PREMIER canada

Form #PUP001 - Personal Umbrella Liability Insurance

(Rev. 2 April 2025)

INSURING AGREEMENT

In return for payment of the premium and subject to all the definitions, conditions, exclusions and other terms of this form we agree to provide the insurance described. This insurance applies only to personal injury or property damage that occurs during the coverage period shown in the Declarations.

DEFINITIONS

Throughout this policy, "you," and "your" refer to the Named Insured and any other persons falling within the definition of the Insured in this Policy as shown in the Declarations. "We," "us," and "our" refer to the company providing this insurance. Only the Named Insured may take legal action against us. Other words are defined as follows:

Aircraft means any machine capable of deriving support in the atmosphere from reactions of the air, this includes but is not limited to unmanned aerial vehicles, such as drones.

Automobile means any self-propelled land motor vehicle, trailer or semi-trailer (including attached machinery, apparatus or equipment), which is subject to motor vehicle registration and was designed for use principally on public roads. This excludes all automobiles that are used in rideshare arrangements for compensation.

Bodily Injury means physical bodily harm, sickness or disease sustained by a person. This includes resulting death from any of these at any time.

Business means any continuous or regular pursuit or activity in any trade, commercial enterprise, occupation or profession undertaken for compensation or financial gain.

Business Property means property on which a business is conducted. It does not include:

a. any part of the residence premises rented to not more than two roomers or boarders; or
b. any part of a residential dwelling of six or fewer families you rent or hold for rental; or
c. any residence premises occupied in part as an office or studio.

Data problem means:

a. erasure, destruction, disturbance, corruption, misappropriation or misinterpretation of data;
b. error in creating, amending, entering, deleting or using data; or
c. inability to receive, transmit or use data.

Family Protection Coverage means the insurance provided by one of the following:

a. NBEF 44 “Family Protection Endorsement”
b. OPCF 44R “Family Protection Coverage
c. SEF 44 “Family Protection Endorsement
d. “Family Security Protection” of the Saskatchewan Auto Pak
e. Underinsured Motorist Protection of the SPF No. 1 Standard Automobile Policy (Owners form) for British Columbia

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, vapor or gas produced by, emitted from or arising out of any fungi or spore(s) or resultant mycotoxins, allergens, or pathogens.

Incidental Business Activity means

a. Any self-employed sales activity or business activity normally undertaken by persons under the age of 21 such as newspaper delivery, baby-sitting, caddying, lawn care and similar incidental business activities
b. Any business activity conducted in whole or in part on your private residence which does not yield gross annual income in excess of $10,000 in any one year and does not have any employees subject to workers compensation, disability benefits, employment insurance and conforms to local provincial and or federal laws

Insured means you, the **Named insured** and includes the following residents of your principal residence:

a. your spouse;
b. your relatives;
c. any other person under the age of 21 who is in the care of the **Named Insured** or any person named above;
d. any **Residence Employee** of the **Named Insured** or any person included in 1a or b, but only when acting in that capacity.
e. a student who is enrolled in and actually attends a school, college or university fulltime and who is dependent on the **Named Insured** or his or her spouse for support and maintenance is also insured even if temporarily residing away from the principal residence.

Named Insured means the person(s) named in the Declarations.

Spouse means

a. either of two persons who are married to each other or who have together entered into a marriage that is voidable or void, or
b. either of two persons who are living together in a conjugal relationship outside marriage and have so lived together continuously for a period of 2 years or, if they are the natural or adoptive parents of a child, for a period of 1 year.

Residence Employee means an employee of an Insured whose duties are related to the Premises but does not include persons performing duties in connection with your **Business.**

Occurrence means an accident, including continuous or repeated exposure to the same conditions, which results, during the coverage period, in personal injury or property damage neither expected nor intended by the insured. All such exposure to substantially the same general conditions existing at or emanating from one premises location shall be deemed one occurrence.

Personal Injury means:

a. bodily injury, sickness, disease, disability, shock, mental anguish and mental injury including death resulting therefrom, sustained by any person.
b. false arrest, false imprisonments, wrongful eviction from a room, dwelling or premises that a person occupies, wrongful detention;
c. malicious prosecution, unfair discrimination and humiliation;

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d. oral or written publication of material that libels, slanders, or disparages a person's goods, products or services;
e. Oral or written publication of material that violates a person's right of privacy.

