



Combined Liability Insurance

(CANADA)

Policy Wording

**THIS POLICY CONTAINS A CLAUSE WHICH MAY LIMIT THE
AMOUNT PAYABLE.**

IMPORTANT NOTICES

A. Your Duty of Disclosure

Before you enter into a contract of general insurance with an **underwriter**, you have a duty to disclose to the **underwriter** every matter that you know, or could reasonably be expected to know, which is relevant to the **underwriter's** decision whether to accept the risk of the insurance and, if so, on what terms.

You have the same duty to disclose those matters to the **underwriter** before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of any matter:

- that diminishes the risk to be undertaken by the **underwriter**;
- that is of common knowledge;
- that your **underwriter** knows or, in the ordinary course of his business, ought to know;
- as to which compliance with your duty is waived by the **underwriter**.

B. Non-disclosure

If you fail to comply with your duty of disclosure, the **underwriter** may be entitled to reduce its liability under this **policy** in respect of a claim or may cancel this **policy**.

If your non-disclosure is fraudulent, the **underwriter** may also have the option of avoiding the contract from its beginning.

C. Claims Made Policy

Section 1 and Section 3 of this **policy**, the Professional Liability and Directors and Officers Liability sections, apply on a claims made basis.

This means that Section 1 and Section 3 of the **policy** respond to:

- 1) claims first made against you during the period of insurance and notified to the underwriter during the period of insurance, provided that you were not aware at any time prior to the **policy** inception of circumstances which would have put a reasonable person in your position on notice that a claim may be made against him/her; and
- 2) claims made against you after the expiration of this **policy** provided such claims arise out of facts that you have notified to the **underwriter** in writing during the period of insurance. The facts that you may decide to notify are those which might give rise to a claim against you. Such notification must be given as soon as reasonably practicable after you become aware of the facts and prior to the time at which the **policy** expires. If you give written notification of facts during the period of insurance, the **policy** will respond even though a claim arising from those facts is made against you after the **policy** has expired.

D. Retroactive Date

Section 1 and 4 of this **policy** contains a Retroactive Date. This means that cover is excluded for any claim arising from a wrongful act occurring or committed prior to the Retroactive Date.

E. Prior and Pending Litigation Date

Section 3 of the **policy** contains a Prior and Pending Litigation Date. This means that cover is excluded for any claim arising from any Wrongful Act relating to any prior and/or pending litigation committed prior to the Prior and Pending Litigation Date.

F. Preservation of Underwriter's Rights of Recovery/Subrogation

This **policy** contains provisions to the effect that the insured shall **not surrender any** right of recovery that it may have against another party without the **underwriter's** written consent. Failure to comply with this condition may permit the **underwriter** to reduce its liability in respect of a loss under this **policy**.

G. Initiating an Action

In British Columbia and other territories, every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the *Insurance Act* (British Columbia) or the relevant applicable acts in the other territories.

H. Statutory Conditions

Appendix 1 contains the **statutory conditions** that are applicable to this **policy**.

INSURING CLAUSE

This **policy** and the **declarations** have been prepared in accordance with the **insured's** instructions.

The **insured** is required to read it carefully to ensure that it meets with its requirements.

Alterations in the insurance required after the issue of the **policy** and the **declarations** will only be effective when a new **policy** or an **endorsement** has been issued which contains those alterations.

All material facts must be disclosed to the **underwriter**. Failure to do so may affect the rights of the **insured** under the **policy** as outlined in clause A. Your Duty of Disclosure on page 2 of this **policy**. A material fact is a fact likely to influence the **underwriter** in the acceptance or assessment of this insurance.

The **underwriter** and the **insured** agree that:

- 1) this **policy** (including any appendices), the **declarations** (including any **declarations** issued by the **underwriter** in substitution) and any **endorsements** shall be considered one document
- 2) the **proposal** shall be incorporated in and form the basis of this **policy**
- 3) the **underwriter** will provide the insurance described in this **policy** subject to its terms, conditions and exclusions for the **period of insurance** shown in the **declarations** and any subsequent period for which the **insured** shall pay and the **underwriter** shall agree to accept the **premium**.

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DEFINITIONS

A defined word, term or phrase will be shown in bold each time it appears in the **policy** except where incorporated in headings and titles.

Each time one of the following defined words, terms or phrases is used, it will have the same meaning wherever it appears in the **policy** whether expressed in the singular or the plural, male, female or neutral, unless an alternative definition is stated to apply.

