

Form #DOP063 (Rev. August 26, 2016)
2SMART - Package Policy For Non-Profit Groups

COMMERCIAL GENERAL LIABILITY SECTION – OCCURRENCE BASIS

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered. The word 'Insured' means any person or organization qualifying as such under SECTION II – WHO IS AN INSURED. Other words and phrases that appear in quotation marks have special meaning.

SECTION I – COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

This insurance applies only when an Each Occurrence Limit is indicated in the Declarations Page.

1. Insuring Agreement.

- (a) The Insurer will pay those sums that the Insured becomes legally obligated to pay as "damages" because of "bodily injury" or "property damage" to which this insurance applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS -COVERAGES A, B AND D. This insurance applies only to "bodily injury" and "property damage" which occurs during the policy period. The "bodily injury" or "property damage" must be caused by an "occurrence". The "occurrence" must take place in the "coverage territory". The Insurer will have the right and duty to defend any "action" seeking those damages but:
- (1) The amount the Insurer will pay for damages is limited as described in SECTION III -LIMITS OF INSURANCE.
 - (2) The Insurer may investigate and settle any claim or "action" at our discretion; and
 - (3) The Insurer's right and duty to defend end when the Insurer has used up the applicable limit of insurance in the payment of judgements or settlements under Coverages A, B or D or Medical Expenses under Coverage C.
- (b) Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".
- (c) "Property damage" that is loss of use of tangible property that is not physically injured shall be deemed to occur at the time of the "occurrence" that caused it.

2. Exclusions.

This insurance does not apply to:

(a) **Expected or Intended Injury**

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

(b) **Contractual Liability**

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

- (1) Assumed in a contract or agreement that is an "insured contract"; or
- (2) That the Insured would have in the absence of the contract or agreement.

(c) **Workers' Compensation and Similar Law**

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

(d) **Employer's Liability**

"Bodily injury" to an employee of the Insured arising out of and in the course of employment by the Insured.

This exclusion applies:

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

This exclusion does not apply:

- (i) To liability assumed by the Insured under an "insured contract"; or
- (ii) To employees on whose behalf contributions are made by or required to be made by the Insured under the provisions of any workers compensation law.

(e) **Automobile**

(1) "Bodily injury" or "property damage" arising out of the ownership, use, operation or entrustment to others by or on behalf of any Insured of:

- (i) Any "automobile";
- (ii) Any motorized snow vehicle or its trailers;
- (iii) Any vehicle while being used in any speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity; or
- (iv) Any vehicle which if it were to be insured would be required by law to be insured under a contract evidenced by a motor vehicle liability policy, or any vehicle insured under such a contract, but this exclusion does not apply to the ownership, use, operation or entrustment to others of machinery, apparatus or equipment mounted on or attached to any vehicle while at the site of the use or operation of such equipment.

(2) "Bodily injury" or "property damage" with respect to which any motor vehicle liability policy is in effect or would be in effect but for its termination upon exhaustion of its limit of liability or is required by law to be in effect.

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

(f) **Watercraft**

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

This exclusion does not apply to:

- (1) A watercraft while ashore on premises the Named Insured owns or rents;
- (2) A watercraft the Named Insured does not own that is:
 - (i) Less than 8 metres long; and
 - (ii) Not being used to carry persons or property for a charge.
- (3) "Bodily injury" to an employee of the Insured on whose behalf contributions are made by, or required to be made by, the Insured under the provisions of any workers' compensation law.

(g) **Aircraft**

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

- (i) Any aircraft; or

- (ii) Any air cushion vehicle.
- (2) "Bodily injury" or "property damage" arising out of the ownership, existence, use, operation or entrustment to others by or on behalf of any Insured of any premises for the purpose of an airport or aircraft landing area and all operations necessary or incidental thereto.
- (h) **Property damage**
 "Property damage" to:
 - (1) Property owned or occupied by or rented to the Insured;
 - (2) Premises the Insured sells, gives away or abandons, if the "property damage" arises out of any part of those premises;
 - (3) Property loaned to the Insured;
 - (4) Personal property in the Insured's care, custody or control
 - (5) That particular part of real property on which the Insured or any contractor or subcontractor working directly or indirectly on the Insured's behalf is performing operations, if the "property damage" arises out of those operations; or
 - (6) That particular part of any property that must be restored, repaired or replaced because "the Named Insured's work" was incorrectly performed on it.

Paragraph (2) of this exclusion does not apply if the premises are "the Named Insured's work" and were never occupied, rented or held for rental by the Insured.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard"

- (i) "**Property damage**" to "the Named Insured's product" arising out of it or any part of it.
- (j) "**Property damage**" to "the Named Insured's work" arising out of it or any part of it and included in the "products-completed operations hazard".
 This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on the Insured's behalf by a subcontractor.
- (k) **Damage To Impaired Property or Property Not Physically Injured**
 "Property damage" to "impaired property" or property that has not been physically injured, arising out of:
 - (1) A defect, deficiency, inadequacy or dangerous condition in "the Named Insured's product" or "the Named Insured's work"; or
 - (2) A delay or failure by the Insured or anyone acting on the Insured's behalf to perform a contract or agreement in accordance with its terms.
 This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "the Named Insured's product" or "the Named Insured's work" after it has been put to its intended use.
- (l) **Recall of Products, Work or Impaired Property**
 Any loss, cost or expense incurred by the Insured or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:
 - (1) "The Named Insured's product";
 - (2) "The Named Insured's work"; or
 - (3) "Impaired property";
 if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.
- (m) **Pollution Liability** -See Common Exclusions.
- (n) **Nuclear Liability** -See Common Exclusions.
- (o) **War Risks** -See Common Exclusions.
- (p) **Medical Malpractice Injury** -See Common Exclusions.
- (q) **Asbestos** -See Common Exclusions.
- (r) **Fungi or Spores** -See Common Exclusions.
- (s) **Terrorism** -See Common Exclusions.
- (t) **Professional Liability** -See Common Exclusions.

COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY

This insurance applies only when a Personal and Advertising Injury Limit is indicated on the Declarations Page.

1. Insuring Agreement.

- (a) The Insurer will pay those sums that the Insured becomes legally obligated to pay as damages because of "personal injury and advertising injury" to which this insurance applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS -COVERAGES A, B AND D. The Insurer will have the right and duty to defend any "action" seeking those damages but:
 - (1) The amount the Insurer will pay for damages is limited as described in SECTION III -LIMITS OF INSURANCE;
 - (2) The Insurer may investigate and settle any claim or "action" at our discretion; and
 - (3) The Insurer's right and duty to defend end when the Insurer have used up the applicable limit of insurance in the payment of judgements or settlements under Coverages A, B or D or medical expenses under Coverage C.
- (b) This insurance applies to "personal and advertising injury" only if caused by an offence:
 - (1) Committed in the "coverage territory" during the policy period; and
 - (2) Arising out of the conduct of the Named Insured's business, excluding advertising, publishing, broadcasting or telecasting done by or for the Named Insured.

2. Exclusions.

This insurance does not apply to "personal and advertising injury":

- (1) **Material Published with Knowledge of Falsity**
 Arising out of electronic, oral or written publication of material, if done by or at the direction of the Insured with knowledge of its falsity.
- (2) **Material Published Prior to Policy Period**
 Arising out of electronic, oral or written publication of material whose first publication took place before the beginning of the policy period.
- (3) **Criminal Acts**
 Arising out of the wilful violation of a penal statute or ordinance committed by or with the consent of the Insured.
- (4) **Contractual Agreement**
 For which the Insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the Insured would have in the absence of the contract or agreement.
- (5) **Offence Related to Employment**

Sustained by any person as a result of an offence directly or indirectly related to the employment of such person by the Named Insured.

- (6) **Breach of Contract**
"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".
- (7) **Quality or Performance of Goods – Failure to Conform to Statements**
"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any electronic, oral, written or other representation or warranty of durability, fitness or quality of performance made in your "advertisement".
- (8) **Wrong Description of Prices**
"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services state in the Named Insured's "advertisement".
- (9) **Insureds in Media and Internet Type Businesses**
"Personal and advertising injury" committed by an Insured whose business is advertising, broadcasting, publishing or telecasting. This exclusion does not apply to offences (a) and (c) of Item 13 ("Personal and Advertising Injury"), Section V, Definitions.
- (10) **Electronic chatrooms or Bulletin Boards**
"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the Insured hosts, owns, or over which the Insured exercises control.
- (11) **Unauthorized Use of Another's Name or Product**
"Personal and advertising injury" arising out of the unauthorized use of another's name or product in the Named Insured's email address, domain name or metatag, or any other similar tactics to mislead another's potential customers.
- (12) **Electronic Distribution of Information**
"Personal and advertising injury" arising out of the distribution or display of information, by means of an Internet Web Site, an Intranet, Extranet or similar device or system designed or intended for electronic communication of information.

COVERAGE C. MEDICAL PAYMENTS

This insurance applies only when a Medical Expense Limit is indicated in the Declarations Page.

1. Insuring Agreement.

- (a) The Insurer will pay medical expenses as described below for "bodily injury" caused by an accident:
 - (1) On premises the Named Insured owns or rents;
 - (2) On ways next to premises the Named Insured owns or rents; or
 - (3) Because of the Named Insured's operations;provided that:
 - (i) The accident takes place in the "coverage territory" and during the policy period;
 - (ii) The expenses are incurred and reported to the Insurer within one (1) year of the date of the accident; and
 - (iii) The injured person submits to examination, at the Insurer's expense, by physicians of the Insurer's choice as often as the Insurer reasonably requires.
- (b) The Insurer will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. The Insurer will pay reasonable expenses for:
 - (1) First aid at the time of an accident;
 - (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
 - (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions.

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

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

COVERAGE D. TENANTS' LEGAL LIABILITY

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

1. Insuring Agreement.

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

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

2. Exclusions.

This insurance does not apply to:

- (a) "Property damage" expected or intended from the standpoint of the Insured.
- (b) "Property damage" for which the Insured is obligated to pay by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the Insured would have in the absence of the contract or agreement.
- (c) "Property damage" for wear and tear, gradual deterioration, normal upkeep, latent defect, or inherent vice.
- (d) "Property damage" for the cost of making good:
 - (i) faulty or improper material;

- (ii) faulty or improper workmanship;
 - (iii) faulty or improper design;
- provided, however, to the extent otherwise insured and not otherwise excluded under this policy, resultant "property damage" to the property is insured.
- (e) Pollution Liability – See Common Exclusions.
 - (f) Nuclear Energy Liability -See Common Exclusions.
 - (g) War Risks -See Common Exclusions.

COMMON EXCLUSIONS – COVERAGES A, C AND D

This insurance does not apply to:

1. Nuclear Energy Liability

- (a) to liability imposed by or arising under the Nuclear Liability Act; nor
- (b) to 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 Canadian Nuclear Safety Commission (CNSC) 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; nor
- (c) to bodily injury or property damage resulting directly or indirectly from the nuclear energy hazard arising from:
 - (1) the ownership, maintenance, operation or use of a nuclear facility by or on behalf of an Insured;
 - (2) the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility; and
 - (3) the possession, consumption, use, handling, disposal or transportation of fissionable substances, or of other radioactive material (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an Insured.As used in this policy:
 - (a) The term "nuclear energy hazard" means the radioactive, toxic, explosive, or other hazardous properties of radioactive material;
 - (b) The term "radioactive material" means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances that the Atomic Energy Control Board may, by regulation, designate as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy;
 - (c) The term "nuclear facility" means:
 - (i) 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;
 - (ii) any equipment or device designed or used for
 - (1) separating the isotopes of plutonium, thorium and uranium or any one or more of them,
 - (2) processing or utilizing spent fuel, or
 - (3) handling, processing or packaging waste;
 - (iii) any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the Insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
 - (iv) 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.
 - (d) The term "fissionable substance" means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.

2. War Risks

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

COMMON EXCLUSIONS – COVERAGES A, B, C AND D

This insurance does not apply to:

1. Pollution Liability

- (a) "Bodily injury" or "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, release or escape of pollutants:
 - (1) At or from any premises, site or location which is, or was at any time, owned, managed, rented to others or occupied by an Insured, or rented to an Insured;
 - (2) At or from any premises, site or location which is, or was at any time, used by or for an Insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (3) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for an Insured or any person or organization for whom the Insured may be legally responsible; or
 - (4) At or from any premises, site or location on which an Insured or any contractors or sub-contractors working directly or indirectly on behalf of an Insured are performing operations:
 - (i) if the pollutants are brought on or to the premises, site or location in connection with such operations; or
 - (ii) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effect of pollutants.
- (b) Any loss, cost or expense arising out of any governmental direction or request that an Insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.
- (c) Fines, penalties, punitive or exemplary damages arising directly or indirectly out of the discharge, dispersal, release or escape of any pollutants. Sub paragraphs (1) and (4) (i) of paragraph (a) of this exclusion do not apply to "bodily injury" or "property damage" caused by heat, smoke or fumes from a hostile fire.