Policy means this Personal Umbrella Liability Policy (excluding the Excess Automobile Policy which can be attached to and form a part of this Personal Umbrella Liability Policy)

Pollutant means any solid, liquid, gaseous or thermal irritant, or contaminants including odour, vapour, fumes, acids, alkalis, chemicals and wastes. Waste includes materials to be recycled, reconditioned or reclaimed.

Property Damage means physical injury to or destruction of tangible property, including loss of use of property.

Recreational Vehicle means if not subject to motor vehicle registration, a golf cart, mini-bike, dune buggy, snowmobile or any other land vehicle, amphibious vehicle or air cushion vehicle designed for recreational use off public roads.

Residence means land and dwellings.

Retained Limit is nil unless an amount is shown on the Declarations that applies to an insured loss if there is no underlying insurance.

Spore(s) includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any fungi.

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.

Ultimate Net Loss means the total of all sums the insured is legally responsible to pay as damages, whether resulting from a decision by a court of Law or by compromise with our consent, less all collectible recoveries including salvage.
The following are not included in ultimate net loss:
a. the costs to investigate or settle any claim including legal fees, court costs, and interest on any judgment or award;
b. an insured's office expenses; and
c. salaries of an insured's employees.

Underlying Insurance means:
a. the insurance provided by the **'Required' Primary Underlying Insurance** policies, as shown in Named Insured Declaration on the Declarations page.
b. any other valid and collectible insurance, except insurance specifically rated and issued as insurance excess to this policy (even if the underlying coverage is for more than the minimum amounts required by this policy).

Required Primary Underlying Insurance means underlying policies of Insurance that the **Insured** has agreed, in the Policy Application and Declarations, to maintain in full effect which must meet the following requirements;
a. Provide a MINIMUM limit of liability insurance of $1,000,000 Canadian dollars covering all exposures to private residence, private automobile (includes Family Protection Coverage), recreational vehicle and watercraft, registered and / or located in Canada as described in the Declarations
b. Provide a MINIMUM limit of liability insurance of *$1,000,000 US dollars, covering all exposures to private residence, private automobile (includes Uninsured/Underinsured motorists), recreational vehicle and watercraft, registered and / or located in the United States of America as described in the Declarations

Watercraft means vessels principally used for recreation, including vessels with an inboard or inboard-outboard motor, vessels powered in whole or in part by an outboard motor or combination of outboard motors and sailing vessels (with or without auxiliary power). This policy excludes coverage for any watercraft that is in excess of 79 feet in length, and excludes coverage for any watercraft capable of speeds in excess of 70 mph

COVERAGES

COVERAGE A - PERSONAL LIABILITY
We agree to pay on your behalf the ultimate net loss in excess of the underlying insurance(s) or the retained limit, which you shall become legally obligated to pay as compensatory damages because of personal injury or property damage caused by or arising out of an occurrence up to the limit of liability shown on the Declarations.

This insurance applies only to occurrences which take place during the period this coverage is in force.

COVERAGE B (i) – AUTOMOBILE INSURANCE
The provision of Automobile Insurance by this policy is confined solely to that provided by, and shall be subject to all the terms and conditions of, the Excess Automobile Policy SPF No.7 attached to and forming part of this Policy.

Any Excess Automobile Policy SPF No.7 attached to and forming part of this Policy provides excess liability coverage only and is specifically made excess to all applicable Underlying Insurance Policies.

This coverage is extended to provide excess limits solely in accordance with the terms and conditions of the applicable **Family Protection Coverage** and Excess Automobile Policy SPF No.7 forms in effect.

If a loss arises from use or operation of an automobile outside Canada or the United States of America, such loss will be subject to the laws, regulations, policies, terms and conditions and exclusions in respect to ownership, use and/or operation of automobiles, applicable in the jurisdiction where the loss occurs. Such laws may restrict or limit the coverage provided herein.