1) action

Means a civil proceeding in which damages because of **injury** or **damage** to which this insurance applies are alleged. **action** includes;

- a) An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b) Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

2) additional insured

Any person, corporation, firm or organization for which the Insured has contracted to provide insurance, but only with respect to vicarious liability that arises out of the operations of the **insured** and only to the extent required by such contract.

3) airside liability

Liability in connection with any area of airport premises which has restricted rights of access, including manoeuvring areas, aprons, taxiways, runways and service roads, which are directly associated therewith.

4) bodily injury

Means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

5) business

- a) The ordinary course of practice of the professional or occupational activities of the **insured** as declared in the **proposal** and stated in the **declarations**; and
- b) In respect of Section 2 of this **policy** only this shall also include:
 - i) engagement of subcontractors for performance of work on behalf of the **insured**; and
 - ii) organization of and participation in exhibitions, trade fairs and conferences; and
 - iii) the **insured's** activities as property owners, lessors and lessees including repair, refurbishment and maintenance of such property; and
 - iv) provision and management for the benefit of any **employee** of canteen, social, sports, welfare, fire, first aid, rescue and ambulance services; and
 - v) provision for the benefit of any **employee** of nursery crèche or child or baby care facilities; and
 - vi) private work undertaken by any **employee** for any director or partner or executive of the **insured**; and
 - vii) the activities of security organizations for the benefit of the **insured**; and

- viii) the organization or sponsorship of charitable events or similar fund raising activities; and
- ix) sponsorship of events organizations entities and individuals; and
- x) repair, maintenance and servicing of the Insured's mechanically propelled vehicles; and
- xi) sale or disposal of own property and goods including owned mechanically propelled vehicles; and
- xii) provision of gifts and promotional material incidental to the **business**.

6) business interruption loss

1. net profit before income taxes that the **insured organization** does not earn due to a **hacking attack** against the **computer system** of the **insured organization**; plus
2. normal operating expenses incurred by the **insured organization**, including payroll, but solely to the extent that such operating expenses must continue during the **period of restoration** and would have been incurred had there been no **hacking attack** against the **computer system** of the **insured organization**; plus
3. **extra expense**.

In determining the amount of net profit or loss and expenses, the **insurer** will give due consideration to the net profit or loss of the **insured organization** for the twelve months prior to the **hacking attack** and the probable net profit or loss of the **insured organization** if no **hacking attack** had occurred. However, such net profit or loss calculations shall not include net income that would likely have been earned as a direct result of an increase in the volume of the **insured organization's** business due to favorable business conditions caused by the impact of any event similar to a **hacking attack** suffered by other businesses. The **insured organization** will provide the **insurer** with access to all relevant sources of information, including, but not limited to:

- (a) the **insured organization's** financial records, tax returns, accounting procedures;
- (b) bills, invoices and other vouchers; and
- (c) deeds, liens and contracts.

7) claim

- a) The receipt by the **insured** of any written or verbal notice of demand for compensation made by a third party against the **insured**;
- b) Any writ, notice of civil claim, statement of claim, claim form, summons, application or other originating legal or arbitral process, cross-claim, counterclaim or third or similar party notice served upon the **insured**;
- c) Any notice of intention, whether orally or in writing, to commence legal proceedings against the **insured**.

8) computer system

Computer data processing equipment, media or part thereof or system or data storage and retrieval or communication system network protocol or part thereof or storage device, microchip, integrated circuit, real time clock system or similar device or any computer software (including but not limited to application software, operating systems, runtime environments or compilers, firmware or microcode.

9) computer virus

A piece of unauthorised, executable code which propagates itself through the **computer system** of the **insured**.

10) confidential corporate information

means corporate information, in any format, that has been provided to the **insured** by a third party which is not available to the general public and is subject to a mutually executed written confidentiality agreement or which the **insured** is legally required to maintain in confidence.

11) continuity date

- a) The date specified as the continuity date in the **declarations**; or
- b) if no such date is specified in the **declarations**, the inception date of the original professional indemnity policy issued to the **insured** by the **underwriter** provided always that the **insured** has been continuously indemnified with the **underwriter** without interruption since such date.

12) coverholder

Rogers Insurance Ltd.
800 – 1331 Macleod Trail SE | Calgary, AB T2G 0K3

13) damage

Physical loss or physical destruction or physical damage to material property.

