or for delivery after sale;
- (c) to loss directly resulting from errors or omissions in processing or copying unless fire or explosion ensues and then only for direct loss caused by such ensuing fire or explosion;
- (d) to loss due to electrical or magnetic injury, disturbance or erasure of electronic recordings, except by lightning.
- (e) to loss or damage resulting from loss of use of the property insured or loss of sums due to the Insured which the Insured is unable to collect because of loss of or destruction or damage to the property insured.

Basis of Settlement

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

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

Application of the insurance to property of more than one person shall not operate to increase the applicable limit of insurance.

Definition:

"Valuable papers and records" means written, printed or otherwise inscribed documents and records, including books, maps, films, electronic recordings (excluding programs and instructions used in your data processing operations), drawings, abstracts, deeds, mortgages and manuscripts, but excluding money or securities.

B. CATCH-ALL CLAUSE

In the event of a claim being made under any extension specified under Section A of this Form, (except as specified below), and following the application of all terms, deductibles, and conditions applicable to the extension of this Form under which claim is made: If the limit of liability is insufficient to fully indemnify the Insured for loss or damage, then the insurance under this Form is extended to provide additional coverage, in excess of any such adjusted claim. In no event shall the Insurer be liable, in any one loss occurrence, for more than:

- a. the difference between the amount payable, under the adjusted claim(s), and the amount required to fully indemnify the Insured; or
 - b. \$50,000.;
- whichever is the lesser amount.

In the event that coverage provided under any extension is more specifically and separately insured elsewhere in this policy, then the relevant extension under Section A shall not be eligible for the benefits of this Catch-All Clause.

In no event shall this Catch-All Clause apply to claims for loss or damage under Section A as follows::

- Item 6 Broad Form Consequential Loss;
- Item 26 (a) Newly Acquired Property in Canada;
- Item 26 (b) Newly Acquired Contents of Every Description in the U.S.A.;
- Item 27 On Premises Pollutant Clean-Up; or
- Item 34 Replacement Cost.

This Catch-All Clause (without increasing the maximum limit of liability as specified above for this Section B. may be applied to either one or two other extensions in any one loss occurrence. In the event that claim is made under this Catch-All Clause, the Insured shall select which other eligible extension or which two other eligible extensions shall receive the benefit of this Catch-All Clause.

C. BUSINESS INTERRUPTION EXTENSIONS

ITEM 1 INTERNET SERVICE PROVIDER BREAKDOWN

Profits and/or Rental Income (Broad Form) is extended to insure up to the Limit of Insurance, specified in the Summary of Coverage Extensions in this Form, for loss resulting from the necessary interruption of or interference with the business carried on by the Insured occurring during the term of this policy caused by breakdown of Electronic Data Processing Systems owned by a provider of internet services to the Insured. The liability of the Insurer, with respect to each interruption of business under this Extension shall not attach until the period of interruption exceeds the 48 hour period that immediately follows the breakdown.

Additional Exclusion

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

ITEM 2 LIMITED CONTINGENT LOSS OF INCOME – NEIGHBOURING PREMISES

This Extension insures up to the limit of insurance shown in the Summary of Coverage Extensions for Neighbouring Premises for loss resulting from interruption of or interference with the business in consequence of direct physical loss or direct physical damage by the insured perils to property in neighbouring premises to the Insured that shall prevent or hinder the use of or access to the "premises" of the Insured, whether the Insured's "premises" or property shall be damaged or not.

ITEM 3 LIMITED CONTINGENT LOSS OF INCOME – CONTRIBUTING/RECIPIENT PROPERTY

This Extension insures up to the limit of insurance shown in the Summary of Coverage Extensions for Contributing/ Recipient Property for loss resulting from the necessary interruption of or interference with the business carried on by the insured caused by direct physical loss or direct physical damage by the insured perils occurring during the term of the policy to "building(s)", "equipment" or "stock":

- (a) at a recipient property(ies), being property to which the insured's products are being shipped, which wholly or partially prevents the acceptance of products produced or sold by the Insured; or
- (b) at a contributing property(ies), being a supplier(s) of materials to the Insured, which wholly or partially prevents the delivery of materials to the Insured; or
- (c) at the premises of the provider of internet services to the Insured, which wholly prevents the transmission of data.

Additional Exclusion

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

ITEM 4 OFF-PREMISES SERVICE INTERRUPTION

Business Interruption coverage provided by this policy is extended to include loss arising from the interruption of business resulting from the direct physical loss of or damage to property that is not on the insured "premises", by an insured peril. Such property must be used to generate or supply "services" to the premises.

This coverage only applies to loss, as insured by the Business Interruption coverage provided by this policy, due to "service interruption".

This coverage does not cover loss, as insured by the Business Interruption coverage provided by this policy, during the first 24 consecutive hours of loss of "services" or directly or indirectly arising from:

- (a) loss or reduction of "services" due to lack of sufficient capacity; or

(b) an intentional reduction in the supply of “services”.

The maximum amount payable under this coverage for any one occurrence, regardless of the number of persons and interests insured under the Business Interruption coverage provided by this policy, is the Limit of Insurance specified for this coverage in the Summary of Coverage Extensions in this form.

Additional Definitions

“Services” means electricity, water, gas or steam;

“Service interruption” means loss of “services” for a period exceeding 24 consecutive hours.

Except as otherwise provided under this Form all terms and conditions of this policy shall remain unchanged.



Intact Insurance Company

S.P.F. No. 6 - Standard Non-Owned Automobile Policy

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

APPLICATION

ITEMS

- 1. FULL NAME OF THE APPLICANT SEE POLICY DECLARATIONS
POSTAL ADDRESS SEE POLICY DECLARATIONS
Applicant is: SEE POLICY DECLARATIONS
2. Policy Period 12.01 A.M. STANDARD TIME AT THE APPLICANT'S ADDRESS
From SEE POLICY DECLARATIONS STATED HEREIN AS TO EACH OF SAID DATES
3. THE AUTOMOBILES IN RESPECT OF WHICH INSURANCE IS TO BE PROVIDED ARE THOSE NOT OWNED IN WHOLE OR IN PART BY, NOR LICENSED IN THE NAME OF THE APPLICANT, USED IN THE APPLICANT'S BUSINESS OF:

AS KNOWN TO THE INSURER

- 4. The Applicant's Partners, Officers, Employees And Agents As Of The Date Of This Application Are As Follows: Partners, Officers And Employees Who Regularly Use Automobiles Not Owned By The Applicant In His Business. All Other Partners, Officers And Employees

Table with 7 columns: LOCATION, CLASS A1 Private Passenger, CLASS A2 Commercial, Number, Rate, Premium, Number, Rate, Premium

AS KNOWN TO THE INSURER

Table with 7 columns: LOCATION, CLASS B, CLASS C, Number, Rate, Premium, Number, Rate, Premium

AS KNOWN TO THE INSURER

- 5. "HIRED AUTOMOBILES" - THE AUTOMOBILES HIRED BY THE APPLICANT ARE AS FOLLOWS:
TYPE OF AUTOMOBILE ESTIMATED COST OF HIRE RATES PER \$100 OF COST OF HIRE ADVANCE PREMIUM

COVERED, IF ANY, SUBJECT TO PREMIUM ADJUSTMENT

THE ADVANCE PREMIUM IS SUBJECT TO ADJUSTMENT AT THE END OF THE POLICY PERIOD AS PROVIDED IN THE POLICY.

- 6. "AUTOMOBILES OPERATED UNDER CONTRACT" ON BEHALF OF THE APPLICANT ARE AS FOLLOWS:
TYPE OF AUTOMOBILE & DESCRIPTION OF USE ESTIMATED CONTRACT COST RATES PER \$100 OF CONTRACT COST ADVANCE PREMIUM

COVERED, IF ANY, SUBJECT TO PREMIUM ADJUSTMENT

THE ADVANCE PREMIUM IS SUBJECT TO ADJUSTMENT AT THE END OF THE POLICY PERIOD AS PROVIDED IN THE POLICY.