COVERAGE B (ii) – APPLICABLE TO US AUTOMOBILE for EXCESS UNINSURED AND UNDERINSURED MOTORISTS BODILY INSURANCE

This coverage is in effect only if Limit of Liability is shown on Declarations.
1. We will pay those sums which the insured shall become legally entitled to recover as damages because of loss which is covered by the uninsured/ underinsured motorists insurance of the primary automobile insurance policy, less the applicable limit of liability of uninsured/underinsured motorists insurance

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2. The terms, conditions, exclusions and policy territory of the primary automobile insurance policy for the uninsured/underinsured motorists insurance will apply to this coverage, except for any stacked or accumulated limits provided by the primary automobile policy. The limits of liability for Coverage B (ii) are not cumulative regardless of the number of primary automobile liability insurance policies in force.
3. Maximum limit of liability – Coverage B (ii) is as shown on Declarations. This is the most we will pay for all or any losses during each coverage period, regardless of the number of insured persons, claims made, automobiles covered under this policy, automobiles involved in an accident, of all other coverages provided by this Umbrella policy, exposures or premiums charged in Declarations page or persons making claims or bringing suits, This limit of liability Coverage B(ii) is not cumulative and cannot be multiplied regardless of the limits of uninsured/underinsured motorists insurance coverage available on the primary insurance policies in force.

Coverage B(ii) Exclusions

This coverage will not apply to:
(a) Any loss occurring at any time during which you do not maintain uninsured motorists (including underinsured motorists) primary automobile insurance.
(b) Any loss, which is not covered or collectible for any reason under your uninsured motorist (including underinsured motorists) primary automobile insurance.
(c) Fines, penalties, punitive damages or exemplary damages of any kind
(d) Any loss arising out of any:
    a. First party automobile personal injury protection or no-fault automobile coverage or any similar coverage.
    b. Medical payments as described in your primary automobile insurance

COVERAGE C - DEFENCE, SETTLEMENT AND SUPPLEMENTARY PAYMENTS
If you have no coverage under your underlying insurance or any other available and collectible insurance, and the loss is covered by this policy, then, in addition to the **Ultimate Net Loss**, we will defend any legal action or claim against you even if it is groundless or fraudulent.

If we are obliged to provide a defense, it will be at our expense; we may settle if we decide it is appropriate and we reserve the right to select legal counsel. We will pay all court costs owed by you or anyone insured and we will pay interest on the part of the judgment we owe.

If you have no coverage under your underlying insurance but the claim is covered under this policy, we will pay premiums on appeal bonds or bail bonds required of the insured. However, we have no duty to apply for these bonds or to furnish them ourselves.

We will pay reasonable expenses that you incur at our request including actual loss of earnings up to $250 per day to a total of $10,000 per occurrence.

If in any country where we may be prevented by law or otherwise from carrying out this agreement, we shall pay any expense incurred with our written consent following the same terms and conditions of this agreement.

LIMIT OF LIABILITY
1. We are responsible only for that portion of the ultimate net loss which exceeds the total amount of all limits of liability of applicable underlying insurance, even if the underlying coverage limit is for more than the minimum amounts required by this policy.

2. Where an underlying insurance policy is in force and the claim or suit is excluded, but for which there is coverage under this policy, we are responsible only for that portion of the ultimate net loss which exceeds the greater of :
    (i) the retained limit as shown on Declarations; or
    (ii) the applicable limits of liability of any other collectible insurance available to the insured.

3. If a loss arises out of the use or operation of any automobile outside of Canada or United States of America, we are responsible only for that portion of the ultimate net loss which exceeds the greater of :
    (i) $1,000,000; or
    (ii) the applicable limits of liability of any other collectible insurance available to the insured.

4. The limits of liability of the underlying insurance are applied even if:
    (i) any insured's action releases the underlying insurer from any of its duties; or
    (ii) the underlying insurer is bankrupt or insolvent.

5. Our total limit of liability for any one occurrence is shown in Item A of the Declarations. This is the most we will pay no matter how many Insured's are involved, claims are made or persons are injured. The insurance applies separately to each insured, but this will not act to increase our limit of liability.

6. The failure of the **Named Insured** to comply with the requirements of the '**Required' Primary Underlying Insurance policies** shall not invalidate the Policy, but in the event of such failure the Insurer shall be liable only to the extent we would have been liable had this failure not occurred ie **Named Insured** had purchased all 'Required' Primary Underlying Insurance policies.

TERRITORY
This policy applies to occurrences happening anywhere in the world.

EXCLUSIONS
This policy does not apply to:

1. Any **obligation you or anyone else has to pay under any of the following laws:**
    a. workers' compensation;
    b. unemployment compensation;
    c. disability benefits;
    d. any other similar law or punitive or exemplary damages, meaning that part of any award by a court which is in excess of compensatory damages and is intended to be a punishment to you.