As used in this exclusion, a "hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

2. Medical Malpractice Injury

"Bodily injury" (other than Incidental Medical Malpractice Injury) or "property damage" or "personal and advertising injury" due to the rendering of or failure to render any medical service or treatment by any person, firm or corporation causing the Medical Malpractice Injury who is engaged in the business or occupation of providing any medical services or treatment.

Incidental Medical Malpractice Injury means "bodily injury" arising out of the rendering of or failure to render, during the policy period, the following services:

- (1) medical surgical, dental, x-ray or nursing services or treatment or the furnishing of food or beverages in connection therewith; or
 - (2) the furnishing or dispensing of drugs or medical dental or surgical supplies or appliance;
- by any Insured or any Indemnitee causing the Incidental Medical Malpractice Injury who is not engaged in the business or occupation of providing of the services described in (1) and (2) above.

3. Asbestos

"Bodily injury", "property damage", "personal injury" related to or arising from any actual or alleged liability for any legal remedy of any kind whatsoever (including but not limited to damages, interest, mandatory or other injunctive relief, statutory orders or penalties, legal or other costs, or expenses of any kind) in respect of actual or threatened loss, damage, cost or expense directly or indirectly caused by, resulting from, in consequence of or in any way involving, asbestos or any materials containing asbestos in whatever form or quantity.

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

4. Fungi or Spores

- (a) "Bodily injury", "property damage", "personal injury" or Medical Payments or any other cost, loss or expense incurred by others, arising directly or indirectly, from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any "fungi" or "spore(s)" 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 "spore(s)"; or
- (b) Any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with (a) above; or
- (c) Any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in (a) or (b) above.

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

This exclusion shall not apply to "bodily injury" or "property damage" which results directly from a "products-completed operations hazard" not otherwise excluded by this policy subject to the following limits:

| | |
|----------------------------------|-----------|
| Each Occurrence: | \$250,000 |
| Fungi Liability Aggregate Limit: | \$250,000 |

This endorsement does not apply to any "fungi" or "spores" that are, are on, or are contained in "The Named Insured's product", if "The Named Insured's product" is intended for ingestion by humans or animals and is included in the "products-completed operations hazard".

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

- (a) "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 "spore(s)" or resultant mycotoxins, allergens, or pathogens.
- (b) "Spore(s)" includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".

5. Terrorism

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

"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.

6. Professional Liability

"Bodily injury" (other than "Incidental Medical Malpractice Injury") or "property damage" or "personal injury" due to the rendering of or failure to render any professional service which shall include but not be limited to:

- (a) any service or treatment conducive to health or of a professional nature;
- (b) any service including opinions or counselling;
- (c) the preparation or approval of maps, drawings, plans, opinions, reports, surveys, change orders, designs or specifications;
- (d) supervisory, inspection, architectural or engineering services;
- (e) accountant's, lawyer's, real estate broker's or agent's, insurance broker's or agent's, travel agent's, financial institution's, or consultant's professional advices or activities;
- (f) any computer hardware or software servicing, programming or re-programming, data entry or data processing, consulting, advisory or related services; or
- (g) any services meant to address any Electronic date recognition issues.

7. Host Liquor License Liability

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising from or attributable to the service or presence of liquor or intoxicating beverages or intoxicating substances, including any liability resulting or arising directly or indirectly from liquor licensing laws, liquor control laws, or similar laws.

8. Sexual Abuse

Any claims which are caused by, arise out of or are resulting from any actual, threatened, or alleged "sexual abuse and/or molestation" committed or alleged to have been committed is hereby excluded absolutely from the policy.

"Sexual Abuse and/or molestation" means any or all of the following:

- sexual misconduct

- psychological, emotional or mental abuse of a sexual nature
- molestation
- sexual harassment

SUPPLEMENTARY PAYMENTS – COVERAGES A, B AND D

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

- (a) All expenses the Insurer incurs.
- (b) The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. The Insurer does not have to furnish these bonds.
- (c) All reasonable expenses incurred by the Insured at the Insurer's request to assist the Insurer in the investigation or defence of the claim or "action", including actual loss of earnings up to \$100 a day because of time off from work.
- (d) All costs taxed against the Insured in the "action" and any interest accruing after entry of judgement upon that part of the judgement which is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

SECTION II – WHO IS AN INSURED

1. If the Named Insured is designated in the Declarations Page as:
 - (a) An individual, the Named Insured and the Named Insured's spouse are Insureds, but only with respect to the conduct of a business of which the Named Insured is the sole owner.
 - (b) A partnership, limited liability partnership or joint venture, the Named Insured is an Insured. The Named Insured's members, the Named Insured's partners, and their spouses are also Insureds, but only with respect to the conduct of the Named Insured's business.
 - (c) A limited liability company, the Named Insured is an Insured. The named Insured's members are also Insureds, but only with respect to the conduct of the Named Insured's business.
 - (d) An organization other than a partnership limited liability partnership, joint venture or limited liability company, the Named Insured is an Insured. The Named Insured's "executive officers" and directors are Insureds, but only with respect to their duties as the Named Insured's officers or directors. The Named Insured's stockholders are also Insureds, but only with respect to their liability as stockholders.
 - (e) A trust, the Named Insured is an Insured.
 2. Each of the following is also an Insured:
 - (a) The Named Insured's "volunteer workers" only while performing duties related to the conduct of the Named Insured's business or the Named Insured's employees, other than the Named Insured's "executive officers" (if the Named Insured is an organization other than a partnership, limited liability partnership, joint venture or limited liability company) or the named Insured's manager (if the Named Insured is a limited liability company), but only for acts within the scope of their employment by the Named Insured or while performing duties related to the conduct of the Named Insured's business but this insurance shall not apply to the liability of a "volunteer worker" or an "employee" of the Named Insured for:
 - (1) (a) "Bodily injury" or "personal and advertising injury" to the Named Insured, to the Named Insured's members (if the Named Insured is a limited liability company) or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of the Named Insured's business, or to the Named Insured's other "volunteer workers" while performing duties related to the conduct of the Named Insured's business; or
 - (b) To the spouse, child, parent, brother or sister of the co-"employee" or "volunteer worker" as a consequence of Paragraph (1) (a) above;
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above;
 - (d) Arising out of the Named Insureds' providing or failing to provide professional health care services; or
 - (e) To any person who at the time of injury is entitled to benefits under any workers' compensation or disability benefits law or a similar law.
 - (2) "Bodily injury" or "personal and advertising injury" to any person who at the time of injury is entitled to benefits under any workers' compensation or disability benefits law or a similar law; or
 - (3) "Bodily injury" or "personal and advertising injury" arising out of his or her providing or failing to provide professional health care services; or
 - (4) "Property damage" to property owned, occupied or used by or rented or loaned to, in the care, custody or control of or over which physical control is being exercised for any purpose by that "employee", any of the Named Insured's other "employees", the Named Insured or "volunteer worker" or any of the Named Insured's partners or members (if the Named Insured is a partnership, limited liability partnership or joint venture) or any member (if the named Insured is a limited liability company).
 - (b) Any person (other than the Named Insured's "employee" or "volunteer worker"), or any organization while acting as the named Insured's real estate manager.
 - (c) Any person or organization having proper temporary custody of the Named Insured's property if the Named Insured dies, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until the Named Insured's legal representative has been appointed.
 - (d) The Named Insured's legal representative if the Named Insured dies, but only with respect to duties as such. That representative will have all the Named Insured's rights and duties under this policy.
3. Any organization the Named Insured newly acquires or forms, other than a partnership limited liability partnership or joint venture or limited liability company, and over which the Named Insured maintains ownership or majority interest, will be deemed to be a Named Insured if there is no other similar insurance available to that organization. However:
 - (a) Coverage under this provision is afforded only until the 90th day after the Named Insured acquires or forms the organization or the end of the policy period, whichever is earlier;
 - (b) Coverages A and D do not apply to "bodily injury" or "property damage" that occurred before the Named Insured acquired or formed the organization; and
 - (c) Coverage B does not apply to "personal and advertising injury" arising out of an offence committed before the Named Insured acquired or formed the organization.No person or organization is an Insured with respect to the conduct of any current or past partnership or joint venture, limited liability partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations Page or added by endorsement hereon.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance stated in the Declarations Page and the rules below fix the most the Insurer will pay regardless of the number of:
 - (a) Insureds;
 - (b) Claims made or "actions" brought; or
 - (c) Persons or organizations making claims or bringing "actions".

2. The Aggregate Limit is the most the Insurer will pay under Coverage A for the sum of all damages arising out of the "products-completed operations hazard" in any one period of twelve months terminating on an anniversary of the inception date of the policy.
3. Subject to 2 above, the Each Occurrence Limit is the most the Insurer will pay for the sum of:
 - (a) Damages under Coverage A; and
 - (b) Medical expenses under Coverage C; because of all "bodily injury" and "property damage" arising out of any one "occurrence".
4.
 - (a) If a deductible amount is shown in the Declarations Page, then subject to 3 above, the Insurer's obligation under Coverage A to pay as damages because of "bodily injury" or "property damage" applies only to the amount of damages in excess of the deductible amount stated in the Declarations Page. The limits of insurance applicable to each "occurrence" for "bodily injury" and "property damage" liability will be reduced by the amount of such deductible. The Aggregate Limit for such coverages shall not be reduced by the application of such deductible amounts.
 - (b) The deductible amount applies to all damages because of "property damage" sustained by any one person or organization as the result of any one "occurrence".
 - (c) The deductible amount in the Declarations Page specifies a deductible on a "per claim" or "per occurrence" basis. In the event of a "per claim" deductible, if more than one claim arises out of the same "occurrence", then the deductible amount shall be applied to each claim separately. In the event of a "per occurrence" deductible, then the deductible amount shall be applied once to each "occurrence" regardless of the number of claimants involved.
 - (d) If a reimbursement amount is shown in the Declarations Page, then subject to 3 above, the Insurer's obligation under Coverage A to pay as damages because of "bodily injury" or "property damage" and as supplementary payments applies only to the amount of damages and supplementary payments in excess of the reimbursement amount stated in the Declarations Page. The limits of insurance applicable to each "occurrence" for "bodily injury" and "property damage" liability will be reduced by the amount of such deductible. The Aggregate Limit for such coverages shall not be reduced by the application of such deductible amounts.
 - (e) The Insured shall reimburse the Insurer up to the reimbursement amount shown in the Declarations Page with respect to all claims, legal fees and adjusting expenses combined in any one "occurrence," and the Insurer shall be liable only for loss, damage or expense in excess of that amount.
5. The Personal and Advertising Injury Limit is the most the Insurer will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
6. Subject to 3 above, the Medical Expense Limit is the most the Insurer will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.
7. The Tenants' Legal Liability Limit is the most the Insurer will pay under Coverage D for damages because of "property damage" to any one premises.
 - (a) The Insurer's obligation under Coverage D, to pay as damages because of "property damage" applies only to the amount of damages in excess of the deductible amount stated in the Declarations Page. The limit of insurance applicable to any one premises for Tenants' Legal Liability will be reduced by the amount of such deductible.
 - (b) The deductible amount applies to all damages because of "property damage" as the result of any one "occurrence".
8. The terms of this insurance, including those with respect to:
 - (a) the Insurer's right and duty to defend any "action" seeking those damages; and
 - (b) the duties of an Insured in the event of an "occurrence", claim or "action" apply irrespective of the application of the deductible amount.
9. The Insurer may pay any part or all of the deductible amount to effect settlement of any claim or "action" and, upon notification of the action taken, the Named Insured shall promptly reimburse the Insurer for such part of the deductible amount as has been paid by the Insurer.