7. THIS APPLICATION IS MADE FOR INSURANCE AGAINST THE PERILS MENTIONED IN THIS ITEM AND UPON THE TERMS AND CONDITIONS OF THE INSURER'S CORRESPONDING STANDARD POLICY FORM AND FOR THE FOLLOWING SPECIFIED LIMIT.

INSURING AGREEMENT SECTION A THIRD PARTY LIABILITY	PERILS	LIMIT \$ IN ACCORDANCE WITH POLICY LIMITS	(Exclusive of Interest and Costs) for loss or damage resulting from Bodily Injury to or the Death of one or more Persons, and for loss or damage to Property, regardless of the number of claims arising from any one Accident.	COMBINED PREMIUMS
	Legal Liability for Bodily Injury to or Death of any Person or Damage to Property of Others not in the Care, Custody or Control of the Applicant			\$ INCLUDED

Endorsements

MINIMUM RETAINED PREMIUM \$	TOTAL PREMIUM	\$ INCLUDED
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8. HAS ANY INSURER CANCELLED, DECLINED OR REFUSED TO RENEW OR ISSUE, AUTOMOBILE INSURANCE TO THE APPLICANT WITHIN THREE YEARS PRECEDING THIS APPLICATION? IF SO, STATE NAME OF INSURER.

AS KNOWN TO THE INSURER

9. STATE PARTICULARS OF ALL ACCIDENTS OR CLAIMS ARISING OUT OF THE USE OR OPERATION IN HIS BUSINESS OF NON-OWNED AUTOMOBILES BY THE APPLICANT WITHIN THE THREE YEARS PRECEDING THIS APPLICATION.

INJURY TO PERSONS

DAMAGE TO PROPERTY OF OTHERS

AS KNOWN TO THE INSURER

AS KNOWN TO THE INSURER

10. ALL THE STATEMENTS IN THIS APPLICATION ARE TRUE AND THE APPLICANT HEREBY APPLIES FOR A CONTRACT OF AUTOMOBILE INSURANCE TO BE BASED ON THE TRUTH OF THE SAID STATEMENTS.

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

INSURING AGREEMENT

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

SECTION A - THIRD PARTY LIABILITY

The Insurer agrees to indemnify the Insured against the liability imposed by law upon the Insured for loss or damage arising from the use or operation of any automobile not owned in whole or in part by or licensed in the name of the Insured, and resulting from

BODILY INJURY TO OR THE DEATH OF ANY PERSON OR DAMAGE TO PROPERTY OF OTHERS NOT IN THE CARE, CUSTODY OR CONTROL OF THE INSURED:

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

- (a) for any liability which arises from the use or operation of any automobile while personally driven by the Insured if the Insured is an individual; or
- (b) for any liability imposed upon any person insured by this Policy (Not applicable in the Province of Ontario)

- 1) by any workmen's compensation law; or
 - 2) by any law for bodily injury to or the death of the Insured or any partner, officer or employee of the Insured while engaged in the business of the Insured; or
- (c) for loss or damage to property carried in or upon an automobile personally driven by any person insured by this Policy or to any property owned or rented by, or in the care, custody or control of any such person; or
- (d) for any amount in excess of the limit stated in Item 7 of the application, and expenditures provided for in the Additional Agreements of this Policy; subject always to the provisions of the section of the Insurance Act (Automobile Insurance Part) relating to the nuclear energy hazard.

ADDITIONAL AGREEMENTS OF INSURER

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

1. upon receipt of notice of loss or damage caused to persons or property to serve any person insured by this Policy by such investigation thereof, or by such negotiations with the claimant, or by such settlement of any resulting claims, as may be deemed expedient by the Insurer; and
2. to defend in the name and on behalf of any person insured by this Policy and at the cost of the Insurer any civil action which may at any time be brought against such person on account of such loss or damage to persons or property; and
3. to pay all costs taxed against any person insured by this Policy in any civil action defended by the Insurer and any interest accruing after entry of judgement upon that part of the judgement which is within the limits of the Insurer's liability; and
4. in the case the injury be to a person, reimburse any person insured by this Policy for outlay for such medical aid as may be immediately necessary at the time of such injury; and
5. be liable up to the minimum limit(s) prescribed for that province or territory of Canada in which the accident occurred, if that limit(s) is higher than the limit stated in Section A of Item 7 of the application; and
6. not set up any defence to a claim that might not be set up if the Policy were a motor vehicle liability policy issued in the province or territory of Canada in which the accident occurred.

AGREEMENTS OF INSURED

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

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

GENERAL PROVISIONS AND DEFINITIONS

1. ADDITIONAL INSURED

The Insurer agrees to indemnify in the same manner and to the same extent as if named herein as the Insured, every partner, officer or employee of the Insured who, with the consent of the owner thereof, personally drives (a)

in the business of the Insured stated in Item 3 of the application, any automobile not owned in whole or in part by or licensed in the name of (i) the Insured, or (ii) such additional Insured person, or (iii) any person or persons residing in the same dwelling premises as the Insured or such additional insured person, or (b) any automobile hired

or leased in the name of the Insured except an automobile owned in whole or in part or licensed in the name of such additional insured person.

2. **TERRITORY**

This Policy applies only to the use or operation of automobiles within Canada or the United States of America or upon a vessel plying between ports of those countries.

3. **HIRED AUTOMOBILES DEFINED**

The term "Hired Automobiles" as used in this Policy means automobiles hired or leased from others with or without drivers, used under the control of the Insured in the business stated in Item 3 of the application but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

4. **AUTOMOBILES OPERATED UNDER CONTRACT DEFINED**

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

5. **TWO OR MORE AUTOMOBILES**

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

6. **PREMIUM ADJUSTMENT**

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

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

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

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

STATUTORY CONDITIONS

In addition to the Statutory Conditions that follow: The Statutory Conditions for Non-Owned Automobile Insurance as set out in the Insurance Act of the Province in which this Policy covers shall form part of the Policy.

The following Statutory Conditions apply to automobile policies in the Province of Alberta and in other jurisdictions if prescribed by legislation. In any jurisdiction requiring the following statutory conditions and in the event of any disagreement between these statutory conditions and other provisions of this Non-Owned Automobile coverage, the relevant statutory condition(s) applies.

STATUTORY CONDITIONS

In these statutory conditions, unless the context otherwise requires, "insured" means a person insured by the contract whether named in the contract or not.

MATERIAL CHANGE IN RISK 1(1) The insured named in the contract must promptly notify the insurer or its agent in writing of any change in the risk material to the contract and within the insured's knowledge.

(2) Without restricting the generality of subparagraph (1) of this condition, "change in the risk material to the contract" includes

- a) any change in the insurable interest of the insured named in the contract in the automobile by sale, assignment or otherwise, except through change of title by succession, death or proceedings under the *Bankruptcy and Insolvency Act* (Canada), and
- b) in respect of insurance against loss of or damage to the automobile,
 - (i) any mortgage, lien or encumbrance affecting the automobile after the application for the contract, and
 - (ii) any other insurance of the same interest, whether valid or not, covering loss or damage insured by the contract or any portion of the contract.

PROHIBITED USE BY INSURED 2(1) The insured must not drive or operate the automobile

- (a) unless the insured is for the time being either authorized by law or qualified to drive or operate the automobile,
- (b) while the insured's licence to drive or operate an automobile is suspended or while the insured's right to obtain a licence is suspended or while the insured is prohibited under order of any court from driving or operating an automobile,
- (c) while the insured is under the age of 16 years or under any other age prescribed by the law of the province in which the insured resides at the time the contract is made as being the minimum age at which a licence or permit to drive an automobile may be issued to the insured,
- (d) for any illicit or prohibited trade or transportation, or
- (e) in any race or speed test.