2. Any damages resulting from personal injury or property damage, which arise from acts performed by or at the direction of the insured with **intent to cause injury or damage.** However, this exclusion does not apply when an insured is trying to prevent or eliminate danger to persons or property from the operation of an automobile, watercraft or aircraft.

3. Any damages arising out of any **ownership of business property or from any business pursuits of an insured**.
    This exclusion does not apply to:

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a. Incidental Business Activities (including but not limited to Rental Income)
b. Volunteer work for an organized charity or community group
c. An insured performing a civic activity that is not a principal or secondary job; or
d. The ownership, maintenance, operation or use, including loading or unloading, of a private passenger automobile to the extent that such coverage is provided by the underlying insurance.

4. Any damages resulting from the **rendering of or failure to render professional services** by the insured, or by any person for whose acts or omissions the insured is legally responsible.

5. Any damages caused by an **act or omission of the insured as a director,** officer or member of any corporation or organization. This exclusion shall not apply to any damages caused by an act or omission of the insured, who is not compensated as a director, officer or member of a board of directors of a not-for-profit corporation or organization, nor as an officer or member of a board of directors of a condominium corporation or association.

6. Any damages arising from **pollution or contamination** caused by the discharge or escape of any waste material, irritants, pollutants or contaminants.

7. Any damages arising out of any Insured's **ownership, maintenance, loading or unloading or piloting of any aircraft** or premises used as an airport or landing facility.

8. Any damages arising out of the ownership, maintenance, operation or use, including loading or unloading of any **watercraft owned by an insured, while away from residence premises** owned by, rented to or controlled by an insured. This exclusion does not apply if there is underlying insurance

9. Any damages arising out of the ownership, maintenance, use, operation, loading or unloading of any automobile, motorcycle, recreational vehicle or watercraft while **practicing for or participating in competitive racing**. This exclusion does not apply to the racing of sailboats, provided there is underlying insurance coverage for this activity.

10. **Property Damage to:**
a. any property owned by the insured; or
b. any aircraft or watercraft used by the insured; or
c. any property rented to, used and occupied by or in the care, custody or control of the insured for which the insured has assumed liability under any contract or agreement.
d. any property because of work done on it by you or anyone on your behalf

11. **Personal Injury arising out of:**
a. violation of a penal statute or ordinance by or with the knowledge of the insured; or
b. libel, slander, defamation or violation of privacy if the first injurious act takes place prior to the effective date of the policy.
c. wrongful termination of employment

12. **Personal Injury or Property Damage** for any person while engaged in paragliding, hang-gliding or similar activity.

13. **Personal Injury or Property Damage** for which the insured is covered under a nuclear energy policy (whether the Insured is unnamed in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other group or pool of insurers or would have been covered except that its limits of liability were used up.

14. Any damages resulting from:
a. **Sexual, physical, psychological or emotional abuse**, molestation or harassment, including corporal punishment by, at the direction of, or with the knowledge of any person insured by this policy.
b. Failure of any person insured by this policy to take steps to prevent sexual, physical, psychological or emotional abuse, molestation or harassment or corporal punishment.

15. **The transmission of communicable disease** by any person insured by this policy.

16. **War**, including undeclared war, civil war, insurrection, rebellion, revolution, warlike acts by a military force or military personnel, destruction or seizures or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be considered a warlike act even if accidental.

17. **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.

18. Any **Data Problem** whether resulting damage is direct or indirect.

19. **Personal Injury or Property Damage** caused directly or indirectly by mycotoxins, allergens, pathogens or any substance, vapour or gas produced by, emitted by or arising out of any fungi or spore, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of fungi or spores;

20. Any damages arising out of **rental of any automobile, recreational vehicle or watercraft**. This exclusion does not apply if rental period is less than 30 days and only to the extent that such coverage is provided by the underlying insurance.