The limits of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations Page, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. **Bankruptcy.**

Bankruptcy or insolvency of the Insured or of the Insured's estate will not relieve the Insurer of the Insurer's obligations under this policy.
2. **Canadian Currency Clause.**

All limits of insurance, premiums and other amounts as expressed in this policy are in Canadian currency.
3. **Cancellation.**
 - (a) The first Named Insured shown in the Declarations Page may cancel this policy by mailing or delivering to the Insurer advance written notice of cancellation.
 - (b) The Insurer may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - (1) Fifteen (15) days before the effective date of cancellation if the Insurer cancels for non-payment of premium; or
 - (2) Thirty (30) days before the effective date of cancellation if the Insurer cancels for any other reason.Except in Quebec, if notice is mailed, cancellation takes effect fifteen (15) or thirty (30) days after receipt of the letter by the post office to which it is addressed, depending upon the reason for cancellation.
In Quebec, the Insurer's notice of cancellation takes effect either fifteen (15) or thirty (30) days after receipt of the notice at the last known address of the first Named Insured, depending upon the reason for cancellation.
 - (c) The Insurer will mail or deliver the Insurer's notice to the first Named Insured's last mailing address known to the Insurer.
 - (d) The policy period will end on the effective date of cancellation.
 - (e) If this policy is cancelled, the Insurer will send the first Named Insured any premium refund due. If the Insurer cancels, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if the Insurer has not made or offered a refund.
 - (f) If notice is mailed, proof of mailing will be sufficient proof of notice.
4. **Changes.**

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

5. Duties in the Event of Occurrence, Claim or Action.

- (a) The Named Insured must ensure that the Insurer is notified promptly of an "occurrence" which may result in a claim. Notice should include:
- (1) How, when and where the "occurrence" took place; and
 - (2) The names and addresses of any injured persons and of witnesses.
- (b) If a claim is made or "action" is brought against any Insured, the Named Insured must ensure that the Insurer receives prompt written notice of the claim or "action".
- (c) The Named Insured and any other involved Insured must:
- (1) Immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with the claim or "action";
 - (2) Authorize the Insurer to obtain records and other information;
 - (3) Cooperate with the Insurer in the investigation, settlement or defence of the claim or "action"; and
 - (4) Assist the Insurer, upon the Insurer's request, in the enforcement of any right against any person or organization which may be liable to the Insured because of injury or damage to which this insurance may also apply.
- (d) No Insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without the Insurer's consent.

6. Examination of The Named Insured's Books and Records.

The Insurer may examine and audit the Named Insured's books and records as they relate to this policy at any time during the policy period and up to three years afterward.

7. Inspections and Surveys.

The Insurer has the right but is not obligated to:

- (a) Make inspections and surveys at any time;
- (b) Give the Named Insured reports on the conditions the Insurer finds; and
- (c) Recommend any changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. The Insurer does not make safety inspections. The Insurer does not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public.

And the Insurer does not warrant that conditions:

- (1) Are safe or healthful; or
- (2) Comply with laws, regulations, codes or standards.

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

8. Legal Action Against the Insurer.

No person or organization has a right under this policy:

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

A person or organization may sue the Insurer to recover on an agreed settlement or on a final judgement against an Insured obtained after an actual trial; but the Insurer will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by the Insurer, the Insured and the claimant or the claimant's legal representative. Every "action" or proceeding against the Insurer shall be commenced within one year next after the date of such judgement or agreed settlement and not afterwards. If this policy is governed by the law of Quebec every "action" or proceeding against the Insurer shall be commenced within three years from the time the right of action arises.

9. Other Insurance.

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

(a) Primary Insurance

This insurance is primary except when (b) below applies. If this insurance is primary, the Insurer's obligations are not affected unless any of the other insurance is also primary. Then, the Insurer will share with all that other insurance by the method described in (c) below.

(b) Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

- (1) That is Property Insurance such as, but not limited to, Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "the Named Insured's work" or for premises rented to the Named Insured; or
- (2) If the loss arises out of the maintenance or use of watercraft to the extent not subject to Exclusion (f) of Coverage A (Section 1).

When this insurance is excess, the Insurer will have no duty under Coverage A, B or D to defend any claim or "action" that any other Insurer has a duty to defend. If no other Insurer defends, the Insurer will undertake to do so, but the Insurer will be entitled to all the Insured's rights against all those other Insurers.

When this insurance is excess over other insurance, the Insurer will pay only the Insurer's share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance. The Insurer will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations Page of this policy.

(c) Method of Sharing

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

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

10. Premium Audit.

This clause is applicable only when Premium Audit Adjustment terms are shown in the Declarations Page.

- (a) The Insurer will compute all premiums for this policy in accordance with the Insurer's rules and rates.
- (b) Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period the Insurer will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, the Insurer will return the excess to the first Named Insured subject to the retention of the minimum premium shown in the Declarations Page of this policy.
- (c) The first Named Insured must keep records of the information the Insurer needs for premium computation, and send the Insurer copies at such times as the Insurer may request.

11. Premiums.

The first Named Insured shown in the Declarations Page:

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

12. Representations.

By accepting this policy, the Named Insured agrees:

- (a) The statements in the Declarations Page are accurate and complete;
- (b) Those statements are based upon representations the Named Insured made to the Insurer; and
- (c) The Insurer has issued this policy in reliance upon the Named Insured's representations.

13. Separation of Insureds, Cross Liability.

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

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

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

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

15. Transfer of The Named Insured's Rights and Duties Under this Policy.

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

16. Stacking of Limits

Any claim(s) that is recoverable under any other Liability Policy issued by the Underwriter or issued by the Underwriters Managing General Agent is excluded under this policy.

SECTION V – DEFINITIONS

- 1. **"Action"** means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Action" includes an arbitration proceeding alleging such damages to which the Named Insured must submit or submit with the Insurer's consent.
- 2. **"Advertisement"** means a notice that is broadcast or published to the general public or specific market segments about the Named Insured's goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - (a) Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - (b) Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
- 3. **"Automobile"** means any self-propelled land motor vehicle, trailer or semi-trailer (including machinery, apparatus, or equipment attached thereto) which is principally designed and is being used for transportation of persons or property on public roads.
- 4. **"Bodily Injury"** means bodily injury, mental anguish, sickness or disease sustained by a person, including death resulting from any of these at any time.
- 5. **"Coverage Territory"** means anywhere in the world.
- 6. **"Damages"** means damages due or awarded in payment for Claim(s) but does not include fines, penalties, punitive or exemplary damages, except where required by law.
- 7. **"Employee"** includes a "leased worker" and a "temporary worker".
- 8. **"Executive Officer"** means a person holding any of the officer positions created by the Named Insured's charter, constitution, by-laws or any other similar governing document.
- 9. **"Leased Worker"** means a person leased to the Named Insured by a labour leasing firm under an agreement between the Named Insured and the labour leasing firm, to perform duties related to the conduct of the Named Insured's business. "Leased worker" does not include a "temporary worker".
- 10. **"Impaired Property"** means tangible property, other than "the Named Insured's product" or "the Named Insured's work", that cannot be used or is less useful because:
 - (a) It incorporates "the Named Insured's product" or "the Named Insured's work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - (b) The Named Insured has failed to fulfill the terms of a contract or agreement; if such property can be restored to use by:
 - (i) The repair, replacement, adjustment or removal of "the Named Insured's product" or "the Named Insured's work"; or
 - (ii) The Named Insured's fulfilling the terms of the contract or agreement.

11. "Insured Contract" means:

- (a) A lease of premises;
- (b) A sidetrack agreement;
- (c) An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
- (d) Any other easement agreement;
- (e) An indemnification of a municipality as required by ordinance, except in connection with work for a municipality;
- (f) An elevator maintenance agreement; or
- (g) That part of any other contract or agreement pertaining to the Named Insured's business under which the Named Insured assumes the tort liability of another to pay damages because of "bodily injury" or "property damage" to a third person or organization, if the contract or agreement is made prior to the "bodily injury" or "property damage". Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

12. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

13. "Personal and Advertising Injury" means injury, including consequential "bodily injury", arising out of one or more of the following offences:

- (a) False arrest, detention or imprisonment;
- (b) Malicious prosecution;
- (c) Wrongful entry into, eviction or invasion of the right of private occupancy of a room, dwelling or premises that the person occupies committed by or on behalf of its owner, landlord or lessor;
- (d) Electronic, oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
- (e) Electronic, oral or written publication of material that violates a person's right of privacy.
- (f) The use of another's advertising idea in the "Named Insured's" "advertisement"; or
- (g) Infringing upon another's copyright, trade dress or slogan in the "Named Insured's" "advertisement".

14. "Products-Completed Operations Hazard" includes all "bodily injury" and "property damage" occurring away from premises the Named Insured owns or rents and arising out of "the Named Insured's product" or "the Named Insured's work" except:

- (a) Products that are still in the Named Insured's physical possession; or
- (b) Work that has not yet been completed or abandoned.

"The Named Insured's work" will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in the Named Insured's contract has been completed.
- (2) When all of the work to be done at the site has been completed if the Named Insured's contract calls for work at more than one site.
- (3) When that part of work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

This hazard does not include "bodily injury" or "property damage" arising out of the existence of tools, uninstalled equipment or abandoned or unused materials.

15. "Property Damage" means:

- (a) Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it; or
- (b) Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, "electronic data" is not tangible property.

As used in this definition, "electronic data" means information, facts or programs stored as or on, created or used on or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

16. "Temporary Worker" means a person who is furnished to the Named Insured to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

17. "The Named Insured's Product" means:

- (a) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (1) The Named Insured;
 - (2) Others trading under the Named Insured's name; or
 - (3) A person or organization whose business or assets the Named Insured has acquired; and
- (b) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

"The Named Insured's product" includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in (a) and (b) above.

"The Named Insured's product" does not include vending machines or other property rented to or located for the use of others but not sold.

18. "The Named Insured's Work" means:

- (a) Work or operations performed by the Named Insured or on the Named Insured's behalf; and
- (b) Materials, parts or equipment furnished in connection with such work or operations.

"The Named Insured's work" includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in (a) or (b) above.

19. "Volunteer Worker" means a person who is not the Named Insured's "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by the Named Insured, and is not paid a fee, salary or other compensation by the Named Insured or anyone else for their work performed for the Named Insured.

SECTION VI – DESCRIPTION OF TERMS USED FOR PREMIUM BASES

1. "Area" means the square footage of the buildings to be insured excluding that portion of the basement used exclusively for storage or that portion of the premises used for heating or air conditioning plant purposes.
2. "Cost" means the total cost to any Indemnitee, with respect to any contract which is insured, of all work let or sublet in connection with each specific project, including the cost of all labour, materials and equipment furnished, used or delivered for use in the execution of such work, whether furnished by the owner, contractor or the sub-contractor, including all fees, allowances, bonuses or commissions made, paid or due.
3. "Cost of work" means the total cost of all operations performed for the Named Insured during the policy period by independent contractors, including materials used or delivered for use by whomsoever supplied, except maintenance or ordinary alterations and repairs on premises owned or rented by the Named Insured.
4. "Receipts" means the gross amount of money charged by the Named Insured for such operations as are rated on a receipts basis during the policy period.
5. "Remuneration" means the total earnings during the policy period for each owner, partner, executive officer or employee.
6. "Sales" means the gross amount of money charged for all goods and products sold and distributed by the Named Insured or by others trading under his name during the policy period.

EMPLOYEE BENEFIT PROGRAMS LIABILITY RIDER - The following clauses attach to and form part of this Commercial General Liability Section Agreement

INSURING AGREEMENTS

Coverage

The Insurer agrees, subject to the statements contained in the Declarations, the Special Conditions and Exclusions of this Rider, and the Condition of this Policy, to pay on behalf of the Insured all sums, including prejudgment interest upon that part of the judgment which is within the limits of the Insurer's liability, which the Insured shall become legally obligated to pay to any employee, former employee or beneficiary or his legal representative, for damages resulting from any presented claim during the policy period because of the administration of the Named Insured's employee benefit programs.

Exclusions

This insurance does not apply to any claim:

- a. resulting from deliberate acts done maliciously;
- b. resulting from the failure of performance of contract by an insurer;
- c. resulting from the Insured's voluntary failure to comply with any Worker's compensation, Unemployment Compensation, Social Security or Disability Benefits Law or any similar law;
- d. resulting from failure or securities or investments to perform as represented by the Insured;
- e. based upon advice given by an Insured to participate or not to participate in Stock Subscription Plans;
- f. which, upon the effective date of this Rider, had already been presented to the Insured or which could result from facts or circumstances already known to the Insured and liable to give rise to a claim.
- g. to bodily injury to, or sickness, disease, or death, of any person or to injury to or destruction of any tangible property including the loss of use thereof.

Definitions

Wherever used in this Rider:

1. The unqualified word "Insured" shall include not only the Insured named in the Declarations but also any partner, executive officer, director, stockholder or employee of the Named Insured.
2. The word "Declarations" shall mean the Declarations of the policy.
3. The term "Employee Benefit Programs" shall mean Group Life Insurance, Group Accident or Health Insurance, Pension Plans, Stock Subscription Plans By Employees, Worker's Compensation, Unemployment Insurance, Social Security and Disability Benefits.
4. The unqualified word "Administration" shall mean:
 - i. giving counsel to employees with respect to Employee Benefits Programs;
 - ii. interpreting Employee Benefit Programs;
 - iii. handling of records in connection with Employee Benefit Programs; and
 - iv. admission, eviction or cessation of employees under Employee Benefit Programs.provided all such acts are authorized by the Named Insured.
5. The words "Presented Claim" shall mean any notice by the Insured to the Insurer of any facts or circumstances which may give rise to one or more claims and/or any notice to the Insurer of one or more claims made against the Insured.
6. The word "Loss" shall mean one or more claims resulting from the same circumstance of the same event.