PROHIBITED USE BY OTHERS (2) The insured must not permit or allow the use of the automobile

- (a) by any person
 - (i) unless that person is for the time being either authorized by law or qualified to drive or operate the automobile, or
 - (ii) while that person is under the age of 16 years or under any other age prescribed by the law of the province in which the person resides at the time the contract is made as being the minimum age at which a licence or permit to drive an automobile may be issued to the person,
- (b) by any person who is a member of the household of the insured while the person's licence to drive or operate an automobile is suspended or while the person's right to obtain a licence is suspended or while the person is prohibited under order of any court from driving or operating an automobile,
- (c) for any illicit or prohibited trade or transportation, or
- (d) in any race or speed test.

REQUIREMENTS WHERE LOSS OR DAMAGE TO PERSONS OR PROPERTY 3(1) The insured must

- (a) promptly give to the insurer written notice, with all available particulars, of any accident involving loss or damage to persons or property and of any claim made on account of the accident,
- (b) verify by statutory declaration, if required by the insurer, that the claim arose out of the use or operation of the automobile and that the person operating or responsible for the operation of the automobile at the time of the accident is a person insured under the contract, and
- (c) forward immediately to the insurer every letter, document, advice or writ received by the insured from or on behalf of the claimant.

(2) The insured must not

- (a) voluntarily assume any liability or settle any claim except at the insured's own cost, or
- (b) interfere in any negotiations for settlement or in any legal proceeding.

(3) The insured must, whenever requested by the insurer, aid in securing information and evidence and the attendance of any witness, and must cooperate with the insurer, except in a pecuniary way, in the defence of any action or proceeding or in the prosecution of any appeal.

REQUIREMENTS WHERE LOSS OR DAMAGE TO AUTOMOBILE 4(1) When loss of or damage to the automobile occurs, the insured must, if the loss or damage is covered by the contract,

- (a) promptly give notice of the loss or damage in writing to the insurer with the fullest information obtainable at the time,
- (b) at the expense of the insurer, and as far as reasonably possible, protect the automobile from further loss or damage, and
- (c) deliver to the insurer within 90 days after the date of the loss or damage a statutory declaration stating, to the best of the insured's knowledge and belief, the place, time, cause and amount of the loss or damage, the interest of the insured and of all others in the automobile, the encumbrances on the automobile, all other insurance, whether valid or not, covering the automobile and that the loss or damage did not occur through any wilful act or neglect, procurement, means or connivance of the insured.

- (2) Any further loss or damage accruing to the automobile directly or indirectly from a failure to protect it as required under subparagraph (1) of this condition is not recoverable under the contract.
- (3) No repairs, other than those that are immediately necessary for the protection of the automobile from further loss or damage, may be undertaken and no physical evidence of the loss or damage may be removed
 - (a) without the written consent of the insurer, or
 - (b) until the insurer has had a reasonable opportunity to make the inspection for which provision is made in Statutory Condition 5.
- (4) The insured must submit to examination under oath and must produce for examination at any reasonable place and time designated by the insurer or its representative all documents in the insured's possession or control that relate to the matters in question, and the insured must permit extracts and copies of the documents to be made.
- (5) The insurer is not liable for more than the actual cash value of the automobile at the time any loss or damage occurs, and the loss or damage must be ascertained or estimated according to that actual cash value with proper deductions for depreciation, however caused, and must not exceed the amount that it would cost to repair or replace the automobile, or any part of the automobile, with material of similar kind and quality, but if any part of the automobile is obsolete and unavailable, the liability of the insurer in respect of the automobile is limited to the value of that part at the time of loss or damage, not exceeding the maker's latest list price.
- (6) Except where a dispute resolution process has been initiated, the insurer, instead of making payment, may, within a reasonable time, repair, rebuild or replace the property damaged or lost with other of similar kind and quality if, within 7 days after the receipt of the proof of loss, it gives written notice of its intention to do so.
- (7) There must be no abandonment of the automobile to the insurer without the insurer's consent.
- (8) If the insurer exercises the option to replace the automobile or pays the actual cash value of the automobile, the salvage, if any, vests in the insurer.
- (9) In the event of disagreement as to the nature and extent of the repairs and replacements required, or as to their adequacy, if effected, or as to the amount of the loss or damage, those questions must be determined by a dispute resolution process as provided under the *Insurance Act* before there can be recovery under the contract, whether the right to recover under the contract is disputed or not, and independently of all other questions.
- (10) There is no right to a dispute resolution process until
 - (a) a specific demand for it is made in writing, and
 - (b) the proof of loss has been delivered.

INSPECTION OF AUTOMOBILE 5 The insured must permit the insurer at all reasonable times to inspect the automobile and its equipment.

TIME AND MANNER OF PAYMENT OF INSURANCE MONEY 6(1) The insurer must pay the insurance money for which it is liable under the contract within 60 days after the proof of loss has been received by it or, where a dispute resolution process is conducted under Statutory Condition 4(9), within 15 days after the decision is rendered.

- (2) The insured may not bring an action to recover the amount of a claim under the contract unless the requirements of Statutory Conditions 3 and 4 are complied with or until the amount of the loss has been ascertained as provided for under Statutory Conditions 3 and 4 or by a judgment against the insured after trial of the issue, or by agreement between the parties with the written consent of the insurer.

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

TERMINATION 8 (1) The contract may be terminated

- (a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or
 - (b) by the insured at any time on request.
- (2) If the contract is terminated by the insurer,
 - (a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified, and
 - (b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to the amount, in which case the refund must be made as soon as practicable.
 - (3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time, but in no event may the short rate premium for the expired term be deemed to be less than any minimum retained premium specified.
 - (4) The 15-day period referred to in subparagraph (1)(a) of this condition starts to run on the day the registered letter or notification of it is delivered to the insured's postal address.



NOTICE 9 (1) Any written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.

(2) Written notice may be given to the insured named in the contract by letter personally delivered to the insured or by registered mail addressed to the insured at the insured's latest postal address as notified to the insurer.

(3) In this condition, "registered" means registered in or outside Canada.

Commercial General Liability Max

WORDS AND PHRASES THAT APPEAR IN QUOTATION MARKS HAVE A SPECIAL MEANING AS DESCRIBED IN THE DEFINITIONS SECTION OF THIS FORM

SECTION I COVERAGES

COVERAGE A – “BODILY INJURY”, “PERSONAL INJURY” AND “PROPERTY DAMAGE”

This insurance applies only when a Limit of Liability - Each Accident or Occurrence is indicated in the Declarations

1. Insuring Agreement

To pay on behalf of the Insured all sums (including prejudgement interest) that the Insured shall become obligated to pay by reason of the liability imposed by law upon the Insured or assumed by the Insured under “contract”, for “compensatory damages” because of:

- (a) “bodily injury” sustained by any person or persons;
- (b) “personal injury” ;
- (c) “property damage” due to an accident or “occurrence”.

during the Policy Period and in the “Coverage Territory”, subject to the limits of liability, exclusions, conditions and other terms contained in this Policy.

2. Limit of Liability

The combined limit of the Insurer's liability under Sub-Section **1(a), 1(b) and 1(c)** of the Insuring Agreements of Coverage A shall be the amount stated in the Declarations for this form as Limit of Liability - Each accident or occurrence for all “compensatory damages” for any one accident or “occurrence”, or series of accidents or occurrences, resulting from one cause. Subject to such limit, the amount stated in the Declarations for this form as 'Limit of liability - Aggregate' is the Insurer's maximum limit of liability for any number of accidents or occurrences in any one Policy Period, if caused by the “Products Hazard” or “Completed Operations Hazard”.

3. Exclusions

This insurance does not apply to:

1. “bodily injury” or “property damage” arising out of the ownership, use or operation by or on behalf of the Insured of any “automobile”, but this exclusion will not be construed to apply to liability imposed by law upon the Insured for loss or damage arising from the ownership, use or operation of machinery or apparatus (including its equipment), mounted on or attached to any automobile at the site of the use or operation of such machinery or apparatus and provided the Insured is not insured for liability arising from the ownership, use or operation of such mounted or attached machinery or apparatus under any automobile policy.

