

**Form #HB003 (Rev. March 21, 2014)**  
**Manufacturers Errors and Omissions Extension Endorsement (Claims Made)**

Attaching to and forming part of Form # HB001 Manufacturers and Wholesalers GL (Rev 15 March 2014)

It is hereby understood and agreed as follows:

This is a claims made form. The coverage afforded under this extension is limited to liability for only those Claims that are first made against the Insured and reported to Underwriters while the Insurance is in force.

The Limit of Liability available to pay Damages shall be reduced and may be completely exhausted by payment of Claims Expenses. Damages and Claims Expenses shall be applied against the Deductible.

The Underwriters agree to pay on behalf of the Insured Damages and Claims Expenses which the Insured shall become legally obligated to pay because of any Claim or Claims first made against any Insured and reported to the Underwriters during the Period of Insurance, arising out of any error or omission of the Insured in rendering or failing to render Professional Services or advice for those services performed by or on behalf of the Insured in relation to the manufacture, sale, handling or distribution of the Insured's products.

However, this extension shall not apply in respect of;

- 1) Damage to any work completed by or on behalf of the Insured or damage to the Insured's products;
- 2) Product recall;
- 3) Claims arising in the United States of America.

The coverage under this Insurance does not apply to Damages or Claims Expenses incurred with respect to;

- (a) Any Claim arising out of any criminal, dishonest, fraudulent or malicious error or omission of any Insured, committed with actual, criminal act, dishonest, fraudulent or malicious purpose or intent;
- (b) Any Claim by one Insured under this Insurance against another Insured under this Insurance;
- (c) Any Claim for personal injury, including but not limited to bodily injury, mental anguish or sickness, disease or death of any person, unless arising out of an error or omission of the Insured, or to injury to or destruction of any tangible property, including the loss of use thereof;
- (d) Any Claim arising out of the insolvency or bankruptcy of any Insured or of any other entity including but not limited to the failure, inability, or unwillingness to pay Claims, losses, or benefits due to the insolvency, liquidation or bankruptcy of any such individual or entity;
- (e) Any Claim arising out of any Insured's activities as trustee, partner, officer, director or employee of any employee trust, charitable organisation, corporation, company or business other than that of the Named Insured;
- (f) Any Claim made by or against or in connection with any business enterprise (including the ownership, maintenance or care of any property in connection therewith), not named in the Declarations, which is owned by any Insured or which any Insured is a trustee, partner, officer, director or employee;
- (g) Any Claim arising out of errors and omissions that took place prior to the effective date of this Insurance, if any Insured on the effective date knew or could have reasonably foreseen that such errors or omissions might be expected to be the basis of a Claim;
- (h) Any Claim arising out of or relating to any liability assumed by any Insured under any contract or agreement, whether written or oral, including but not limited to any express warranties or guarantees, or estimates of cost, unless such liability would have attached to the Insured in the absence of such agreement;
- (i) Any Claim arising out of product recall;
- (j) Any punitive or exemplary damages, any damages which are a multiple of compensatory damages, fines, sanctions or penalties, or the return of or reimbursement of fees, costs or expenses charge by any Insured;
- (k) Any Claim or circumstance which might lead to a Claim in respect of which any Insured has given notice to the insurer of any other policy in force prior to the effective date of this Policy;
- (l) Any Claim arising out of libel and slander or other defamatory or disparaging material, or a publication or an utterance in violation of an individual's right of privacy;
- (m) Any Claim arising out of plagiarism, infringement of copyright or trademark or patent;
- (n) Any Claim arising out of discrimination including but not limited to discriminatory employment practices;
- (o) Any Claim arising from the failure to buy or maintain any form of insurance, suretyship or bond;
- (p) Any Claim arising directly or indirectly out of:
  - a. The actual alleged or threatened discharge, dispersal, release or escape or failure to detect the presence of "pollutants" including but not limited to solid, liquid, gaseous or thermal irritants or contaminants, including asbestos, smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste (waste includes materials to be recycled, reconditioned or reclaimed).
  - b. Any governmental or regulatory directive or request that the Insured or anyone acting under its direction or control test for, monitor, clean up, remove, contain, treat, detoxify or neutralise said "pollutants".
- (q) Any Claim arising out of failure to pay any bond, interest on any bond, any debt, financial guarantee or debenture;
- (r) Any Claim arising out of any actual or alleged commingling of or inability or failure to pay, collect or safeguard funds;
- (s) Any Claim arising out of or based upon a loss alleged to have been sustained through fluctuation in the market value of any security or property including real property;
- (t) Damage to any work completed by or on behalf of the Insured or damage to the Insured's products.

This extension only applies to errors or omissions which take place in Canada, its territories and possessions.

The maximum amount Insurers will pay under this endorsement shall be limited to limit as stated in the Declaration Page for any one Claim and in the aggregate during any one Period of Insurance and subject to a deductible of limit stated in the Declaration Page each and every claim.

Nothing herein contained shall vary, alter or extend any provision or condition of the Policy other than as above stated.