SPECIAL CONDITIONS

Limits of Liability

The liability of the Insurer under this Rider is limited, notwithstanding the number of Insureds involved, **\$1,000,000 each Loss limit** applies.

Subject to the previous paragraph for each loss, the liability of the Insurer is **limited to an AGGREGATE LIMIT of \$1,000,000 all losses**, for the total of all Losses during a policy period and this notwithstanding the number of Insureds involved. If for one Loss there are several claims, they will all be considered as having been presented during the policy period in which the first claim was presented to the Insurer.

Deductible

The deductible amount stated in the Declarations shall be deducted from the amount of each Loss covered under the terms of this Rider, and the Insurer shall be liable for Loss only in excess of that amount.

Form #SPF 6 (Rev. January 21, 2008) - **Non Owned Automobile Rider**

INSURING AGREEMENT

Now, therefore, subject to the limits, terms, conditions, provisions, definitions and exclusions herein stated, and those stated in the Declarations.

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:
 - (1) By any workers' 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 any liability assumed by any person insured by this policy voluntarily under any contract or agreement; or
 - (d) for loss or damage to property carried in or upon an automobile personally driven by any person insured by this policy or to any property owned or rented by, or in the care, custody or control of any such person; or
 - (e) for any amount in excess of the limit stated in the Declarations, and expenditures provided for in the Additional Agreements of this policy; subject always to the provisions of the section of the Insurance Act (Automobile Insurance Part) relating to the nuclear energy hazard.
- *Not applicable in the Province of Ontario.

ADDITIONAL AGREEMENTS OF INSURER

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

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

The Insurer agrees to indemnify in the same manner and to the same extent as if named herein as the Insured, every partner, officer or employee of the Insured who, with the consent of the owner thereof, personally drives (a) in the business of the Insured stated in the Declarations, any automobile not owned in whole or 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 on the Declarations but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

4. Automobiles Operated Under Contract Defined

The term "Automobiles Operated Under Contract" as used in this policy shall mean automobiles operated in the business of the insured stated on the Declarations where the complete supervision, direction and control of such automobiles remain with the owner thereof, but shall not include any automobile owned in whole or in part by or 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.

STATUTORY CONDITIONS

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.

Form #SEF96 (Rev. July 9, 2012) - SEF No. 96 – Contractual Liability Rider

Applicable To The Non-Owned Automobile Policy – S.P.F. No. 6 (for attachment only to a non-owned rider S.P.F.No.6)

It is agreed that exclusion 2.c. of Section A Insuring Agreement of the Policy as shown in S.P.F.No.6 to which this endorsement is attached is amended to read as follows:

- (c) For any liability assumed by and person insured by this Policy voluntarily under any contract or agreement other than those stated below:

All written contracts including any other written agreement assuming the liability of other except:

- (1) Any contract or agreement assuming the legal liability of the automobile owner; and
- (2) Any contract or agreement where in the Insured has assumed liability for the sole negligence of the indemnity.

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

Form # OEF.98B – Reduction of Coverage for Lessees or Driver of Leased Vehicles Endorsement

(For Attachment Only to the Standard Non-Owned Automobile Rider S.P.F. No. 6)

1. Purpose of this endorsement:

This endorsement alters the coverage provided by this policy with respect to claims in Ontario for loss or damage arising directly or indirectly from the use or operation of a motor vehicle that is leased.

2. How the policy coverage is changed:

- a) The Insurer also agrees to pay on behalf of every partner, officer or employee of the Insured who, in the business of the Insured stated in Item 3 of the application, leases an automobile for **a period of not more than 30 days** in their own name, all sums which such partner, officer or employee is legally obligated to pay as a result of liability imposed by law arising from the negligence of the driver of such leased automobile(s).
- b) The insurance provided under this policy with respect to leased automobiles is in excess of the underlying coverage available to the Insured or to the partner, officer or employee of the Insured.
- c) Underlying coverage available to the Insured or to the partner, officer or employee of the Insured includes any motor vehicle liability insurance that is required to respond to the liability of the driver or lessee of the leased automobile.

The terms leased, lease and lessee are used as equivalent to rented, rent and renter.

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

Form #SEF 99 (Rev. Jan. 21, 2008) - Excluding Long Term Leased Vehicle Endorsement
(for attachment only to a Non-Owned Rider S.P.F. No. 6)

In consideration of the premium for which this policy is issued, it is understood and agreed that Item 3 (Hired Automobiles Defined) of 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 the endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect

Form # SEF94 (Rev. July 5, 2012) - SEF No. 94 – Legal Liability for Damage to Automobiles in the Care, Custody, or Control of the Insured. (For attachment only to a Non-Owned Rider SPF No. 6)

In consideration of the premium herein stated, it is understood and agreed that the policy to which this endorsement is attached is extended as follows:

SECTION B – LEGAL LIABILITY FOR DAMAGE TO AUTOMOBILES IN THE CARE, CUSTODY or CONTROL OF THE INSURED

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

Deductible Clause

Each occurrence causing loss or damage covered hereunder except loss or damage caused by fire or lightning or theft of the entire automobile shall give rise to a separate claim in respect of which the **UNDERWRITERS'** liability shall be limited to the amount of loss or damage in excess of the amount deductible, if any, stated.

Two or More AUTOMOBILES

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

Exclusions

The **UNDERWRITERS** 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. for loss or damage:
 - a. to tires or consisting of or caused by mechanical fracture or breakdown of any part of an automobile or by rusting, corrosion, wear and tear, freezing or explosion within the combustion chamber, unless the loss or damage is coincident with other loss or damage covered by such subsection or is caused by fire, theft or malicious mischief covered by such subsection; or
 - b. to any automobile while being used without the consent of the owner thereof; or
 - c. caused directly or indirectly by contamination by radioactive material; or
 - d. to 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 and expenditures provided for in the Additional Agreements of the Policy to which this Endorsement is attached.

Additional Agreement

The **UNDERWRITERS** futher 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.

Limit and Deductible Amount Advanced Premium

| | LIMIT AND DEDUCTIBLE AMOUNT | ADVANCE PREMIUM |
|---------------|--|-----------------|
| 1. ALL PERILS | \$As per policy declaration page (exclusive of interests and costs) any one Accident \$As per policy declaration page Deductible (other than fire, lightning or theft of entire automobile) | \$ Included |

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

PROPERTY SECTION - Broad Form

Commercial Building, Equipment, Stock & Contents, Miscellaneous Property, Gross Rental, Profit Form Coverage

1.A. PROPERTY INSURED

This Form insure's the following property :
"BUILDING"
"EQUIPMENT"
"STOCK"
"CONTENTS OF EVERY DESCRIPTION"
"EXTENSIONS OF COVERAGE" – per ITEM 6

The insurance in this Clause 1.A. applies only while at the location(s) specified in the "Declarations Page".

TOTAL LIMIT OF INSURANCE

The maximum amount of insurance during any one policy period shall not exceed **\$50,000 in the aggregate**, unless an amount is otherwise specified on the "Declarations Page

1.B. INSURING AGREEMENT

APPLICABLE TO ALL PROPERTY AND BUSINESS INTERRUPTION COVERAGES OF THIS POLICY

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

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

- (a) the actual cash value of the property at the time of loss, destruction or damage;
- (b) the interest of the Insured in the property;
- (c) the limit of liability provided by the policy in respect of the property lost, destroyed or damaged.

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

2. DEDUCTIBLE

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

3. CO-INSURANCE

This clause applies separately to each item for which a co-insurance percentage is specified on the "Declarations Page" and only where the total loss exceeds the lesser of 2% of the applicable amount of insurance or five thousand dollars (\$5,000.).

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

4. PERILS INSURED

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

EARTHQUAKE RIDER this rider is extending this policy to include earthquake

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 rider 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 suffering loss or damage as specified on the "Declarations Page".

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

If the amount of insurance specified on the "Declarations Page" applies to more than a single location and a statement of values has been filed and attested to by the Insured, only the declared value for each item at each separate location suffering loss or damage due to an "earthquake" in any "earthquake occurrence" shall be used in the calculation of the applicable deductible.

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

EXCLUSIONS

This rider 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 a watermain or from "fire protective equipment";
- (c) theft, riot, 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.

EXTENSION OF COVERAGE

The Insurer shall be liable for loss 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 an "earthquake".

AGGREGATE LIMIT

If an Aggregate Limit is specified on the "Declarations Page" for this peril then the maximum amount of insurance during any one policy period shall not exceed in the aggregate, the amount of insurance specified on the "Declarations Page" for this rider

DEFINITIONS

"**Earthquake**" includes snowslide, landslide, or other earth movements occurring concurrently with and directly resulting from an earthquake shock.

"**Earthquake occurrence**" means all earthquake shocks that 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.

"**Surface water**" means water or natural precipitation temporarily diffused over the surface of the ground

FLOOD RIDER this rider is extending this policy to include Flood

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 peril in any one "flood occurrence".

This Deductible Clause applies separately to each "premises" to which this rider applies.

EXCLUSIONS

This rider 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 of water from within sewers, sumps, septic tanks, or drains located inside buildings;
- (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 or smoke;
 - (ii) leakage from a watermain or from "fire protective equipment";
 - (iii) theft, riot, vandalism or malicious acts.

EXTENSION OF COVERAGE

The Insurer shall be liable for loss 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 a "flood".

AGGREGATE LIMIT

If an Aggregate Limit is specified on the "Declarations Page" for this rider then the maximum amount of insurance during any one policy period shall not exceed in the aggregate, the amount of insurance specified in the "Declarations Page" for this rider

DEFINITIONS

"**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.

"**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.

"**Surface water**" means water or natural precipitation temporarily diffused over the surface of the ground.

5.A. EXCLUSIONS - PROPERTY EXCLUDED

This Form does not insure loss or damage to:

- (a) Sewers, drains or watermains located beyond the outside bearing walls or foundations of the property insured, outside communication towers, antennae (including satellite receivers) and equipment attached thereto, street clocks, exterior signs, exterior glass or vitrolite and lettering or ornamentation thereon, but this exclusion does not apply to loss or damage caused directly by "Named Perils";
- (b) Property at locations which to the knowledge of the Insured, are vacant, unoccupied or shut down for more than thirty (30) consecutive days;
- (c) Electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing, unless fire or explosion as described in Clause 16 (h) ensues and then only for such ensuing loss or damage;
- (d) Growing plants, trees, shrubs or flowers, all while in the open except as provided in the Extension of Coverage Clause 6(c);
- (e) Animals, fish or birds, but this exclusion does not apply to loss or damage caused directly by "Named Perils" or from theft or attempt thereat;
- (f) Money, bullion, platinum and other precious metals and alloys, securities, stamps, tickets and tokens, 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, but this exclusion shall not apply to watercraft, amphibious or air cushion vehicles held for sale, unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the "Premises" of the Insured;
- (h) Furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, precious and semi-precious stones and pre-recorded video tapes, but this exclusion does not apply to:
 - (i) the first twenty-five hundred dollars (\$2,500.) of any loss insured herein;
 - (ii) any loss or damage caused directly by "Named Perils";
- (i) property insured under the terms of any Marine Insurance, and property while waterborne, except while on a regular ferry or railway car transfer in connection with land transportation;
- (j) property on loan or on rental or sold by the Insured under conditional sale, instalment payment or other deferred payment plan, from the time of leaving the Insured's custody, but this exclusion does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at the risk of the insured;
- (k) property illegally acquired, kept, stored or transported; property seized to confiscated for breach of any law or by order of any public authority;
- (l)
 - (i) any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure;
 - (ii) any boiler, including the piping and equipment connected thereto, which contains steam or water under steam pressure (except tanks having internal diameter of 610 millimetres (24 inches) or less used for the storage of hot water for domestic user);caused directly or indirectly by explosion, rupture, bursting, cracking, burning out or bulging of such property while connected ready or use, but this exclusion does not apply to:
 - (1) manually portable gas cylinders;
 - (2) explosion of natural, coal or manufactured gas;
 - (3) explosion of gas or unconsumed fuel within a furnace or within the gas passages therefrom to the atmosphere.