14) declarations

The **declarations** of insurance attaching to and forming part of this **policy** together with any renewal **declarations**.

15) deductible

The first part of each and every **claim** borne by the **insured** as stated in the **declarations**.

16) defence costs

Reasonable legal costs and legal expenses incurred by or on behalf of the **insured** with the prior written and continuing consent of the **underwriter** in relation to the investigation and defence of any **claim** covered under this **policy**, including any appeal issued in connection with a **claim**. Defence costs shall not include the **insured's** own costs and expenses, salaries, remuneration for **employees** or any other internal expenses, overheads, fees or benefit of the **insured**.

17) digital asset

electronic data, software, audio files, and image files stored on the **computer system** of the **insured organization**.

digital asset shall not include hardware, money, funds, debt, credit, bond, equity instruments, accounts, and bills. **digital asset** shall also not include valuable papers, records, abstracts, deeds, manuscripts or other documents, except as they have been converted to electronic data, and then only in that form

18) digital asset loss

the reasonable and necessary expenses the **insured organization** incurs to replace or restore a **digital asset** from written records or partially or fully matching electronic data as a result of a **hacking attack**, including any disaster recovery or computer forensic investigation efforts.

19) documents

All documents directly connected with the **business** whether kept in paper, magnetic or electronic form belonging to the **insured** or for which the **insured** is legally responsible whilst in the custody of the **insured**, in the ordinary course of the **business**.

Documents shall not include stamps, currency, coins, bank notes and bullion, travellers' cheques, cheques, postal orders, money orders, securities and any other negotiable instrument.

20) employee

- a) Any person under a contract of service or apprenticeship with the **insured**; and
- b) In respect of Section 2 (Public and Products Liability) of this **policy** only shall also include:
 - i) any labour master or labour only sub-contractor or persons supplied by them whilst under the direct control and supervision of the **insured**; and
 - ii) self-employed persons engaged by the **insured**; and
 - iii) persons engaged by the **insured** under work experience, training, study or similar schemes; and
 - iv) any person hired to borrowed by or supplied to the **insured** from any other employer; and
 - v) voluntary workers for the **insured**; and
 - vi) outworkers and home workers for the **insured**; and
 - vii) any prospective employee who is being assessed by the **insured** as to his or her suitability for employment,

whilst employed by or engaged by and under the control of the **insured** in connection with the **business**.

21) employment practices dispute

Any **claim** brought by any past, present, or potential **employee** which alleges any breach of any employment contract; wrongful dismissal or termination of employment whether actual or constructive; unfair dismissal; unequal pay; unlawful deduction from wages; discrimination including on grounds of sex, sexual orientation, pregnancy, age, religion, race, disability; sexual or other harassment in the workplace; victimization in the workplace; employment related misrepresentations; wrongful deprivation of any career opportunity, employment or promotion and any wrongful discipline or evaluation or failure to adopt adequate employment or workplace policies or procedures.

22) endorsement

Any amendments to the wording attaching to and forming part of this **policy**.

23) extra expense

the reasonable and necessary expenses actually incurred by the **insured organization** during the **period of restoration** to minimize, avoid or reduce a **hacking attack**, including any disaster recovery or computer forensic investigation efforts, provided that such expenses are not over and above the **insured organization's** normal operating and payroll expenses.

24) hacking attack

means any malicious or unauthorized electronic attack including but not limited to any fraudulent electronic signature, brute force attack, **computer virus**, phishing, denial of service attack, that has been initiated by any third party or by an **insured** and that is designed to damage, destroy, corrupt, overload, circumvent or impair the functionality of the **computer system**.

25) hostile fire

Means one which becomes uncontrollable or breaks out from where it was intended to be.

26) injury

- a) Bodily injury, death, disease and illness which shall include psychiatric illness.
- b) False arrest, false detention, false imprisonment, wrongful eviction.
- c) Nuisance, trespass or interference with any easement, right of air, light, water or way.

27) inquiry

Any official investigation, examination, inquiry or other proceedings ordered or commissioned by any official body or institution empowered by law to investigate the conduct of the **business** of the **insured**.