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”.

2. “bodily injury” or “property damage” arising out of:
- (a)
 - (i) the ownership, maintenance, use, or operation, by or on behalf of the Insured of any aircraft or any air cushion vehicle;
 - (ii) the ownership, use, or operation by or on behalf of the Insured of any premises for the purpose of an airport or an aircraft landing area;
 - (iii) all operations that are necessary or incidental to 2(a)(i) or 2(a)(ii) above;
 - (iv) work or operations conducted by or on behalf of the Insured at airport premises or airport property (including but not limited to any runway, hangar, taxiway, apron, or air traffic control facility), but this exclusion shall not apply to such work or operations in Canada that are conducted solely within an area that is not designated by Transport Canada (or other airport regulatory authority) as a restricted area.
 - (b) the ownership, maintenance, use or operation by or on behalf of the Insured of any self-propelled watercraft of more than 100 gross tons but this exclusion does not apply to watercraft while ashore on premises owned by, rented to or controlled by the Insured.

Exclusions 1 and 2(b) do not apply to “bodily injury” sustained by any employees of the Insured while acting on behalf of the Insured.

3. “bodily injury”:
- (a) arising out of the liability imposed upon or assumed by the Insured under any Workers' Compensation Statute or assessment by any Workers' Compensation Board or any liability in respect of employees assumed by the Insured under “contract”. This exclusion shall not apply to claims arising out of legal liability imposed upon the Insured at common law or at common law as extended by statute for injuries to employees of the Insured;
 - (b) caused intentionally by or at the direction of the Insured, unless committed for the purpose of protecting persons or property.
4. “property damage” to
- (a) property:
 - (i) owned by the Insured;
 - (ii) occupied by the Insured;
 - (iii) rented to the Insured;
 - (iv) held by the Insured for sale; or
 - (v) entrusted to the Insured for storage or safekeeping.
 - (b)
 - (i) property while on premises owned by or leased to the Insured for the purpose of having operations performed on such property by or on behalf of the Insured;
 - (ii) tools or equipment while being used by the Insured in performing operations;
 - (iii) property that is in course of construction by the Insured or property in the custody of the Insured that is to be installed, erected or used in construction by the Insured;
 - (iv) that particular part of any property, not on premises owned by or rented to the Insured:
 - (A) upon which operations are being performed by or on behalf of the Insured at the time of the “property damage” to such property, arising out of such operations; or
 - (B) out of which any “property damage” arises; or

- (C) the restoration, repair or replacement of which has been made or is necessary by reason of faulty workmanship on such property by or on behalf of the Insured.

Exclusion 4(b) does not apply to liability under sidetrack agreements covered by this Policy, or the use of elevators or escalators at premises owned, rented or controlled by the Insured, or liability assumed under any easement agreement or agreement required by municipal by-law.

- 5. "property damage" to:
 - (a) goods or products manufactured or sold by the Insured; or
 - (b) work done by or on behalf of the Insured where the cause of the "occurrence" arises out of a defect in such work, but this exclusion shall only apply to that part of such work that is defective.
- 6. loss of use of tangible property that has not been physically injured or destroyed resulting from:
 - (a) a delay in or lack of performance by or on behalf of the Insured of "contract"; or
 - (b) the failure of the Insured's products or work performed by or on behalf of the Insured to meet the level of performance, quality, fitness or durability warranted or represented by the 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 Insured's products or work performed by or on behalf of the Insured after such products or work have been put to use by any person or organization other than an Insured.
- 7. damages, cost, loss or expense claimed for the withdrawal, inspection, repair, replacement, or loss of use of the Insured's products or work completed by or for the Insured or of any property of which such products or work forms a part, if such products, work or property are withdrawn from the market or withdrawn from use because of any known or suspected defect or deficiency in such products, work or property.
- 8. the rendering of or failure to render any professional service except:
 - (a) such services performed by an architect or an engineer in their capacity as employees of the Insured where such services are an integral part of other work performed by or on behalf of the Insured or are integral in the manufacture, installation, sale, handling or distribution of the Insured's products or the products of any associated or affiliated company. This exception shall not apply in respect to damage to any work completed by or on behalf of the Insured or damage to the Insured's products;
 - (b) the services rendered by first aid personnel.
- 9. "personal injury" :
 - (i) caused by the wilful violation of a penal statute or ordinance;
 - (ii) arising out of advertising, broadcasting, publishing or telecasting by or in the interest of the Insured.

COVERAGE B – ADVERTISING INJURY

This insurance applies only when an "Advertising Injury" Liability Limit is indicated in the Declarations

1. Insuring Agreement

The Insurer agrees to pay on behalf of the Insured those sums that the Insured becomes legally obligated to pay as compensatory damages because of "Advertising Injury" to which this insurance applies. Subject to Exclusion (c) below, this insurance applies only to offences arising out of the Insured's business activities.

2. Limit of Liability

The limit of the Insurer's liability under Coverage B shall be the amount stated in the Declarations for this coverage as Limit of Liability - Each accident or occurrence' for all "compensatory damages" for any one accident or "occurrence", or series of accidents or occurrences, resulting from one cause.

Subject to such limit, the amount stated in the Declarations for this form as Limit of liability - Aggregate is the most the Insurer will pay during the policy period for the sum of all compensatory damages because of "Advertising Injury".

3. Exclusions

This insurance does not apply to:

- (a) Liability assumed by the Insured under any contract or agreement, except liability of the Insured that would have existed in the absence of a contract or agreement;
- (b) "Advertising Injury" arising out of:
 - (i) Any failure of goods, products or services to conform to any statement of quality or performance made in an "Advertisement" of the Insured;
 - (ii) The infringement of trademark, copyright, patent, trade secret or service mark;
 - (iii) The infringement of intellectual property rights;
 - (iv) Incorrect description or incorrect price in any "Advertisement" of the Insured;
 - (v) Breach of contract, except an implied contract to use another's advertising idea in an "Advertisement" of the Insured;
 - (vi) Any tactic to mislead the potential customer of another, including but not limited to the unauthorized use by or on behalf of the Insured of another's name or product in any e-mail address, domain name or meta tag;
 - (vii) Any criminal act committed by or at the direction of the Insured or any act committed by or at the direction of the Insured with actual malice or with reckless indifference;
 - (viii) Material, in any "Advertisement", that the Insured knew to be false or that the Insured knew would violate the rights of another and would inflict "Advertising Injury";
 - (ix) Material whose first publication took place before the beginning of the policy period;
 - (x) An electronic chat room, bulletin board or web log owned or hosted by the Insured, or over which the Insured exercises control.

Exclusions (b) (ii) and (b) (iii) do not apply to infringement of copyright, trade dress or slogan in an "Advertisement" of the Insured.

- (c) "Advertising Injury" committed or alleged to have been committed by any Insured in the business of:
 - (i) Advertising, broadcasting, publishing or telecasting;
 - (ii) Designing or determining web-site content for others;
 - (iii) An Internet search, access, content or service provider.

For the purposes of Exclusion (c), the mere placing for the Insured on the Internet of frames, borders, links or advertising shall not by itself be considered a business.

Except to the extent that coverage is expressly provided by under Coverage B, this insurance does not apply to claims 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".

COVERAGE C - MEDICAL PAYMENTS

This insurance applies only when an Medical Payments Limit is indicated in the Declarations

1. Insuring Agreement

The Insurer agrees to pay to or for each person who sustains “bodily injury” caused by accident all reasonable medical, surgical, x-ray, dental, ambulance, hospital, professional nursing and funeral services expense incurred within one year from the date of the accident on account of such “bodily injury”, provided such “bodily injury”:

- (a) occurs on premises the Named Insured owns or rents;
- (b) occurs on ways next to premises the Named Insured owns or rents; or
- (c) arises from operations with respect to which the Named Insured is afforded coverage for “bodily injury” liability under this policy.