5.B. PERILS EXCLUDED

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

- (a) by civil commotion, war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- (b) (1) by any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
(2) by contamination by radioactive material;
- (c) (i) by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings, therein, foundations, basement floors, sidewalks, sidewalk lights, or by backing up of sewers, sumps, septic tanks or drains, unless concurrently and directly caused by a peril not otherwise excluded in Clause 5.B. hereof;
(ii) by the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings unless through an aperture concurrently and directly caused by a peril not otherwise excluded in Clause 5.B. hereof;
- (d) by centrifugal force, mechanical or electrical breakdown or derangement in or on the "Premises", unless fire ensues and then only for the loss or damage caused directly by such ensuing fire;
- (e) by dampness or dryness of atmosphere, changes of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, contamination, change of colour or texture or finish, rust or corrosion, marring, scratching or crushing, but this exclusion does not apply to loss or damage caused by directly by "Named Perils", rupture of pipes or breakage of apparatus not excluded under paragraph (l) of Clause 5.A. hereof, theft or attempt thereat or accident to transporting conveyance. Damage to pipes caused by freezing is insured provided such pipes are not excluded in paragraph (l) of Clause 5.A. hereof;
- (f) by smoke from agricultural smudging or industrial operations;
- (g) by rodents, insects or vermin, but this exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded in Clause 5.B. hereof;
- (h) by delay, loss of market, or loss of use or occupancy;
- (i) by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- (j) by any dishonest or criminal act on the part of the Insured or any other party of interest, employees or agents of the Insured, or any person to whom the property may be entrusted (bailees for hire excepted), but this exclusion does not apply to physical damage, caused directly by employees of the Insured, which results from a peril otherwise insured and not otherwise excluded under this form;
- (k) to "Building" by:
 - (i) snowslide, landslide, subsidence or other earth movement, except for ensuing loss or damage which results directly from fire, explosion, smoke or leakage from fire protective equipment, all as described in Clause 16 (h);
 - (ii) explosion (except with respect to explosion of natural, coal, or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured, unless fire ensued and then only for the loss or damage caused directly by such ensuing fire:
 - a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - b) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 - c) other vessels and apparatus and pipes connected therewith while under pressure, or while in use or in operation provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure but this exclusion does not apply to loss or damage resulting from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimetres (24 inches) or less used for the heating and storage of hot water for domestic use;
 - d) moving or rotating machinery or parts thereof;
 - e) any vessels and apparatus and pipes connected therewith while undergoing pressure test but this exclusion does not apply to other property insured hereunder that has been damaged by such explosion;
 - f) gas turbines;
 - (iii) settling, expansion, contraction, moving, shifting or cracking unless concurrently and directly caused by a peril not otherwise excluded in Clause 5.B. hereof;
- (l) 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.
- (m) wear and tear, gradual deterioration, latent defect, inherent vice, or the cost of making good faulty or improper material, faulty or improper workmanship, faulty or improper design, provided, however, to the extent otherwise insured and not otherwise excluded under this Form, resultant damage to the property is insured;
- (n) mysterious disappearance or shortage of "Equipment" or "Stock" disclosed on taking inventory;
- (o) loss or damage sustained to "Equipment" or "Stock" while actually being worked upon or directly resulting therefrom or caused by any repairing, adjusting or servicing of "Equipment" or "Stock", unless fire or explosion as described in Clause 16 (h) ensues and then only for such ensuing loss or damage;
- (p) disturbance or erasure of electronic recordings by electric or magnetic injury except by lightning.
- (q) 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; or the cost or expense for any testing, monitoring, evaluating or assessing of "fungi", or "spores".

Definitions

- (i) "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 "Spore(s)" or resultant mycotoxins, allergens, or pathogens.
 - (ii) "Spore(s)" includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".
- (r) Notwithstanding any provision to the contrary within this Policy or any endorsement thereto it is agreed that this Policy does not insure loss or damage caused directly or indirectly, in whole or in part, by "Terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "Terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage. Where any portion of this exclusion is found to be invalid, unenforceable or contrary to law, statute or regulation, the remainder shall remain in full force and effect.

"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.

- (s) (1) loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", nor the cost or expense of any resulting "clean up", but this exclusion does not apply:
- (i) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is the direct result of a peril not otherwise excluded under this form;
 - (ii) to loss or damage caused directly by a peril not otherwise excluded under this form;
- (2) 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"

Wherever used in this Form:

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

(b) "Pollutants" means any solid, liquid, gaseous or thermal irritant, or contaminants including odour, vapour, fumes, acids, alkalis, chemicals and waste. "Waste" includes materials to be recycled, reconditioned or reclaimed.

6. EXTENSIONS OF COVERAGE

The following extensions of coverage shall:

- (i) not be considered for the purpose of determining the application of any Coinsurance clause (except item 2, Building By-laws).
- (ii) not apply if they are more specifically insured elsewhere in this policy and/or if specific amount(s) or limit(s) are indicated on the "Declarations Page" for any of them.
- (iii) The maximum amount payable any one policy period, under this Extensions of Coverage section shall be subject to the TOTAL INSURED LIMIT OF INSURANCE as specified on the "Declaration Page"

1. **Accounts Receivable** This Policy is extended to cover against all risks of direct physical loss or damage to the Insured's records of accounts receivable occurring during the policy period.

This extension insures:

- (i) all sums due to the Insured from customers, provided the Insured is unable to effect collection thereof as the direct result of loss or damage to records of accounts receivable;
- (ii) interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage;
- (iii) collection expense in excess of normal collection cost and made necessary because of loss or damage;
- (iv) other expenses, when reasonably incurred by the Insured in re-establishing records of accounts receivable following such loss or damage.

This insurance shall apply only while records of accounts receivable are contained in the "Premises" described on the "Declarations Page". It is a condition precedent to any right of recovery hereunder that, except while in actual use, such records be kept in receptacles (minimum of metal filing cabinets), when the "Premises" are not open for business.

This insurance also applies while 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 therefrom, provided the Insured notifies the Insurer in writing within thirty (30) days of such removal.

In addition to those exclusions found in the Commercial Building Equipment and Stock Broad Form, the following also apply:

This extension does not apply:

- (i) to loss due to bookkeeping, accounting or billing errors or omissions;
- (ii) to loss, the proof of which as to factual existence, is dependent upon an audit of records or an inventory computation; but this shall not preclude the use of such procedures in support of claim for loss which the Insured can prove, through evidence wholly apart therefrom, is due solely to a risk of loss to records of accounts receivable not otherwise excluded hereunder;
- (iii) to loss 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 the wrongful giving, taking, obtaining or withholding.

Basis of Settlement

When there is a proof of loss covered by these extensions but the Insured cannot accurately establish the total amount of accounts receivable outstanding on the date of loss, such amount shall be based on the Insured's monthly statements and shall be computed as follows:

- (i) 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;
- (ii) calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve months immediately preceding the month in which the loss occurs, or such part thereof for which the Insured has furnished monthly statements to the Insurer, as compared with such average for the same months of the preceding year;
- (iii) the amount determined under (i) above, increased or decreased by the percentage calculated under (ii) above, shall be the agreed total amount of accounts receivable on the last day of the fiscal month in which said loss occurs;

- (iv) the amount determined under (iii) 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 amount 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 uncollectible by the Insured. On deferred payment accounts receivable, unearned interest and service charges shall be deducted.

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 thereof and within three years after the final termination of this Policy, as far as they relate to the subject matter of any outstanding record 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 on 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.

The maximum recovery under this extension is twenty-five thousand dollars (\$25,000) for any one loss.

2. **Building By-laws:**

This Policy shall, and only as a result of a peril insured against, extend to indemnify the Insured without increasing the amount of insurance stated on the "Declarations Page" for "Building" or the amount of insurance for "Building" shown in the Statement of Values if coverage is on a "Property of Every Description" basis, for:

- (i) loss occasioned by the demolition of any undamaged portion of the building or structures; or
- (ii) the cost of demolishing and clearing the site of any undamaged portion of the building or structures; or
- (iii) any necessary increase in the cost of repairing, replacing, constructing or reconstructing the building, or structures, on the same site or on an adjacent site, of like height, floor area and style, and for like occupancy; arising from the enforcement of the minimum requirements of any by-law, regulation, ordinance or law which:
 - (a) regulates zoning or the demolition, repair or construction of damaged buildings or structures; and
 - (b) is in force at the time of such loss or damage.

This extension, however, does not insure against:

- (i) the enforcement of any by-law, regulation, ordinance or law which prohibits the Insured from rebuilding, or repairing on the same site or adjacent site or prohibits continuance of like occupancy;
- (ii) direct or indirect loss, damage, cost or expense, arising out of the clean-up, removal, containment, treatment, detoxification, decontamination, stabilization, neutralization, or remediation resulting from any actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release, or escape of "Pollutants".
- (iii) direct or indirect loss, damage, cost or expense, for any testing, monitoring, evaluation or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "Pollutants".

3. **"Building" Damage by Theft:** This Form is extended to insure damage (except by fire) to that part of a "Building" occupied by the Insured directly resulting from theft or any attempt thereat and from vandalism or "malicious acts" committed on the same occasion, provided the Insured is the owner of such "Building" or is liable for such damage and the "Building" is not otherwise insured hereunder. This extension of cover shall be limited to a maximum recovery of five thousand dollars (\$5,000.) in respect to any one loss.

4. **Computer Fraud Coverage**

Loss which the Insured shall sustain through wrongful abstraction of "Money", "Securities", or other property which follows and is related to the use of any computer to fraudulently cause the transfer of such property from inside the "Premises" or "Banking Premises" or similar recognized places of safe deposit to a person (other than a "Messenger") or to a place outside those "Premises".

The maximum recovery under this extension is twenty-five hundred dollars (\$2,500) for any one loss.

5. **Consequential Loss Assumption Clause:** Consequential loss, destruction or damage to "Stock" caused by change in temperature or humidity resulting from damage by the perils insured against hereunder to equipment used for refrigerating, cooling, humidifying, dehumidifying, air conditioning, heating, generating or converting power (including their connections and supply or transmission lines and pipes) only when situated on the "Premises" described on the "Declarations Page".

The foregoing extension is subject otherwise to all the terms and conditions of this Policy (as now existing or hereafter changed) and without increasing the amount insured.

The maximum recovery under this extension is ten thousand dollars (\$10,000) for any one loss.

6. **Credit Card Forgery**

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.

The maximum recovery under this extension is twenty-five hundred dollars (\$2,500) for any one loss.

7. **Debris Removal**

- (a) The Insurer will indemnify the Insured for expenses incurred in the removal from the "premises" of debris of the property insured, occasioned by loss or damage to such property, for which loss or damage insurance is afforded under this form.
The total amount payable under this extension shall not exceed 25% of the total amount payable for the direct physical loss to property insured plus the amount of the applicable deductible.
- (b) Removal of Windstorm Debris: The Insurer will indemnify the Insured for expenses incurred in the removal of debris or other property which is not insured by this form but which has been blown by windstorm upon a location specified on the "Declaration Page".

Extensions of coverage (a) and (b) do not apply to cost or expenses:

- (i) to "clean up" "pollutants" from land or water, or
- (ii) for testing, monitoring, evaluating or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

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

8. Removal

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

9. 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 agent of the insured, by anyone impersonating another and made or drawn payable to the one so impersonated and endorsed by anyone other than the one so 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 hand-written 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.

The maximum recovery under this extension is twenty-five hundred dollars (\$2,500) for any one loss.

10. EDP Mechanical Breakdown: This Policy is extended to cover direct physical loss or damage to "Hardware", Software or "Media" caused by:

- a) Artificially generated electric current, including electric arcing, that disturbs electrical devices, appliances or wires; and
- b) Mechanical breakdown, including rupture or bursting caused by centrifugal force.

This extension does not cover loss due to accidental erasure of information on electronic media and records in the absence of direct physical damage to the electronic media and records.

The maximum recovery under this extension is twenty-five thousand dollars (\$25,000) for any one loss.

11. Employee Dishonesty: This Policy is extended to insure 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.

This extension does not apply to:

- (i) loss due to any fraudulent, deliberately dishonest, or criminal act by any Insured or a partner of the Insured, whether acting alone or in collusion with others.
- (ii) loss, or that part of any loss, as the case may be, the proof of which, either to its factual existence or as to its amount, is dependent upon an inventory computation or a profit and loss computation.

The maximum recovery under this extension is five thousand dollars (\$5,000) for any one loss.

12. Exhibitions: This Policy is extended to cover direct physical loss or damage to "Equipment" and "Stock" while temporarily on exhibition at locations not owned or usually occupied by the Insured, but only while the described property is within Canada and the continental United States of America (excluding Alaska).

The maximum recovery under this extension is ten thousand dollars (\$10,000) for any one loss.

13. Extra Expense: This Policy is extended to insure the necessary Extra Expense incurred by the Insured in order to continue as nearly as practicable the normal conduct of the Insured's business following damage to or destruction by the perils insured against to the "Building(s)" or contents thereof at the "Premises" described on the "Declarations Page". The Insurer shall be liable for Extra Expense so incurred, for not exceeding such length of time, herein referred to as the Period of Restoration, commencing with the date of loss and not limited by the date of expiration of this Policy, as shall be required with the exercise of due diligence and dispatch to repair, rebuild, or replace such part of the described "Building(s)" or contents thereof as may be destroyed or damaged.