21. Any damages arising from:
a. toxic or pathological **properties of lead**, lead compounds or lead contained in any materials:
b. any cost or expense to abate, mitigate, remove or dispose of lead, lead compounds or materials containing lead;
c. any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with I or ii above; or
d. any obligation to share damages with or re[pay someone else who must pay damages in connection with i,ii or iii

22. Any damages arising from:
a. toxic or pathological **properties of asbestos**, asbestos compounds or asbestos contained in any materials:
b. any cost or expense to abate, mitigate, remove or dispose of asbestos, asbestos compounds or materials containing asbestos;
c. any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with I or ii above; or
d. any obligation to share damages with or re[pay someone else who must pay damages in connection with i,ii or iii

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23. Loss arising out of the use, sale, manufacture, delivery, transfer or **possession of controlled substance(s).** Controlled substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

24. Any damages arising out of the **ownership or operation of a farm.** However this exclusion does not apply to farming activity which meets all the following requirements:
    a. Is incidental to your use of the premises as your residence
    b. Does not produce more than $10,000 gross annual income
    c. Up to 15 acres

25. Any damages arising out of the **ownership, maintenance, operation or use including loading or unloading of any watercraft** owned by an insured which is in excess of 79 feet in length or capable of speeds in excess of 70 mph.

26. Any damages arising out of **ownership, maintenance, operation or use including loading or unloading of any hovercraft.** We do not cover any property damages to hovercraft rented to, owned by, or in the care, custody or control of an insured.

27. Any damages arising out of the **ownership, maintenance, operation or use of any automobile** used in rideshare arrangements for compensation.

28. Any judgement, award, payment, action, loss or settlement made in a United States jurisdiction arising from an occurrence in a United States jurisdiction, unless permission has been granted by us and noted on the Declaration page.

SPECIAL CONDITIONS

Insured's Duties:

a. **Notice of Occurrence**: The insured must give us or our broker prompt written notice of an occurrence to which this insurance may apply. If a claim is made or suit is brought against the insured relating to an occurrence that is likely to involve us, the insured must immediately notify us in writing and send every demand, notice, summons or other process received by him or his representative to the company providing underlying insurance or to us.
b. **Maintenance of Primary Underlying Liability Insurance:** You must maintain in full effect Primary Underlying Liability insurance with minimum limits that meet the requirements of the '**Required' Primary Underlying insurance policies** equal to those shown under the Declarations and Policy Application. If you do not, this policy will still be valid, but we will only be responsible for that portion of the ultimate net loss that exceeds the limits of liability required by the '**Required' Primary Underlying insurance policies**.
c. **Assistance and Cooperation:** We are not required to defend or settle any claim or suit against the insured. But if the claim or suit is one we may likely have to pay, we have the right to join in its defense. The insured must assist us in such claims or suits and when asked by us, must also attend hearings and trials, secure and give evidence and obtain the attendance of witnesses.

Appeals:
Should the insured or any underlying insurer choose not to appeal a judgment which exceeds the required primary underlying insurance limit of liability or the retained limit, we may choose to do so. If we do, we will pay all costs, taxes, expenses incurred and interest on judgments involved in such an appeal.

Payment of Damages:
Our responsibility under this policy for payment of ultimate net loss caused by an occurrence does not begin until the required primary underlying insurance limits of liability or the limits of insurers under any other collectible insurance shall have been paid by or for the insured.

Action Against Us:
No one has the right to involve us in any legal action to determine the legal liability of an insured. No action may be brought against us unless there has been full compliance with all of the terms and conditions of this policy.

Other Insurance:
If other valid and collectible insurance with any other Insurer is available to the Insured covering a loss also covered by this policy, other than insurance that is specifically stated to be in excess of this policy, the insurance afforded by this policy shall be in excess of and shall not contribute with such other insurance. Nothing herein shall be construed to make this policy subject to the terms, conditions and limitations of other insurance.

Subrogation:
To the extent of any payment made by us under this policy, we can exercise the Insured's rights against persons liable for a loss. The insured shall do nothing after an occurrence to injure or damage such rights.

Additional Exposures:
Should you acquire any additional Private Residence, Automobiles, Recreational Vehicles, Watercraft, Recreational or Rental properties during the term of this policy, please report such acquisitions to your insurer. We will extend the insuring agreements to include these additional exposures as of the date of acquisition on the condition that the Required Primary Underlying Liability insurance is in force and subject to existing policy terms, conditions and exclusions contained in this policy form. If you do not advise us of any additional exposures prior to the next policy expiry date, this automatic coverage will cease on that date even if the policy is renewed.

Changes to the Insurance Provided:
This insurance may only be changed by endorsement issued by us.

Assignment:
Transfer of interest in this insurance can only be made with our written permission. If you die or become bankrupt or insolvent during the coverage period, coverage will continue for your legal representatives while acting within the scope of such duties, for the remainder of the coverage period.