28) insured

- a) The person, company, firm, partnership, organization or other entity stated in the **declarations** as the Insured; and
- b) any **subsidiary** of the Insured stated in the **declarations**; and
- c) Any person who is or who becomes during the **period of insurance** a partner, director, principal or member of the **insured** stated in the **declarations** or any **subsidiary**; and
- d) Any former partners, directors, principals or members of the Insured stated in the **declarations** or any **subsidiary**; and
- e) Any **employee**; and
- f) In the event of the death or bankruptcy of any person insured under this **policy**, such person's estate, heirs, legal representatives or assignees, for legal liabilities incurred due to any act, error or omission of such deceased or bankrupt person.

Provided always that such parties requiring indemnity shall observe, fulfil and be subject to the terms, conditions, exclusions, extensions and **endorsements** of this **policy**.

29) insured person

any natural person who is or was or may during the **period of insurance** become a director or officer of the **insured** and any natural person who is construed to be a director or officer within the meaning of any applicable law or regulation governing such matters.

30) insured organization

means the person, company, firm, partnership, organization or other entity stated in the **declarations** as the Insured and any **subsidiary** of the Insured stated in the **declarations**.

31) intellectual property rights

Intellectual property rights including copyright, design right, registered design or trademark. Intellectual property rights shall not include any patent or trade secret.

32) limit of liability

The amount stated in the **declarations** for each Section of the **policy** being the total amount payable by the **underwriter** under such Section.

33) loss

The legal liability of the **insured** to pay for:

- a) **defence costs**; and
- b) awards of costs, including claimants legal costs and expenses; and
- c) settlements entered into with the prior written consent of the **underwriter**

34) network extortion loss

the reasonable and necessary **network extortion payments** incurred by the **insured organization**, with the prior written consent of the **insurer**, that are attributable to a **network and data extortion threat**.

35) network extortion payments

monies paid to a third party whom the **insured organization** reasonably believes to be responsible for a **network and data extortion threat**, provided that:

- 1. the **insurer's** prior written consent is obtained prior to making such **extortion payments**; and
- 2. such **network extortion payments** are made to terminate the **network and data extortion threat**.

36) network and data extortion threat

credible threat or connected series of credible threats made by a natural person to an **insured** where such natural person:

- 1. introduces or threatens to introduce malicious code into the **computer system** of the **insured organization**;
- 2. interrupts or threatens to interrupt the **computer system** of the **insured organization**; or
- 3. disseminates, divulges, or improperly utilizes or threatens to disseminate, divulge or improperly utilize any **personally identifiable information** or **confidential corporate information** in any format.

37) network security and privacy breach costs

the reasonable and necessary fees, costs, charges and expenses actually incurred by the **insured organization** in responding to a **hacking attack** or **privacy breach** and provided by the **insurer's** pre-approved third party loss control panel for the purposes of retaining an accountant, attorney, public relations consultant or other third party with the prior written consent of the **insurer**, such consent not to be unreasonably withheld, as follows:

- 1. Attorneys / Privacy Breach Coach

To access a privacy breach coach to create a privacy breach response and remediation plan to:

- (a) determine if the **insured** is obligated to notify affected individuals or applicable government agencies of such **hacking attack** or **privacy breach**; and
- (b) review compliance with any **privacy regulation** under the applicable **privacy regulation** most favorable to the individuals affected by such **privacy breach**;

- 2. Forensics

To conduct a computer forensic analysis to investigate the **computer system** of the **insured organization** to determine the cause and extent of such **hacking attack** or **privacy breach**;

- 3. Public Relations

To plan, implement, execute and manage a public relations campaign to counter or minimize any actual or anticipated adverse effects of negative publicity from such **privacy breach** or to protect or restore the **insured's** business reputation in response to negative publicity following such **hacking attack** or **privacy breach**;

4. Notification Expenses

To notify the **insured's** affected employees, clients, customers and applicable government agencies, on a voluntary or mandatory basis, of such **privacy breach**; and

5. Identity Monitoring, Credit Monitoring and Identity Restoration Services

To procure identity monitoring, credit monitoring, call center and identity restoration for the **insured's** affected employees, clients and customers affected by such **privacy breach**.

38) occurrence

An accident or event, including continuous or repeated exposure to the same conditions which results in **injury** or **damage** neither expected, nor intended by the **insured**.

39) offshore

From the time of embarkation onto a conveyance at the point of final departure to an offshore rig, offshore platform, or support or accommodation vessel, until disembarkation from such offshore rig, offshore platform or support or accommodation vessel.

40) period of insurance

The period stated in the **declarations**.