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; the cost in each case to include expense of using other property or facilities of other concerns or other similar necessary emergency expenses. In no event, however, shall the Insurer be liable under this Policy for loss of income nor for

Extra Expense in excess of that necessary to continue as nearly as practicable the normal conduct of the Insured's business, nor the cost of repairing or replacing any of the described property that has been damaged or destroyed by the perils insured against, except cost in excess of the normal cost of such repairs or replacements necessarily incurred for the purpose of reducing the total amount of Extra Expense.

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

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

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

In addition to those exclusions found in the Commercial Building Equipment and Stock Broad Form, the following also apply:

The Insurer shall not be liable for:

- (i) loss due to fines or damages for breach of contract for late or non-completion of orders, or for any penalties of whatever nature;
- (ii) loss due to suspension, lapse or cancellation of any lease or license, contract or order;
- (iii) the cost of compiling books of account, abstracts, drawings, card index systems or other records including film, tape, disc, drum, cell or other magnetic recording or storage media for electronic data processing;
- (iv) any increase of loss due to interference at the described "Premises" by strikers or other persons, with rebuilding, repairing or replacing property, or with the resumption or continuation of business;

The maximum recovery under this extension is twenty-five thousand dollars (\$25,000) for any one loss.

14. Fine Arts:

This Policy is extended to cover direct physical loss or damage to "Fine Arts". The term "Fine Arts" includes paintings, etchings, pictures, tapestries and other bona fide works of art (such as valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass and bric-a-brac) of rarity, historical value or artistic merit.

Territorial Limits

Coverage on insured property applies within the territorial limits of Canada and the United States of America, excluding the premises of fair grounds or of any national or international exposition.

In addition to those exclusions found in the Commercial Building Equipment and Stock Broad Form, the following also apply:

This extension does not insure:

- (i) Breakage of glassware, statuary, marbles, bric-a-brac, porcelains and other fragile articles unless caused by:
 - (a) fire, explosion, falling object striking the exterior of the building, impact by aircraft or land vehicle, lightning, smoke, vandalism or malicious acts, windstorm or hail or by accident to land, water or air conveyances, or by theft or attempt thereat;
 - (b) earthquake or flood, if otherwise insured under this Policy.
- (ii) Loss or damage to any property while undergoing any process or while being actually worked upon where any loss or damage is due thereto.

Packing Condition

It is agreed by the Insured that the property insured hereunder is packed and unpacked by competent packers.

The maximum recovery under this extension is twenty-five thousand dollars (\$25,000) for any one loss.

15. Fire Department Service Charges:

This Policy is extended to cover the Insured's liability assumed by contract or agreement, prior to the loss, for Fire Department Service Charges when the Fire Department is called to save or protect the insured property from a peril insured against.

The maximum recovery under this extension is ten thousand dollars (\$10,000) for any one loss.

16. Fire Equipment Recharge:

This Policy is extended to cover expenses actually incurred as a result of a peril insured against to recharge a fire protection or fire fighting system. The maximum recovery under this extension is ten thousand dollars (\$10,000) for any one loss.

17. Glass:

This Policy is extended to provide coverage for accidental breakage of all exterior glass and/or vitrolite including lettering, ornamentation or burglary alarm tape thereon provided the Insured is owner of the "Building" or is legally liable for such damage. This extension shall also include the expenses incurred for boarding up damaged openings or installing temporary plates.

18. Growing Plants, Trees, Shrubs or Flowers in the Open:

This Form is extended to insure loss or damage to growing plants, trees, shrubs or flowers in the open caused directly by "Named Perils", (with the exception of windstorm or hail as described in Clause 16 (h)) or from theft or attempt thereat. This extension of coverage shall be limited to a maximum recovery of five hundred dollars (\$500.) for each growing plant, tree, shrub or flower in the open, and to ten thousand dollars (\$10,000.), including debris removal expense, in any one occurrence.

19. Inflation Protection

- (a) The amount of insurance applicable to "Building" shall be increased during the policy period by the proportion by which the latest published Statistics Canada Non-Residential Building Construction Price Indexes has increased since the last effective date of this policy.
- (b) At the effective date of this policy, the amount of insurance shall be increased automatically in accordance with the latest published Statistics Canada Non-Residential Building Construction Price Indexes and the appropriate premium charged.
- (c) If the amount of insurance applicable to "Building" is changed at the request of the Insured during the policy period, the effective date of this endorsement is deemed to coincide with the effective date of the change.

(d) If the Policy insures two or more items, the foregoing shall apply separately to each item to which this endorsement applies.

**20. Land and Water Pollution Clean Up:
Indemnity Agreement**

The Insurer will indemnify the Insured for expenses incurred to "Clean up" "Pollutants" from land or water at the "Premises" provided the spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "Pollutants":

- (i) is occasioned by loss or damage to insured property at the "Premises" for which insurance is afforded under the Commercial Building Equipment and Stock Broad Form;
- (ii) is sudden, unexpected and unintended from the standpoint of the Insured and
- (iii) first occurs during the policy period.

No Automatic Reinstatement

Notwithstanding the Reinstatement Clause in this Policy, following a loss under this extension of coverage, the amount of insurance specified above will be reduced by the amount payable.

Additional Exclusions

The Insurer shall not be liable for:

- (i) expenses for "Clean up" away from or beyond the "Premises" resulting from any spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "Pollutants", even if the "Pollutants" emanated from the "Premises".
- (ii) expenses for "Clean up" of any spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "Pollutants" that began before the effective date of this extension of coverage.
- (iii) fines, penalties, punitive or exemplary damages;
- (iv) expenses incurred for the "Clean up" of "Pollutants" at or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, processing or treatment of waste.

Additional Policy Conditions

- (a) Reporting Period: it is a condition precedent to recovery that all expenses insured by this extension of coverage must be incurred and reported to the Insured within 180 days of the spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "Pollutants" for which "Clean up" expenses are being claimed.
- (b) Other Insurance: the insurance afforded by this extension of coverage shall apply as excess over any other valid and collectible insurance available to the Insured or any other interested party.

The maximum recovery under this extension is ten thousand dollars (\$10,000) for any one loss.

21. Lock Re-Keying or Replacement: This Policy is extended to cover loss caused by the necessary replacement, re-programming or re-adjustment of locks, keys or access cards that control entry to the "Premises" described on the "Declarations Page". This extension covers the cost of the replaced locks, keys or access cards including the labour cost for the installation.

The maximum recovery under this extension is ten thousand dollars (\$10,000) for any one loss.

22. Money and Securities: This Policy is extended to cover loss of "Money" and "Securities" by actual destruction, disappearance or wrongful abstraction thereof, while such property is:

- (i) within the "Premises";
- (ii) within any bank or similar recognized place of safe deposit;
- (iii) being conveyed outside the "Premises" by the Insured, a partner of the Insured or an employee of the Insured directly to and from the premises of any bank or similar recognized place of safe deposit;
- (iv) within the living quarters in the home of the Insured, a partner of the Insured or an employee of the Insured;

Exclusions

This extension does not insure loss:

- a) due to the giving up or surrendering of "Money" or "Securities" in any exchange or purchase;
- b) due to accounting or arithmetical errors or omissions;
- c) of "Money" contained in a coin operated amusement device or vending machine, unless the amount of "Money" deposited within the device or machine is recorded by a continuous instrument therein;
- d) of potential income, including but not limited to interest and dividends, not realized by the Insured because of a loss covered under this extension;
- e) of "Money" or "Securities" which have been transferred to a person or a place outside the "Premises" on the basis of unauthorized instructions;
- f) of "Money" or "Securities" while in the custody of any armoured motor vehicle company.

The maximum recovery under this extension is twenty-five hundred dollars (\$2,500) for any one loss.

23. 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.

The maximum recovery under this extension is twenty-five hundred dollars (\$2,500) for any one loss.

24. Newly Acquired Contents: "Equipment" and "Stock" at the "Premises" described in the "Declarations Page" attach at the time of the acquisition and extend for a period of ninety (90) days or to the date of endorsement of this Policy adding such additional contents or to the expiration date of this Policy, whichever first occurs.

The maximum recovery under this extension is five hundred thousand dollars (\$500,000) for any one loss.

25. Newly Acquired Locations: "Building", "Equipment" and "Stock" at any acquired location that is owned, rented or controlled by the Insured in whole or in part or in or on vehicles within 100 metres (328 feet) of such location. This insurance applies only while the described property is within Canada and the continental United States of America (excluding Alaska).

The limit of insurance attach at the time of the acquisition and extend for a period of ninety (90) days or to the date of endorsement of this Policy adding such additional "Building", "Equipment" and "Stock" or to the expiration date of this Policy, whichever first occurs.

The maximum recovery under this extension is one million dollars (\$1,000,000) for any one loss.

- 26. Peak Season Increase:** The limit of liability on "Stock" as stated on the "Declarations Page" is automatically increased by 25%, up to a maximum limit of one hundred fifty thousand dollars (\$150,000), to provide for seasonal variations. This increase shall not apply unless the limit of liability on "Stock" shall be equal to at least 100% of the average monthly values for the 12 months preceding the date of loss or, in the event the Insured has been in business for less than 12 months, for such shorter period of time.

- 27. Personal Property of Officers and Employees:** This extension replaces the Personal Property of Officers and Employees extension of coverage contained in any form to which this endorsement is attached.

This extension insures personal property of officers and employees of the Insured. The insurance on such property: 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) shall apply only to loss or damage occurring at a location specifically described in the "Declarations Page" or included in Newly Acquired Location extension.

The maximum recovery under this extension is twenty-five hundred dollars (\$2,500) per employee and ten thousand dollars (\$10,000) total for any one loss.

- 28. Professional Fees:** In the event of loss or damage from a peril insured against, the Insurer will pay reasonable fees to auditors, accountants, architects, engineers or other professionals other than public adjusters and the Insured's own employees for producing and certifying particulars or details of the Insured's business required by the Insurer in order to arrive at the amount of loss payable under this Policy.

This extension applies only to fees incurred in establishing the quantum of a loss, liability for which is otherwise accepted by the Insurer. This extension may also apply to any Business Interruption loss covered under this Policy.

The maximum recovery under this extension is twenty-five thousand dollars (\$25,000) for any one loss.

- 29. Reward:** In the event of loss or damage to property insured under this Policy, the Insurer will reimburse the Insured for any reward paid to any individual or group (except to the Insured and their officers) for information directly leading to convictions for committing or trying to commit direct physical loss or damage to property insured under this Policy, subject to the Insurer offering the reward or consenting to the Insured offering the reward and determining that the individual or group is entitled to the reward.

The maximum recovery under this extension is ten thousand dollars (\$10,000) for any one loss.

- 30. Service Interruption – Physical Damage:** It is agreed that the insurance provided under this form extends to include loss occasioned by the interruption of service to the described "Premises". The interruption must result from direct physical loss or damage, by a peril insured against, to the following property, which is not located on the "Premises":

- (a) Water Supply Services, meaning the following types of property supplying water to the described "Premises":
- (i) pumping stations; and
 - (ii) water mains.
- (b) Communication Supply Services, meaning property supplying communication services including telephone, radio, microwave or television services to the described "Premises", such as
- (i) communication transmission lines, including optic fibre transmission lines;
 - (ii) coaxial cables; and
 - (iii) microwave radio relays, except satellites.
- (c) Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described "Premises":
- (i) utility generating plants;
 - (ii) switching stations;
 - (iii) substations;
 - (iv) transformers; and
 - (v) transmission lines.

Provided that the duration of any interruption of such service exceeds twenty-four (24) hours.

The maximum recovery under this extension is ten thousand dollars (\$10,000) for any one loss.

- 31. Sewer Back-up:** This insurance is extended to include loss or damage caused directly by the peril of "sewer back-up" and applies separately to each location.

The Insurer is liable in any one occurrence for the amount by which the loss or damage caused by "sewer back-up" exceeds the amount of the deductible specified in the "Declarations Page" for "Building", "Equipment", "Stock", "Property of Every Description", "Contents of Every Description" or twenty five hundred dollars (\$2,500), whichever deductible is greater shall apply.

This Deductible Clause applies separately to each "premises" to which this extension applies.

- 32. Signs (Exterior) , Fences, Street Clocks, Communication Towers, Antennae and Satellite Receivers:** This Policy is extended to cover the aforementioned property on the "Premises" for loss or damage from a peril insured against excluding loss or damage caused by wear and tear, latent defect, corrosion or rust, mechanical breakdown or during installation, repairing or dismantling.

- 33. Telephone Fraud Coverage:** "Direct Financial Loss" which the Insured shall sustain through telephone fraud from unauthorized access and use of the Insured's "Telephone Systems" located on the "Premises" of the Insured whether access is initiated on or off such "Premises".

The maximum recovery under this extension is twenty-five hundred dollars (\$2,500) for any one loss.

34. **Temporary Locations:** "Equipment" and "Stock" other than at a specified location except while in transit, but there shall be no liability under this extension at any location owned, rented or controlled in whole or in part by the Insured. This insurance applies only while the described property is within Canada and the continental United States of America (excluding Alaska).