Coverage Period:
The coverage period is shown in the Declarations. This insurance applies only to the occurrences which take place during the coverage period as shown.

Currency:
All limits of liability, premiums and other amounts stated in this policy are expressed in Canadian currency unless stated otherwise.

Termination of the Insurance:

a. We may choose not to continue this insurance after the end of the coverage period;
b. Either you or we may cancel this insurance at any time:

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(i) You may cancel by sending us written notice stating when, at a future date, the insurance is to be cancelled;
(ii) We may cancel by mailing a written notice of cancellation at least 15 days before the effective date of cancellation shown on the notice. It will be mailed to you at the address shown in the Declarations. Proof of delivery of the notice or proof of mailing it to you will be sufficient proof of notice;
(iii) If this insurance is cancelled, we will refund any unearned premium as soon as practicable; but this is not required to make a valid cancellation.

Representations:
By accepting this insurance you agree:
a. That the following are your agreements and representations:
(i) Statements in the application;
(ii) Statements in the Declarations;
(iii) Statements as any subsequent notice to us relating to underlying insurance;
b. That we have relied upon the truth of these representations in issuing and continuing this policy.
You also agree that this policy contains all agreements relating to this insurance that exist between you and us or any of our authorized agents or brokers.

Severability of interests:
The words "Insured; "You and "Your" in this coverage refer to each of the persons insured severally and not collectively. However, the inclusion of more than one person insured under this coverage shall not operate to increase our limits of liability.

Provincial Law:
Any time this policy is in conflict with the law of the province, in which it is issued, the law of the Province will apply.

Co-operation:
Except as provided in Defence, Settlement and Supplementary Payments: above, we are not responsible to assume charge of the settlement or defence of any claim made or suit brought or instituted against you, but we have the right and must be given the opportunity to associate with you in the defence and control of any claim, suit or proceeding reasonably likely to involve us.

Bankruptcy or Insolvency:
The bankruptcy or insolvency of you or of your estate will not relieve us of our obligations under this coverage.

Liberalization:
If we change any part of this form during the coverage period to give more coverage without charge, your insurance will provide the additional coverage on the date it is effective in the province included in your address shown in the Declarations.

EXCESS AUTOMOBILE POLICY (S.P.F. No. 7 in Applicable Provinces)
ATTACHED TO AND FORMING PART OF THIS PERSONAL UMBRELLA LIABILITY INSURANCE.

WHEREAS an application has been made by the applicant (hereinafter called the "Insured") to the Excess Insurer for a contract of excess automobile insurance and the said application forms part of this contract and is as follows.

APPLICATION
Item 1. Name and Address of Insured is as mentioned in the Policy Declarations.
Item 2. Policy period is as stated in the Policy Declarations.
Item 3. The Insured is warned that by statute this excess contract automatically terminates concurrently with the termination of the Underlying First loss motor vehicle liability insurance a/o Underlying Excess Insurance (s) if any.
Item 4. This application is for excess insurance against legal liability for bodily injury or death or damage to property of others upon the terms and conditions of the Excess Insurer's standard policy form for excess automobile insurance and for the specified limits as stated in the Umbrella Declarations.
Item 5. Premium is included in the premiums shown in the Umbrella Declarations.
Item 6. Claims must be reported to the agent or the insurer. Refer to special provisions 7 and 9 of this policy.

NOW THEREFORE, IN CONSIDERATION of the payment of the premium specified and of the statements contained in the application and subject to the limits, special provisions and conditions herein stated and subject, insofar as applicable, to the terms, conditions, general provisions, definitions and exclusions set forth in the first loss policy which said terms, conditions, general provisions , definitions and exclusions are by reference incorporated herein, the Excess Insurer agrees to indemnify the Insured under the first loss motor vehicle liability insurance against liability imposed by law upon the Insured for an amount or amounts in excess of the limit(s) of the first loss insurance and the underlying excess insurance for loss or damage arising from the ownership , use or operation of the automobile (s) covered under such first loss insurance and the underlying excess insurance resulting from Bodily injury to or Death of any Person or Damage to Property.

SPECIAL PROVISIONS
1. The Excess Insurer's ultimate net loss liability shall not exceed the limit stated in the Umbrella Declarations, in excess of the limit(s) of the first loss policy, and the underlying excess insurer shall be liable to pay under statute, whichever is the greater.