2. Limit of Liability

The amount stated in the Declarations for Coverage C as Limit 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.

3. Exclusions

The coverage granted by Coverage C shall not apply to:

- (a) any portion of medical expense the payment of which is prohibited by law;
- (b) “bodily injury”
 - i) arising out of the ownership, maintenance, use or operation by or on behalf of the Insured of any automobile;
 - ii) arising out of the ownership, maintenance, use, operation, loading or unloading by or on behalf of the Insured of any watercraft, but this exclusion does not apply to watercraft while ashore on premises owned by, rented to or controlled by the Named Insured;
 - iii) arising out of the ownership, maintenance, use, operation, loading or unloading by or on behalf of the Insured of
 - (1) any aircraft; or
 - (2) any air cushion vehicle;
 - iv) 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;
- (c) “bodily injury” to
 - i) the Named Insured, any partner therein, any tenant or other person regularly residing on the insured premises or any employee (except a volunteer worker) of any of the foregoing if the bodily injury arises out of and in the course of his employment therewith, or
 - ii) 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
 - iii) any person while engaged in maintenance and repair of the insured premises or alteration, demolition or construction operations at such premises, or
 - iv) any person if any benefits for such bodily injury are payable under any Workmen's Compensation Law, or
 - v) any person practising, instructing or participating in any physical training, sport, athletic activity or contest;
- (d) 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.

4. Conditions

As soon as practicable the injured person or someone on his behalf shall give to the Insurer written proof of claim, under oath if required, and shall, after each request from the Insurer, execute authorization to enable the Insurer to obtain medical reports and copies of records. The injured person shall submit to physical examination by physicians selected by the Insurer when and as often as the Insurer may reasonably require. The Insurer may pay the injured person or any person or organization rendering the services and the payment shall reduce the amount payable hereunder for such injury. Payment hereunder shall not constitute an admission of liability of any person or, except hereunder, of the Insurer.

COVERAGE D - TENANTS' LEGAL LIABILITY

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

1. Insuring Agreement

To pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as "compensatory damages" for injury to or destruction, including loss of use, of premises of others (including building fixtures permanently attached thereto) rented to or occupied by the Named Insured, if such injury or destruction is caused by accident occurring during the term of this Policy.

2. Limit of Liability

The Insurer shall not be liable for more than amount(s) stated in the Declarations for this coverage as Limit of liability- any one accident for damage arising out of any one accident.

3. Exclusions

The Insurer shall not be liable for liability assumed by the Insured under "contract" except liability which would attach in the absence of such contract;

COMMON EXCLUSIONS – COVERAGES A, B, C and D

This insurance does not apply to:

1. Asbestos

- (a) "Bodily Injury", "Personal Injury", "Property Damage" or Medical Payments or any other cost, loss or expense incurred by others, resulting from, in consequence of, or arising directly or indirectly from the actual or alleged inhalation of, contact with, exposure to, use of, existence of or presence of asbestos or any material containing asbestos in whatever form or quantity, 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 asbestos or any material containing asbestos;
- (b) any loss, damage, injury, cost or expense arising out of any claim, proceeding, action or suit by or on behalf of a governmental authority or arising out of any order or demand under any legislation or regulation that the insured or others perform, or assume liability for, the following:
 - (i) operations to evaluate or assess the presence or absence of asbestos, its effects or its quantity;
 - (ii) operations to test for, monitor, contain, treat, detoxify, neutralize, identify, clean up, sample, remove, abate, mitigate or dispose of asbestos;
 - (iii) any other actions to respond to situations that involve asbestos.
- (c) any supervision, instructions, recommendations, warnings, or advice given or that should have been given in connection with a. or b. above;

- (d) 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., b. or c. above.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to “Bodily Injury”, “Personal Injury” or “Property Damage”.

2. Data

under Coverage A Insuring Agreements 1(a) and 1(c) to liability for:

- (a) erasure, destruction, corruption, misappropriation, misinterpretation of “data” ;
- (b) erroneously creating, amending, entering, deleting or using “data”;

including any loss of use arising therefrom.

3. Fungi

- (a) “Bodily Injury”, “Personal Injury” or “Property Damage” 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, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of “fungi” or “spores”; or
- (b) any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with a. above;
- (c) any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in a. or b. above.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to “Bodily Injury”, “Personal Injury” or “Property Damage”.

This exclusion shall not apply to:

- (i) “Bodily Injury” or “Property Damage” included within the “Products Hazard” or within the “Completed Operations Hazard” and arising from the presence of “fungi” or “spores” in products of the Named Insured that are intended for human or animal consumption or topical application; or
- (ii) claims arising solely from the presence of bacteria in food products manufactured, sold distributed or served by the Insured.

4. Nuclear

- (a) liability imposed by or arising under the 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 out of:
 - (i) the ownership, maintenance, operation or use of a “nuclear facility” by or on behalf of an Insured;

- (ii) the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any “nuclear facility”; and
- (iii) the possession, consumption, use, handling, disposal or transportation of “fissionable substances” or of other “radioactive material” used, distributed, handled or sold by an Insured; except for radioactive isotopes, away from a “nuclear facility”, that have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to “bodily injury”, “personal injury” or “property damage”.

5. Pollution

- (1) “Bodily injury”, “property damage”, or “personal injury” arising out of the actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape at any time of “pollutants”:
 - (a) At, or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any Insured. However, this subparagraph does not apply to:
 - (i) “Bodily injury” if sustained within a building and caused by smoke, fumes, vapour or soot from equipment used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building’s occupants or their guests;
 - (ii) “Bodily injury” or “property damage” for which the Named Insured may be held liable, if the Named Insured is a contractor and the owner or lessee of such premises, site or location has been added to the Named Insured’s policy as an additional insured with respect to the Named Insured’s ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any Insured, other than that additional insured; or
 - (iii) “Bodily injury” or “property damage” arising out of heat, smoke or fumes from, or fire extinguishing substances used to fight, a “hostile fire”;
 - (b) At or from any premises, site or location which is or was at any time used by or for any Insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any Insured or any person or organization for whom the Insured may be legally responsible; or
 - (d) At or from any premises, site or location on which any Insured or any contractors or subcontractors working directly or indirectly on any Insured’s behalf are performing operations if the “pollutants” are brought on or to the premises, site, or location in connection with such operations by such Insured, contractor, or subcontractor.
However, this subparagraph does not apply to:
 - (i) “Bodily injury” or “property damage” arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of “mobile equipment” or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the “bodily injury” or “property damage” arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed

by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapours from materials brought into that building in connection with operations being performed by the Named Insured or on the Named Insured's behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from, or fire extinguishing substances used to fight, a "hostile fire".

(e) At or from any premises, site or location on which any Insured or any contractors or subcontractors working directly or indirectly on any Insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify, decontaminate, stabilize, remediate or neutralize, or in any way respond to, or assess the effect of "pollutants".

2. Any fines or penalties assessed against or imposed upon any Insured arising out of the actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

3. Any loss, cost or expense arising out of any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, decontaminate, stabilize, remediate or neutralize, or in any way respond to, or assess the effects of, "pollutants" However, this Section (3) does not apply to liability for "compensatory damages" because of "property damage" that the Insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or action by or on behalf of a governmental authority.

6. **Terrorism**

"bodily injury", "personal injury", "property damage" arising directly, 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 "bodily injury", "personal injury" or "property damage".

7. **War**

"bodily injury", "personal injury" or "property damage" arising out of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to "bodily injury", "personal injury" or "property damage".