The maximum recovery under this extension is twenty-five thousand dollars (\$25,000) for any one loss.

35. **Transit:** "Equipment" and "Stock" in transit including while airborne or while water borne. The following conditions apply:
- (a) coverage applies only while the described property is in transit within Canada or the continental United States, provided the point of origin is within Canada;
 - (b) coverage ceases for export property once the property has been loaded on an overseas vessel or aircraft;
 - (c) there is no coverage in respect of property that is insured under any Ocean Marine Policy.

The maximum recovery under this extension is ten thousand dollars (\$10,000) for any one loss.

36. **Valuable Papers and Records:** This Policy is extended to cover the actual loss sustained by the Insured through direct physical loss or damage to "Valuable Papers and Records". The term "Valuable Papers and Records" means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts, but excluding "Money" and "Securities", electronic data control tapes or discs.

The insurance provided by this extension applies:

- (i) while the insured "Valuable Papers and Records" are contained in the "Premises" specified on the "Declarations Page". It is a condition precedent to any right of recovery hereunder, that the "Valuable Papers and Records" shall be kept in receptacles (minimum of metal filing cabinets) at all times when the "Premises" are not open for business, except while such valuable papers and records are in actual use or as stated in (ii) or (iii) below;
- (ii) while the insured "Valuable Papers and Records" 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 notifies the Insurer in writing within thirty (30) days of such removal;
- (iii) while the "Valuable Papers and Records" are being conveyed outside the Insured's "Premises" or temporarily in other premises (except for storage).

In addition to those exclusions found in the Commercial Building Equipment and Stock Broad Form, the following also apply:

This extension does not insure:

- (i) loss directly resulting from errors or omissions in processing or copying unless fire or explosion ensues and then only for the direct loss caused by such ensuing fire or explosion;
- (ii) loss of property held as samples or for sale or for delivery after sale;
- (iii) property which cannot be replaced with other of like kind and quality.

Basis of Settlement

The limit of the Insurer's liability for loss shall not exceed the actual cash value of the property at the time of loss, nor what it would 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 thereof. Any property so paid for or replaced shall become the property of the Insurer. The Insured or Insurer, upon recovery of any such property, shall give notice thereof 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.

The maximum recovery under this extension is twenty-five thousand dollars (\$25,000) for any one loss.

DEFINITIONS

The following terms as used in this extension section of this policy:

"Banking Premises" means the interior of that portion of any building which is occupied by a banking institution in conducting its business.

"Business Interruption" means loss of income or revenue, and loss of rents.

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

"Direct Financial Loss" means only toll charges that the Insured is liable for because of unauthorized access and use of their "Telephone Systems".

"Hardware" means that network of machine components capable of accepting information or converted material, processing it according to a plan or program, and producing the desired results

"Media" means all forms of material on which data is electronically recorded, such as magnetic tapes, disk packs, diskettes and cassettes.

"Messenger" means the Insured or a partner of the Insured or any Employee who is duly authorized by the Insured to have the care and custody of the insured property outside the "Premises".

"Money" means currency, coins, bank notes and bullion;

"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.

"Securities" means all negotiable and non-negotiable instruments representing "Money" or other property, including but not limited to cheques, drafts, tokens, tickets, bills of lading, warehouse receipts, revenue and other stamps in current use.

"Sewer back-up" means the backing up or overflow of water from within sewers, sumps, septic tanks or drains located inside buildings.

"Telephone Systems" means PBX or electronic key system, with or without adjuncts including but not limited to voice mail, auto attendants and automated call directors, that is owned or exclusively leased by the Insured and located on the Insured's "Premises".

7. 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 Insured's business.

8. BREACH OF CONDITIONS

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

9. REINSTATEMENT

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

10. PROPERTY PROTECTION SYSTEMS

It is agreed that the Insured shall notify forthwith the Insurer of any interruption to, or flaw or defect, coming to the knowledge of the Insured, in any of the following systems installed at the Insured's "Premises":

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

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

11. VERIFICATION OF VALUES

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

12. VALUATIONS

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

- (a) on unsold "Stock" - the actual cash value of the property at the time any loss occurs, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;
- (b) on sold "Stock" - the selling price after allowance for discounts;
- (c) on property of others in the custody or control of the Insured for the purpose of performing work thereon - the amount for which the Insured is liable but in no event to exceed the actual cash value at the time and place of loss plus allowance for labour and materials expended to such time;
- (d) on "Building", "Equipment" and records - as defined in paragraphs (a) and (b) of Clause 13;
- (e) on all other property insured under this Form and for which no specific conditions have been set out - the actual cash value at the time of loss or damage occurs but in no event to exceed what it would then cost to repair or replace with materials of like kind and quality.

13. BASIS OF SETTLEMENT

- (a) **"Building" and "Equipment"**: The Insurer agrees to amend the basis of settlement from actual cash value to replacement cost subject to the following provisions:
 - (i)
 - a) replacement shall be effected by the Insured with due diligence and dispatch;
 - b) replacement will be on the same site or on an adjacent site;
 - c) settlement on a replacement cost basis shall be made only when replacement has been effected by the Insured and in no event shall it exceed the amount actually and necessarily expended for such replacement;
 - d) failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this endorsement has not been in effect;
 - e) any other insurance effected by or on behalf of the Insured in respect of the perils insured against by this Policy on the property to which this endorsement is applicable shall be on the basis of replacement cost as defined herein;
 - f) this endorsement applies separately to each item(s) listed on the "Declarations Page".
 - (ii) In this endorsement,
 - a) "replacement cost" means the cost of replacing, repairing, constructing or reconstructing (whichever is the least) the property on the same site with new property of like kind and quality and for the like occupancy without deduction for depreciation; and
 - b) "replacement" includes repair, construction or reconstruction with new property of like kind and quality.
 - (iii) In the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that damaged or destroyed and which is capable of performing the same function, shall be deemed to be new property of like kind and quality for the purposes of this endorsement.
 - (iv) Exclusions
This endorsement does not apply to:
 - a) stock;
 - b) patterns, dies, moulds;
 - c) paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelain, rare glassware, bric-a-brac or other articles of art, rarity or antiquity;
 - d) manuscripts and records meaning books of account, drawings, card index systems and other records, media, data storage devices, and programme devices for electronic and electro-mechanical data processing or for electronically controlled equipment;
 - e) any increase in the cost of replacement occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.
 - (v) If the Policy is subject to a co-insurance clause, requiring a stated percentage of insurance to value to be maintained, actual cash value, for the purpose of applying such a clause to the property to which this endorsement is applicable, shall be deemed to be replacement cost without deduction for depreciation.
- (b) **Records**: The liability of the Insurer for loss or damage to:
 - (i) books of accounts, drawings, card index systems and other records, other than as described in (ii) below, shall not exceed the cost of blank books, blank pages or other materials, plus the cost of labour for actually transcribing or copying said records;
 - (ii) media, data storage devices, and programme devices for electronic and electro-mechanical data processing or for electronically controlled equipment, shall not exceed the cost of reproducing such media, data storage devices, and programme devices from duplicates or from

originals of the previous generation of the media, but no liability is assumed hereunder for the cost of gathering or assembling information or data for such reproduction.

14. 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 owner of the property.

15. LOCKED VEHICLE WARRANTY

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

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

16. NOTICE TO AUTHORITIES

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

17. NO BENEFIT TO BAILEE

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

18. 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.

19. 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.

20. 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.

21. 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.

SUBROGATION

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

16. DEFINITIONS

Wherever used in this Form:

- (a) **"Declarations Page"** means the Declarations Page applicable to this Form.
- (b) **"Building"** means the building(s) described in the "Declarations Page" and includes:
 - (i) fixed structures pertaining to the building(s) and located on the "Premises";
 - (ii) additions and extensions communicating and in contact with the building(s);
 - (iii) permanent fittings and fixtures attached to and forming part of the building(s);
 - (iv) materials, equipment and supplies on the "Premises" for maintenance of, and normal repairs and minor alterations to the "Building" or for building services;
 - (v) growing plants, trees, shrubs or flowers inside the "Building" used for decorative purposes when the Insured is the owner of the "Building".
- (c) **"Equipment"** means:
 - (i) generally all contents usual to the Insured's business including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances other than "Building" or "Stock" as herein defined;
 - (ii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;
 - (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.
- (d) **"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.
- (e) **"Contents of Every Description"** means Equipment and Stock as defined above.
- (f) **"Premises"** means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described in the "Declarations Page" and in or on vehicles within 100 metres (328 feet) of such locations;
- (g) **"Fire Protective Equipment"** includes tanks, watermains, hydrants, valves and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:
 - (i) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - (ii) any watermains or appurtenances located outside of the described "Premises" and forming a part of the public water distribution system;
 - (iii) any pond or reservoir in which the water is impounded by a dam.
- (h) **"Named Perils"** means:
 - (A) **FIRE AND LIGHTNING**

- (B) EXPLOSION:** Except with respect to explosion of natural, coal or manufactured gas, there shall in no event be any liability hereunder for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the Insured:
- (i) (a) the portions containing steam or water under pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - (b) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 - (c) the combustion chambers of fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion therefrom;
 - (d) smelt dissolving tanks;
 - (ii) other vessels and apparatus, and pipes connected therewith, while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders;
 - (iii) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
 - (iv) any vessels and apparatus and pipes connected therewith while undergoing pressure tests, but this exclusion shall not apply to other property insured hereunder that has been damaged by such explosion;

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

- (a) electric arcing or any coincidental rupture of electrical equipment due to such arcing;
 - (b) bursting or rupture caused by hydrostatic pressure or freezing;
 - (c) bursting or rupture of any safety disc, rupture diaphragm or fusible plug.
- (C) IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE:**
The terms "Aircraft" and "Spacecraft" include articles dropped therefrom.
There shall in no event be any liability hereunder due to cumulative damage or for loss or damage:
- (i) caused by land vehicles belonging to or under the control of the Insured or any of his employees;
 - (ii) to aircraft, spacecraft or land vehicles causing the loss;
 - (iii) caused by any aircraft or spacecraft when being taxed or moved inside or outside of "Buildings".

(D) RIOT, VANDALISM OR MALICIOUS ACTS:

The term "Riot" includes open assemblies of strikers inside or outside the "Premises" who have quitted work and of locked-out employees.

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

- (i) due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
- (ii) due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under Clause 16 (h) (B);
- (iii) due to theft or attempt thereat.

(E) SMOKE:

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

(F) "LEAKAGE FROM FIRE PROTECTIVE EQUIPMENT":

The term "Leakage from fire protective equipment" means the leakage or discharge of water or other substance from within the equipment use for fire protection purposes for the "Premises" described in the "Declarations Page" or for adjoining "Premises" and loss or damage caused by the fall or breakage or freezing of such equipment.

(G) WINDSTORM OR HAIL:

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

- (i) to the interior of the "Buildings" insured or their contents unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
 - (ii) directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslide.
- (i) "**Clean up**" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants," including testing which is integral to the aforementioned processes.
- (j) "**Pollutants**" means any solid, liquid, gaseous or thermal irritant, or contaminants including odour, vapour, fumes, acids, alkalis, chemicals and waste. "Waste" includes materials to be recycled, reconditioned or reclaimed.

Miscellaneous Property Rider

INDEMNITY AGREEMENT

1. In the event that any of the property insured be lost or damaged by the perils insured against the Insurer will indemnify the Insured against the direct loss so caused to an amount not exceeding whichever is the least of:
- (a) the actual cash value of the property at the time of loss or damage;
 - (b) the interest of the Insured in the property;
 - (c) the amount of insurance specified in the Declarations in respect of the property lost or damaged.

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

PROPERTY INSURED

2. This Form insures the property described in the Declarations, including appurtenances thereof attached thereto or contained thereon, the property of the Insured or of others while in the care, custody or control of the Insured and for which the Insured is legally liable. Each item described is to be deemed separately insured.

LIMITS OF LIABILITY

3. The liability of the Insured under this rider shall not exceed:
- (a) The amount specified in the Declarations for each item; nor
 - (b) TOTAL INSURED LIMIT OF INSURANCE as specified on the "Declaration Page"

DEDUCTIBLE

4. Each claim for loss or damage shall be adjusted separately and from the amount of each such adjusted claim the Deductible Amount specified in the Declarations shall be deducted.

CO-INSURANCE

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

PERILS INSURED

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

PROPERTY EXCLUDED

7. This Form does not insure:
- (a) accounts, bills, currency, deeds, evidences of debt or title, money, notes, securities, stamps, letters of credit, passports, documents, railroad or other tickets, and valuable papers;
 - (b) animals, fish, birds, growing plants, automobiles, motor trucks, motorcycles, aircraft, watercraft, or other conveyances;
 - (c) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
 - (d) electrical appliances, devices 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) sporting equipment where loss or damage is due to the use thereof;
 - (f) loss or damage to insured property while waterborne, unless caused by the stranding, sinking, burning or collision of any regular ferry including general average and salvage charges.