   The words "ultimate net loss" used in this policy mean the amount payable in settlement of the liability of the Insured after making deductions for all recoveries and for other valid and collectible insurance excepting the first loss and underlying policy(ies) and shall exclude all expenses and costs.

2. The word "costs" used in this policy means interest accruing after entry of judgment upon that part of the judgment which is within the limit of the Excess Insurer's liability, investigation, adjustment and legal expenses, excluding, however, all office expenses of the Insured, all expenses of salaried employees of the Insured and general retainer fees for counsel normally paid by the insured.

3. The Excess Insurer agrees to pay costs incurred by or on behalf of the Insured where these costs are not covered by the first loss or underlying excess policy(ies), on the following basis:
   a. should any claim or claims become adjustable prior to the commencement of trial for not more than the first loss and underlying excess policy limit(s) then no costs shall be payable by the Excess Insurer;
   b. should, however, the amount for which said claim or claims may be so adjustable exceed the first loss and underlying excess policy(s) limit(s), then the Excess Insurer shall contribute to the costs incurred on behalf of the Insured in the ratio that the Excess insurer's proportion of the ultimate net loss and finally adjusted bears to the whole amount of such ultimate net loss;
   c. in the event that the Insured or the Insurer under the first loss policy elects not to appeal a judgment in excess of the limit(s) of the first loss and underlying excess policy (ies) the excess Insurer may elect to conduct such appeal and shall be liable for the taxable costs and interest incidental

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thereto; but in no event shall the total liability of the Excess Insurer exceed the limit of liability stated in the Umbrella Declarations, plus the expense of such appeal.

4. All recoveries or payments recovered subsequent to a loss settlement under this policy shall be applied as if recovered or received prior to such settlement and all necessary adjustments shall then be made between the Insured and the Excess Insurer, provided always that nothing in this policy shall be construed to mean that losses under this policy are not payable until the Insured's ultimate net loss has finally been ascertained.

5. Liability to pay under this policy shall not attach unless and until the first loss and underlying excess Insurer(s) shall have admitted liability for the first loss and underlying excess limit(s) shall have admitted liability for the first loss and underlying excess limit(s) or unless and until the Insured has by final judgment been adjudged to pay an amount which exceeds such first loss and underlying excess limit(s) and then only after the first loss and underlying excess insurer(s) has/have paid or has/have been held liable to pay the full amount of the first loss and underlying excess limit(s).

6. Neither the inclusion of more than one entity in the Insured's name nor the inclusion of additional Insureds under this policy shall in any way operate to increase the limit of liability set forth in the Umbrella Declarations.

7. Notwithstanding Statutory Condition 3(1) contained in the first loss policy the Insured is only required to give the Excess Insurer notice of any accident if the claim or claims possibly arising therefrom appear likely to exceed the first loss insurance, in which case immediate written notice thereof must be given to the person or firm mentioned in Item 7 of the application.

8. a. This policy may be terminated:
   (i) by the Excess Insurer giving to the Insured fifteen days' notice of termination by registered mail, or five days' written notice of termination personally delivered; or
   (ii) by the Insured at any time on request;

   b. Where this policy is terminated by the Excess Insurer:
   (i) the Excess Insurer shall refund the excess of premium actually paid by the Insured over the pro rata premium for the expired time, but in no event shall the pro rata premium for the expired time be deemed to be less than any minimum retained premium specified; and
   (ii) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable;

   c. Where this policy is terminated by the Insured the Excess Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified;

   d. The refund may be made by money, postal or express company money order, or by cheque payable at par;

   e. The fifteen days mentioned in clause (i) of sub-condition (a) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed;

   f. Nothing in this special provision shall in any way affect the operation of the statutory provision in The Insurance Act providing that where the contract or contracts designated in the excess contract terminates or is terminated, the excess contract is automatically terminated. In the event that this policy is automatically terminated, the Excess Insurer agrees to refund the excess of premium actually paid over the pro rata premium for the expired term (subject to any minimum retained premium specified) as soon as is practical, but if there is any pro rata premium unpaid the insured agrees to pay this.

9. Written notice to the Excess Insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the Excess Insurer in this province. Written notice may be given to the Insured named in this policy by letter personally delivered to the insured or by registered mail addressed to the insured at the insured's latest post office address notified to the Excess Insurer. In this condition, the expression "registered" means registered in or outside Canada.

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