DEFENCE, SETTLEMENT AND SUPPLEMENTARY PAYMENTS – COVERAGES A, B and D

With respect to the insurance afforded by the other terms of this Policy, the Insurer agrees:

(a) to defend in the name of and on behalf of the Insured, claims, suits or other proceedings that may at any time be instituted against the Insured for any accident or "occurrence" covered by this Policy, although such claims, suits or other proceedings may be groundless, false or fraudulent; or to make settlement of such claims as may be deemed expedient by the Insurer. If the Insurer is prevented by law or otherwise from defending the Insured as specified in the preceding sentence, the Insurer will reimburse the Insured for defence costs and expenses that are incurred with the consent of the Insurer;

(b) to pay and satisfy all judgements rendered against the Insured and to protect the Insured against any levy of execution arising from such judgements;

- (c) to pay:
- (i) all expenses incurred by the Insurer for investigation, negotiation and defence of any such claims, suits or proceedings;
 - (ii) all costs taxed against the Insured in any such proceeding;
 - (iii) all premiums on bonds to release charges or attachments for an amount not in excess of the applicable limit of liability of this Policy and all premiums on appeal bonds required in any such defended suit, but without any obligation to apply for or furnish such bonds;
 - (iv) all interest accruing after entry of judgement and up to the date of payment by the Insurer of its share of any judgement;
 - (v) for the expenses incurred by the Insured for such immediate medical and surgical relief to others as shall be imperative at the time such "bodily injury" is sustained;
 - (vi) for all reasonable expenses incurred at the Insurer's request.

The amounts so incurred, except settlement of claims and suits, are payable by the Insurer in addition to the limit of liability in this Policy.

The Insurer's liability under this Policy, including any obligation to defend, ends when the applicable Limits of Liability stated in the Declarations under this form have been exhausted by payment of settlements or judgements.

SECTION II – WHO IS AN INSURED

"Insured" means:

- (a) The Named Insured as shown in the Declarations;
- (b) Any interest under the management control of the Named Insured and for which the Named Insured is responsible for arranging insurance;
- (c) Any present or former partner, officer, director, employee (employee includes volunteer worker), or shareholder of the Named Insured, while acting on behalf of the Named Insured with respect to acts performed on behalf of the Named Insured in that capacity and any partner or former partner with respect to liability arising out of such partnership or former partnership. Acts performed shall include failure or omission to act;
The insurance afforded to any employee does not apply:
 - (i) to "bodily injury" to (a) the Named Insured or, if the Named Insured is a partnership or joint venture, any partner or member of such partnership or joint venture; or (b) any person who at the time of the "bodily injury" is entitled to benefits under any Workers' Compensation Act; or (c) another employee of the Named Insured;
 - (ii) to "property damage" to property owned, occupied or used by, rented to or in the care, custody or control of (a) another employee of the Named Insured; or (b) the Named Insured or, if the Named Insured is a partnership or a joint venture, any partner or member.
- (d) Any company created or acquired by the Named Insured provided the Insurer is notified within ninety days of such creation or acquisition;
- (e) Each person, firm, corporation or government body for which the Named Insured has contracted to provide insurance but only with respect to vicarious liability that arises out of the operations of the Named Insured, and only to the extent required by such contract. Notice of cancellation shall be provided (when cancelled by the Insurer) to such persons, firms, corporations or government bodies in accordance with the certificates of insurance on file with the Insurer;

- (f) Co-owners, joint venturers and partners having a non-operating interest with the Named Insured in the operations insured by this policy.

SECTION III - DEFINITIONS

1. "Advertising Injury" means injury, including consequential Bodily Injury arising out of one or more of the following offences when against another person or organization in an "Advertisement" of the Insured:
 - (i) The disparagement of goods, products or services;
 - (ii) Infringement of copyright, trade dress or slogan;
 - (iii) The unauthorized use of someone else's advertising idea;
 - (iv) Libel, slander, defamation, discrimination (in jurisdictions where insurance against discrimination is permitted by law) or violation of a right of privacy.
2. "**Advertisement**" means a notice about goods, products or services of the Insured that is broadcast or published to the general public or specific market segments and that is for the purpose of attracting customers or supporters. "Advertisement" also means such notice published by placement on the Internet, or similar means of electronic communication and also means that particular part of a web-site that is specifically about the Insured's goods, products or services for the purpose of attracting customers or supporters.
3. "**Automobile**" means self-propelled motor vehicle, trailer or semi-trailer that is obliged by law to carry a license and to be insured under a contract of automobile liability insurance.
4. "**Bodily Injury**" means bodily or mental injury, sickness, disease, disability, shock, including death resulting at any time and "compensatory damages" for incidental care and loss of services.
5. "**Compensatory Damages**" means damages due or awarded as indemnification for actual injury and concomitant economic loss. Compensatory Damages does not include punitive or aggravated damages or the multiple portion of any multiplied damage award.
6. "**Completed Operations Hazard**" means "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 Insured. Operations include materials, parts or equipment furnished in connection with operations. Operations shall be deemed completed at the earliest of the following times:
 - (a) when all operations to be performed by or on behalf of the Insured under the contract have been completed;
 - (b) when all operations to be performed by or on behalf of the 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 persons or organizations other than another contractor or sub-contractor engaged in performing operations for a principal as a part of the same project.

Operations requiring 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:

- (i) operations in connection with the pick up and delivery of property;
 - (ii) the existence of tools, uninstalled equipment or abandoned or unused materials.
7. "**Contract**" means:

- (a) a warranty of fitness or quality of the Insured's products or a warranty that work performed by or on behalf of the Insured will be done in a workmanlike manner;
 - (b) any written contract or written agreement or any oral or verbal contract or agreement that is in the process of being written provided that it is reduced to writing within 90 days of its inception
8. **“Coverage territory”** means anywhere in the world, provided that all claims, suits or other proceedings are brought within Canada or the United States of America, its territories and possessions.
9. **“Data”** means representations of information or concepts, in any form.
10. **“Explosion”** as used in General Condition 14 applicable to Coverage D means: the explosion of natural gas, coal, manufactured gas or manually portable gas cylinders;
11. **“Fissionable Substance”** means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
12. **“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.
13. **“Hostile Fire”** means a fire that becomes uncontrollable or breaks out from where it was intended to be.
14. **“Mobile equipment”** means any of the following types of land vehicles, including any attached machinery or equipment:
- (a) Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - (b) Vehicles maintained for use solely on or next to premises the Named Insured owns or rents;
 - (c) Vehicles that travel on crawler treads;
 - (d) Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
 - (e) Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
 - (f) Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.
- However, "mobile equipment" does not include any “automobile”.
15. **“Nuclear Energy Hazard”** means the radioactive, toxic, explosive or other hazardous properties of radioactive material.

16. **“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; or
 - (ii) processing the utilizing spent fuel; or
 - (iii) handling, processing or packaging waste;
 - (c) any equipment or device used for the processing, fabrication, or alloying of plutonium, thorium and uranium 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;
- 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.
17. **“Occurrence”** (in the singular or the plural) means continuous or repeated exposure to conditions that result in “property damage” neither expected nor intended by the Insured.
All “property damage” arising out of a continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.
18. **“Personal Injury”** means:
- (a) false arrest, malicious prosecution, wrongful detention or imprisonment;
 - (b) invasion of privacy, wrongful eviction or wrongful entry;
 - (c) libel, slander, humiliation or defamation of character;
 - (d) discrimination, (except in such jurisdictions where by legislation, court decisions or administrative ruling, such insurance is prohibited or held to violate the law or public policy of any such jurisdiction) sustained by any person or persons during the Policy Period.
19. **“Pollutants”** means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, odour, vapour, soot, fumes, airborne or waterborne particles, acids, alkalis, chemicals, sewage, micro-organisms and waste. Waste includes (but is not limited to) materials to be recycled, reconditioned or reclaimed.
20. **“Products Hazard”** means “bodily injury” or “property damage” arising out of any accident or “occurrence” that takes place away from the Insured's premises due to the consumption, handling, use or existence of goods or products made, sold, handled or distributed by or for the Insured after the Insured had relinquished possession of such goods or products;
21. **“Property Damage”** means physical injury to or physical destruction of tangible property, including loss of use of such property, or loss of use of tangible property that has not been physically injured or destroyed
22. **“Radioactive Material”** means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes or other elements and any other substances that the Atomic Energy Control

Board may, by regulation, designate as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy.