PERILS EXCLUDED

8. This Form does not insure against:
- (a) mechanical breakdown or derangement, gradual deterioration, wear and tear, latent defect, inherent vice, or the cost of making good faulty or improper workmanship, faulty or improper design, provided, however, to the extent otherwise insured and not otherwise excluded under this Form resultant damage to the property is insured;
 - (b) mysterious disappearance, unaccountable loss, or loss or shortage disclosed on taking inventory;
 - (c) loss or damage sustained while the property insured is actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting or servicing of the property insured, unless fire or explosion ensues and then only for the loss or damage caused by such ensuing fire or explosion;
 - (d) delay, loss of market, loss of use or occupancy;
 - (e) dampness or dryness of atmosphere, changes of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, change in colour or texture or finish, rust or corrosion, marring, scratching or crushing;
 - (f) breakage of glass or similar fragile materials, marring, scratching or crushing unless loss or damage to the insured property is caused directly by fire or the combating thereof, lightning, flood, earthquake, windstorm, hail, explosion, strike, riot or civil commotion, aircraft, vehicles other than transporting conveyances, rupture of pipes or breakage of apparatus, sprinkler leakage, vandalism, malicious acts, theft, attempted theft or accident to the transporting conveyance;
 - (g) loss or damage resulting from misappropriation, secretion, conversion, infidelity or any dishonest or criminal act on the part of the Insured or other party of interest, employees or agents of the Insured, or any person to whom the insured property may be entrusted (bailees for hire excepted);
 - (h) loss or damage caused by disturbance or erasure of electronic recordings by electrical or magnetic injury except by lightning;
 - (i) breaking through ice or subsidence of ice; sinking in muskeg, swamp or soft soil;
 - (j) loss or damage caused by or resulting from theft or attempted theft of the property insured, when left unattended, unless the loss be a direct result of violent forcible entry, of which there shall be visible evidence, into a locked building, room or locker.

SPECIAL CONDITIONS

- 9.
- (a) **Locked Vehicle Warranty**
It is warranted by the Insured that any vehicle in which the property insured is carried is equipped with a fully enclosed metal body or compartment, and the Insurer shall be liable in case of loss by theft from an unattended vehicle only as a direct result of forcible entry (of which there shall be visible evidence) into such body or compartment the doors and windows of which shall have been securely locked.
 - (b) **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.
 - (c) **Breach of Conditions**
Where a loss occurs and there has been a breach of condition relating to a matter before the happening of the loss, which breach would otherwise disentitle the Insured from recovery under this Form, the breach shall not disentitle the Insured from recovery if the Insured establishes that the loss was not caused or contributed to by the breach of condition or if the breach of condition occurred in any portion of the project over which the Insured has no control.
 - (d) **Other Insurance**
Where there is any other valid and collectible insurance providing indemnity for loss for which this Form provides indemnity, the Insurer shall be liable only for its rateable proportion of the loss.
 - (e) **Pair and Set**
In the case of loss or damage to any article or articles, whether scheduled or unscheduled, which are part of a set, the measure of loss 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.
 - (f) **Parts**
In the case of loss 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.
 - (g) **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 owner of the property.
 - (h) **Territorial Limits**
This Form insures only within the territorial limits of Canada and the continental United States of America, excluding Alaska.

Profits Form Rider

1. INSURING AGREEMENT

The Insurer agrees with the Insured that so long as this policy shall be in force if any building or other property or any part thereof used by the Insured at the premises described in the Declarations for the purpose of the Insured's business shall be destroyed or damaged at the described premises by a peril insured against at any time during the period of insurance and the business carried on by the Insured at the said premises be in consequence thereof interrupted or interfered with, and if such destruction or damage is covered elsewhere in this policy, the Insurer will pay the Insured under this rider the TOTAL INSURED LIMIT OF INSURANCE as specified on the "Declaration Page" for loss resulting from such interruption or interference in accordance with the provisions herein contained.

2. MEASURE OF RECOVERY

This insurance, subject to the limit of the amounts of insurance as stated in the Declarations, is limited to loss of Gross Profit due to (a) Reduction in Turnover and (b) Increase in Cost of Working and the amount payable shall be:

- (a) **In respect of Reduction in Turnover:** The sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall, in consequence of the destruction or damage by a peril insured against, fall short of the Standard Turnover;
- (b) **In respect of Increase in Cost of Working:** The additional expenditure (subject to clause 5.b.) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the destruction or damage by a peril insured against, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided;

less any sum saved during the Indemnity Period in respect of such of the Insured Standing Charges as may cease or be reduced in consequence of the destruction or damage by the perils insured against;

provided that if the Amount of Insurance be less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover, the amount payable shall be proportionately reduced.

3. INSURED STANDING CHARGES

All standing charges are insured unless otherwise specified by endorsement.

The following shall in no event 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.

4. DEFINITIONS

Gross Profit – The sum produced by adding to the Net Profit the amount of the Insured Standing Charges or, if there is no Net Profit, the amount of the Insured Standing Charges less such a proportion of any net trading loss as the amount of the Insured Standing Charges bears to all Standing Charges of the business.

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

Turnover – The money paid or payable to the Insured for goods sold and delivered and for services rendered in course of the business at the premises.

Indemnity Period – The period beginning with the occurrence of a peril insured against and ending no later than 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 be destroyed or damaged by a peril insured against then the Indemnity Period in respect thereof shall not extend beyond

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

Rate of Gross Profit - The Rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the destruction or damage by perils insured against.

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

Standard Turnover - The Turnover during that period in the twelve (12) months immediately before the date of the destruction or damage by a peril or perils insured against which corresponds with the Indemnity Period.

To the Rate of Gross Profit, Annual Turnover and Standard Turnover 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 a peril or perils insured against not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the destruction or damage by perils insured against would have been obtained during the relative period after the destruction or damage by a peril or perils insured against.

Premises – Wherever the word Premises is used in this Form, it shall mean the entire area within the property lines at the location described in the Declarations, including areas under adjoining sidewalks and driveways.

Provincial Conditions – This Form shall be subject only to the Statutory Conditions and Conditions of the Policy of the Province in which the property insured is located and to such variations of the Conditions and such other terms and conditions as are herein printed or represented in writing.

Breach of Conditions – Where a loss occurs and there has been a breach of condition relating to a matter before the happening of the loss, which breach would otherwise disentitle the Insured to recover under the policy, the breach shall not disentitle the Insured to recover if the Insured establishes that the loss was not caused or contributed to by the breach of condition.

5. 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) The liability of the Insurer shall in no case exceed the total amount of insurance or such other sum or sums as may be endorsed hereon.
- (d) The Insurer shall not be liable for any loss due to fines or damages for breach of contract for late or non-completion of orders or for any penalties of whatever nature.
- (e) The Insurer shall be liable for actual loss sustained as insured hereunder during the period of time, not exceeding two consecutive weeks, while access to the described premises is prohibited by order of civil authority but only when such order is given as a direct result of damage to neighbouring premises by a peril insured against.
- (f) Any loss hereunder shall not reduce the amount of insurance applicable to this Form.
- (g) On the happening of any destruction or damage by a peril insured against in consequence of which a claim is or may be made under this Form, the Insured shall with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimize or check any interruption of or interference with the business or to avoid or diminish the loss.
- (h) No term or condition of this Form shall be deemed to be waived by the Insurer in whole or in part unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by the Insurer. Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of this Form by any act relating to the appraisal of the amount of loss or to the delivery and completion of proofs, or the investigation or adjustment of any claim under this Policy.

6. PREMIUM ADJUSTMENT

If within twelve (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 policy term; 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 the 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 fifty per cent (50%) of the premium paid by the Insured under this Form.

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 Form.

7. PERMISSION IS GRANTED

For further concurrent insurance either prior, co-incident or subsequent, and to increase or decrease insurance without notice until required, but this permission shall not be construed to waive the provision 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.

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.

AT UNSPRINKLERED LOCATIONS ONLY:

To make additions, alterations or repairs without limit of time.

To cease operations or to remain vacant or unoccupied for a period not exceeding thirty (30) days at any one time.

To keep and use fuel oil in the building for heating purposes.

To keep automobiles, tractors or other motor vehicles.

AT SPRINKLERED LOCATIONS ONLY:

For plant changes, alterations and repairs, and for ordinary additions without limit of time; but extraordinary additions and extensions are only permitted provided notice thereof is given the Insurer, at or about the time when work is commenced. Subject to the foregoing, the insurance on the property covered under this Form is hereby extended to said additions and extensions, subject to all the terms and conditions of the policy and to any adjustment of premium deemed necessary.

To cease operations in, and for any individual buildings to remain vacant or unoccupied without limit of time, but the entire plant not to cease operations, or to be vacant or unoccupied for a period exceeding thirty (30) days at any one time.

AUTOMATIC FIRE PROTECTION MAINTENANCE CLAUSE

The rate of premium being fixed having regard to the fact that the risk is mainly under sprinkler protection, it is understood and agreed that the Insured shall forthwith notify the Insurer of any interruption to or flaw or defect in the sprinkler equipment coming to the knowledge of the Insured.

Gross Rentals Rider

1. INSURING AGREEMENT

In consideration of the premium, the Insurer agrees, subject to the terms and conditions expressed herein, that if destruction or damage occurs to the property insured, when such destruction or damage is covered elsewhere in this policy, payment shall be made to the Insured under this rider for loss of Gross Rentals on the following basis:

TOTAL INSURED LIMIT OF INSURANCE as specified on the "Declaration Page"

This Insurance is limited to loss of Gross Rentals due to (a) reduction in Gross Rentals and (b) increase in cost of working, and the amount payable as indemnity thereunder shall be:

- (a) **In respect of Reduction in Gross Rentals:** The amount by which the Gross Rentals during the Indemnity Period shall, in consequence of the destruction or damage, fall short of the Standard Gross Rentals;
- (b) **In respect of Increase in Cost of Working:** The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Gross Rentals which but for that expenditure would have taken place during the Indemnity Period in consequence of the destruction or damage, but not exceeding the loss of Gross Rentals thereby avoided, less any sum saved during the Indemnity Period in respect of Costs as may cease or be reduced in consequence of the damage.

Provided that if the sum insured shown in the Declarations for Gross Rentals be less than the amount of the Annual Gross Rentals the amount payable shall be proportionately reduced.

2. DEFINITIONS

Gross Rentals – The money paid or payable to the Insured by tenants in respect of rental of the premises.

Indemnity Period – The period beginning with the occurrence of the destruction or damage and ending not later than the expiration of twelve (12) months thereafter during which the Gross Rentals shall be affected in consequence of the destruction or damage by a peril insured against.

Annual Gross Rentals – The Gross Rentals during the twelve months (12) immediately before the date of the destruction or damage by a peril insured against.

Standard Gross Rentals – The Gross Rentals during that period in the twelve months (12) immediately before the date of the destruction or damage by a peril insured against or which corresponds with the Indemnity Period.

To the Annual Gross Rentals and Standard Gross Rentals such adjustments shall be made as may be necessary to provide for the trends of, variations in or special circumstances affecting Gross Rentals either before or after the destruction or damage or which would have affected Gross Rentals had the destruction or damage 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 would have been obtained during the relative period after the destruction or damage.

3. PROVISIONS

- (a) If during the Indemnity Period services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on behalf of the Insured the money paid or payable in respect of such services shall be brought into account in arriving at the Gross Rentals during the Indemnity Period.
- (b) The liability of the Insurer shall in no case exceed the total sum insured.
- (c) The Insurer shall not be liable for any loss due to fines or damages for breach of contract, or for any penalties of whatever nature.
- (d) On the happening of any destruction or damage by a peril insured against in consequence of which a claim is or may be made under this policy, the Insured shall with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimize or check any interruption of or interference with Gross Rentals or to avoid or diminish the loss.
- (e) The Insurer shall be liable for actual loss sustained hereunder, during the period of time, not exceeding two consecutive weeks from the date when, as a direct result of the peril(s) insured against, access to the premises described is prohibited by order of civil authority.
- (f) The Insurer, upon making any payment or assuming liability therefor under this policy, shall be subrogated to all rights of recovery of the Insured against any person and may bring action in the name of the Insured to enforce such rights.

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.

- (g) If, on the happening of any loss, there is in force more than one policy insuring the same interest, irrespective of whether by any term in such contract the insurance granted thereby shall not cover, come into force, attach or become insurance until after full or partial payment of any loss under any other policy, it is a condition of this policy that the claim hereunder shall be adjusted with the Insured on the basis that such policy or policies will contribute a rateable proportion of the loss unless it is otherwise expressly agreed in writing.
- (h) No term or condition of this policy shall be deemed to be waived by this 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.