23. **"Spores"** includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any "fungi".
24. **"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, organization or government for the purpose of influencing any government or instilling fear in the public or a section of the public.

GENERAL CONDITIONS

1. **NOTICE OF CLAIM OR SUIT:** Upon the happening of an accident or "occurrence" that may give rise to a claim under this Policy, the Insured shall give notice of such accident or "occurrence" to the Insurer as soon as practicable after notice has been received by an officer of the Insured. Such notice shall contain all available information pertaining to such accident or "occurrence" that is obtainable at the time.
If a claim is made or suit is brought against the Insured, the Insured shall immediately forward to the Insurer every demand, notice, summons or other process received by the Insured or the Insured's representatives.
2. **ASSISTANCE AND COOPERATION:** The Insured shall cooperate 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 hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.
3. **ASSUMPTION OF LIABILITY:** The Insured shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expenses other than for first aid to others at the time of accident.
4. **ACTION AGAINST INSURER:** No action shall lie against the Insurer unless, as a condition precedent, to such action there shall have been full compliance with all of the terms of this Policy. In addition, no action shall lie against the Insurer until the amount of the Insured's obligation to pay shall have been finally determined either by judgement against the Insured after actual trial, or by written agreement of the Insured, the claimant and the Insurer. The Insurer shall not be liable for "compensatory damages" that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance.
Unless another time limit is specified to the contrary in any Canadian province's Insurance Act governing this policy, every action or proceeding against the Insurer shall be commenced within one year of the date of such judgement or written agreement and not afterwards. The sole venue for coverage legal action related to this Policy shall be a Superior Court in Canada.
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 or insolvency of the Insured or of the Insured's estate shall not relieve the Insurer of any of its obligations under this Policy.
5. **PREMIUM AND ADJUSTMENT OF PREMIUMS:**
 - (a) Unless indicated as "Flat rate premium", the premium stated in the Declarations for this Form is an estimated deposit premium only. Adjustment of premium shall be made at least annually and for this purpose the premium basis and rates shown in the Declarations for this form as "Basis of premium adjustment" shall be used in ascertaining the earned premium.
 - (b) In the case of any hazards existing and covered under coverage rider(s) attached but not specified in the Declarations, or in any endorsement, the earned premium shall be computed in accordance with the Insurer's rules, rates, rating plans and minimum premiums applicable to such hazards.

- (c) Subject to the retention by the Insurer of the amount stated in the Declarations for this form as "Minimum annual premium", if the earned premium for this Policy thus computed exceeds the estimated deposit premium paid, the Insured shall pay such excess to the Insurer; on the other hand, if the estimated deposit premium exceeds the earned premium, the Insurer shall return to the Named Insured such excess.
- (d) The Named Insured shall maintain for each hazard insured against, a record of the information necessary for premium computation on the basis stated and shall submit such record to the Insurer at the end of the Policy Period and at such other times during the Policy Period as the Insurer may direct.

6. INSPECTION AND AUDIT:

- (a) The Insurer shall be permitted, but is not obligated, to inspect the Insured's property and operations. Neither the Insurer's right to inspect nor reporting based on such inspections shall constitute an undertaking on behalf of or for the benefit of the Insured or others to determine or warrant that such property or operations are safe.
- (b) The Insurer may examine and audit the Insured's books and records at any time during the Policy Period and extensions of the Policy Period and within three years after the final termination of this Policy, as far as they relate to the subject matter of this insurance.

- 7. OTHER INSURANCE:** The Insurer shall not be liable if at the time of an accident or "occurrence" covered by this Policy there is any other insurance that would have attached if this insurance had not been effected, and this insurance shall specifically exclude losses covered by such other valid insurance. This insurance shall apply only as excess insurance and in no event as contributing insurance and then only after all such other insurance has been exhausted.

The Insurer acknowledges the existence of any Policies arranged to apply in excess of the insurance provided by this Policy and it is agreed that notwithstanding anything contained in this Condition the insurance provided by such excess Policies shall be considered as excess and non-contributing insurance insofar as the insurance provided under this Policy is concerned and shall be held to attach and cover only after the insurance under this Policy has been exhausted.

- 8. SUBROGATION:** In the event of any payment under this Policy, the Insurer shall be subrogated to the extent of such payment to all the Insured's rights of recovery against any third party except where the amount of settlement exceeds the amount provided in aggregate by this Policy and any other valid and collectible insurance in which case the Insured shall be entitled to all recovery until such excess has been made good to the Insured. The Insured shall execute all papers required and shall do everything necessary within his power to secure such rights.

9. CANCELLATION - TERMINATION:

- (a) This Policy may be terminated;
 - (i) in the event of non-payment of premium by the Named Insured to the Insurer, by the Insurer giving to the Named Insured 15 days written notice of termination by registered mail or 5 days written notice by personal delivery;
 - (ii) except in the event of termination for non-payment of premium, by the Insurer giving to the Named Insured 30 days written notice of termination by registered mail or personal delivery;
 - (iii) by the Named Insured at any time on written request.

- (b) Where the Policy is terminated by the Insurer;
 - (i) and where the premium is developed on other than an estimated basis, the Insurer will refund the excess of the paid premium for the time the Policy has been in force, calculated pro rata; or
 - (ii) where the premium is developed on an estimated basis, the Insurer will refund the excess of the premium above the premium earned, when determined.
 - (c) Where the Policy is terminated by the Named Insured;
 - (i) and where the premium is developed on other than an estimated basis, the Insurer will refund the excess of the paid premium above the short rate premium for the time the Policy has been in force calculated in accordance with the short rate premium table in use by the Insurer, and except in Quebec, subject to the retention of any minimum retained premium, provided by the Policy; or
 - (ii) where the premium is developed on an estimated basis, the Insurer will refund the excess of the paid premium above the premium earned, when determined, and except in Quebec, subject to the retention of any minimum retained premium, provided by the Policy.
 - (d) Refund of premium may be made by money, postal or express company money order or by cheque payable at par.
 - (e) Except in Quebec, the 15 days or 30 days mentioned above in this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.
 - (f) In Quebec, the Notice of Cancellation from the Insurer takes effect 15 days or 30 days after receipt by the Insured at the last known address.
 - (g) Premium adjustment may be made at the time cancellation is effected and if not then made shall be made as soon as practicable after cancellation becomes effective but payment or tender of unearned premium is not a condition of cancellation.
 - (h) In this condition the expression "paid premium" means premium actually paid by the Insured to the Insurer and does not include all or any part of any premium paid to the Insurer by an Agent unless actually paid to the Agent by the Insured.
10. **WAIVER:** No notice to any Agent or knowledge possessed by any Agent or by any other person shall be held to effect a waiver or change in any part of this Policy. The terms of this Policy shall not be waived or changed except by endorsement issued to form a part of this Policy.
11. **ASSIGNMENT:** Assignment of interest under this Policy shall not bind the Insurer until their consent is endorsed on this Policy, except through change of title by succession, death or proceedings under any bankruptcy act.
12. **SPECIAL STATUTES:** If any condition of this Policy, relating to limitation of time for notice of accident or for instituting legal proceedings, is at variance with any specific statutory provision in the province in which the accident occurs such statutory provision shall be substituted for such condition.
13. **CROSS LIABILITY and SEPARATION OF INSURED:** The insurance as is afforded by this Policy shall apply in respect to any claim or action brought against any one Insured by any other Insured. The coverage shall apply in the same manner and to the same extent as though a separate Policy had been issued to each Insured. The inclusion under this Policy of more than one Insured shall not operate to increase the limit of liability under this Policy.
Any breach of a condition of this Policy by any Insured shall not affect the protection given by this Policy to any other Insured who is not, or was not, a party to such breach of condition.

14. DEDUCTIBLE CLAUSE:

Coverage A

The Insured shall pay the amount stated in the Declarations for this form as Deductible or Deductible - U. S. Claims for each and every claim under Insuring Agreement 1(c) ("Property Damage"). If more than one claim arises or results from a single "occurrence", the deductible amount shall only apply once.

Coverage D

The amount stated in the Declarations for this form as Deductible shall be deducted from the amount of each claim covered under the terms of this Form and the Insurer shall be liable for loss only in excess of that amount. However, this deductible shall not be applied to claims arising out of the perils of fire, "explosion", smoke and sprinkler leakage.

The terms of the Policy, including those with respect to notice of accident or "occurrence" and the Insurer's right to investigate, negotiate and settle any claim or suit, apply irrespective of the application of the deductible amount.

The Insurer may pay part or the entire 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.

15. REIMBURSEMENT CLAUSE: Applicable to COVERAGE A

In the event a claim payment is made by the Insurer, the Insured shall reimburse the Insurer with respect to all claims, legal fees and adjusting expenses combined in any one accident or "occurrence", up to the Deductible amount stated in the Declarations for this form as **Reimbursement** or **Reimbursement – US Claims**, and the Insurer shall only be liable for loss, damage or expense in excess of that amount.

The terms of the Policy, including those with respect to notice of accident or "occurrence" and the Insurer's right to investigate, negotiate and settle any claim or suit, apply irrespective of the application of the reimbursement.

16. CURRENCY CLAUSE: All Limits of Liability and amounts of insurance in the Declarations are in Canadian currency.



Intact Insurance Company

Earthquake Shock Endorsement

This endorsement modifies insurance provided under the following:

Commercial Building and Contents Broad Form (BF02)
Commercial Building and Contents Named Perils Form (NP02)
Residential Condominium Corporation Broad Form (BF12)
Builders' Risk Broad Form (BF03)
Builders' Risk Named Perils (NP03)
Business and Professional Services Edge Advantage (Property) Form BF41
Graphic Trades Edge Advantage (Property) Form BF43
Manufacturers Edge Advantage (Property) Form BF40
Oil & Gas Lease Property Form BF35
Real Estate Edge Advantage (Property) Form BF44
Warehouse Edge Advantage (Property) Form BF45
Wholesalers Edge Advantage (Property) Form BF42
Farm owners Broad Form 702L-F
Farm owners Comprehensive Form 703LF
Private Dwelling Fire and Extended Coverage 706E-L
Farm Mobile Home Comprehensive Form 803L-F
Farm Mobile Home Broad Form 802L-F
Seasonal Homeowners Broad Form 801L
Seasonal Dwelling Building and or Contents Form - Fire and Extended Coverage's (Farm) 707LF

1. Insured Peril

This insurance is extended to include "earthquake".

2. Deductible

The Insurer is liable for the amount by which the loss or damage caused by "earthquake" exceeds the amount of the deductible specified on the "Declarations Page" for this endorsement in any "earthquake occurrence".

If a percentage deductible is specified, the amount of the deductible shall be that percentage of the amount of insurance for each item separately as specified on the "Declarations Page". If any such item shall insure two or more buildings and/or contents, this deductible clause shall be applied separately to each building, and/or contents.

If both an amount and a percentage are specified on the "Declarations Page", whichever deductible is greater shall apply.

This deductible clause supersedes the provisions of any other deductible clause stated elsewhere in the policy.

3. Exclusions

This endorsement does not cover loss or damage caused directly or indirectly by any of the following perils whether or not caused by or attributable to "earthquake":

- (a) fire, explosion, or smoke;
- (b) leakage from "fire protective equipment";
- (c) theft, or vandalism and malicious acts;
- (d) flood, including "surface water", waves, tides, tidal waves, tsunamis, or the breaking out or overflow of any natural or artificial body of water, waterborne objects or ice.

4. Extension of Coverage

The Insurer shall be liable for loss of or damage to the insured property caused by wind, hail, rain or snow entering a building through an opening in the roof or walls directly resulting from "earthquake".

5. Definitions

- (a) "Earthquake" includes snowslide, landslide, or other earth movements occurring concurrently with and directly resulting from an earthquake shock.
- (b) "Earthquake occurrence" means all earthquake shocks which occur within 168 consecutive hours, commencing during the policy period on or after the effective date of this endorsement. The expiration of this policy will not reduce the 168 hour period.
- (c) "Surface water" means water or natural precipitation temporarily diffused over the surface of the ground.

Except as otherwise provided in this extension all terms and conditions of this policy shall remain unchanged.



Intact Insurance Company

Profits Actual Loss Sustained

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN THE DEFINITIONS SECTION OF THIS FORM.

1. INDEMNITY AGREEMENT

This Form insures against loss directly resulting from necessary interruption of the Insured's business caused by direct physical loss or direct physical damage by the insured perils, to building(s), equipment or stock on the "premises" specified in the Declaration Page(s), occurring during the term of the policy.

2. MEASURE OF RECOVERY

The insurance under this Form is limited to the Actual Loss Sustained 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 Special 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 an insured peril, 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 insured perils.

3. SPECIAL 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 the Insured's 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 under this Form 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) On the happening of any destruction or damage by an insured peril in consequence of which a claim is made 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 would be reasonably practicable to minimize or check any interruption of or interference with the business or to avoid or diminish the loss.

4. EXTENSIONS OF COVERAGE

Unless otherwise specified by special endorsement to the contrary, and subject to all other terms and conditions of this Form, coverage is extended to include:

- (a) Interruption by Civil Authority – The actual loss as insured hereunder during the period of time, not exceeding two weeks, while access to the “premises” described in the Declaration Page(s) is prohibited by order of civil authority, but only when such order is given as a direct result of direct physical loss or direct physical damage to neighbouring premises by a peril insured against under this policy.
- (b) Alterations, additions and acquired locations – The insurance under this form extends to cover the reduction in “turnover” resulting from loss or destruction of or damage to any alteration or addition to an existing building at the described “premises”, or from loss or destruction of or damage to any acquired location that is insured under this Policy.
- (c) Professional Fees – The Insurer will pay up to a maximum of \$5,000 for necessary and reasonable fees paid to professionals for producing and certifying any information that may be required by the Insurer in order to arrive at the loss payable under this form. Coverage does not include the fees and cost of any of the Insured's employees or of public adjusters.

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

5. SPECIAL EXCLUSION

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

6. PERMISSION

Permission is granted:

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

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. VERIFICATION OF VALUES

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

9. DEFINITIONS

Wherever used in this Form:

- (a) "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.
- (b) "Indemnity Period" means,
the period beginning with the occurrence of an insured peril and ending no later than 12 months after the occurrence of an insured peril, 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 are damaged or destroyed by the insured perils, the length of time for which the Insurer shall be liable under this Form shall not exceed:
 - (i) 30 consecutive calendar days after the occurrence of such destruction or damage; or
 - (ii) the length of time that would be required to rebuild, repair or replace such other property insured hereby as has been damaged or destroyed;whichever is the greater length of time.
- (c) "Insured Standing Charges" means,
all standing charges unless otherwise specified in the Declaration Page(s) in which case only those standing charges so specified are insured.
In no event shall the following be deemed to be standing charges:
 - (i) depreciation of stock;
 - (ii) bad debts.
- (d) "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" specified in the Declaration Page(s) after due provision has been made for all standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.
- (e) "Premises" means,
the entire area within the property lines at the location(s) specified in the Declaration Page(s), including areas under adjoining sidewalks and driveways.
- (f) "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 an insured peril.
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 insured perils 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 insured perils would have been obtained during the relative period after the destruction or damage by insured perils.
- (g) "Standard Turnover" means,
the "turnover" during that period in the 12 months immediately before the date of the destruction or damage by insured perils 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 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.

- (h) "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" specified in the Declaration Page(s).