41) period of restoration

the period from the date and time that the **computer system** of the **insured organization** first suffered a **hacking attack** to the date and time such **computer system** of the **insured organization** was restored, or could have been restored with reasonable speed, to substantially the level of operation that had existed prior to such **hacking attack**; provided, however, that in no event shall such period exceed ninety (90) days.

42) personally identifiable information

any non-public personally identifiable information, including financial, medical or health care information, protected from unauthorized use, access or disclosure pursuant to the Personal Information Protection and Electronic Documents Act S.C. 2000 c.5, the Personal Health Information Protection Act, 2004, S.O. and any like or similar federal, provincial or territorial legislation, including those defined in **privacy regulations**.

personally identifiable information does not include information that is lawfully available to the general public, including but not limited to information from any local, state, federal, or foreign administrative, governmental, or regulatory agency, body, entity or tribunal.

43) policy

- a) All terms, conditions, exclusions, extensions and the **declarations** comprising this document; and
- b) All other declarations, notices, appendices, subjectivity notices and other documents agreed by the **underwriter** and the **insured** attaching from time to time; and
- c) All **endorsements** for incorporation in this document,

all of which shall be read together and constitute the contract of insurance between the **insured** and the **underwriter**.

44) pollutants

Mean any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, odour, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

45) pollution

Discharge, dispersal, seepage, migration, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste.

46) pollution incident

Sudden, unexpected and unintended **pollution** that takes place in its entirety at a specific time and place during the **period of insurance**.

47) prior and pending litigation date

- a) The inception date of this **policy**; or
- b) The inception date of the first policy issued by the **underwriters** to the **insured** where the **insured** can demonstrate that it has been continually indemnified by the **underwriters** without interruption subsequent to such date.

48) privacy breach

any actual or alleged act, error, omission, neglect, or breach of duty by an **insured** which results in the unintentional and unauthorized disclosure or loss of **personally identifiable information** or **confidential corporate information**; or the **insured's** violation of any **privacy regulation** or failure to comply with the **insured organization's** own privacy policies.

49) privacy regulation

any of the following statutes, including any amendments thereto or regulations thereunder, associated with the control and use of personally identifiable financial, medical or other sensitive information:

- i. Personal Information Protection and Electronic Documents Act, S.C. 2000, c. 5; or any like or similar legislation;
- ii. Personal Information Protection Act, S.B.C. 2003, c. 63 or any like or similar provincial legislation that confers a cause of action for damages;
- iii. Personal Health Information Protection Act, 2004, S.O. 2004, c.3; or any like or similar provincial legislation,
- iv. any similar federal, provincial or territorial or foreign identity theft or privacy protection statute, legislation, regulation, bylaw or ordinance of any country, state, province, territory, municipality, county or locality.

50) products

Goods or products (after they have ceased to be in the possession or under the control of the **insured**) manufactured, constructed, altered, repaired, serviced, treated, sold, supplied, or distributed by the **insured**, including any container and instructions for use and including any structure constructed, erected or installed or any contract works executed by or on behalf of the **insured**, in the course of the **business**.

51) proposal

Any information provided by the **insured** or the **insured's** broker or agent on behalf of the **insured** in connection with this insurance.

52) principal

Any party, other than a director, partner or **employee** of the **insured**, with whom the **insured** has entered into a contract in the course of the **business**, but only to the extent that the contract between the principal and the **insured** requires these additional parties to be indemnified in a like manner to the **insured**.

53) regulatory fines

any civil money penalty imposed by a federal, provincial or territorial, local or foreign governmental entity in such entity's regulatory or official capacity pursuant to its order under a **regulatory proceeding**. **Regulatory fines** shall not include any civil monetary fines or penalties that are not insurable by law, criminal fines, payment, restitution, return or disgorgement of fees, profits, royalties, commissions, charges or any funds allegedly wrongfully or unjustly held or obtained, or multiple damages.

54) regulatory proceeding

formal investigation of or request for information by an administrative or regulatory agency or similar governmental body concerning a **hacking attack** or **privacy breach**; or an administrative adjudicative proceeding against an **insured** by an administrative or regulatory agency or similar governmental body, including an appeal thereof, commenced by the **insured's** receipt of a subpoena, formal investigative demand, complaint or similar document. **Regulatory proceeding** shall not include any written request, investigation, or proceeding of any kind brought by or on behalf of any securities exchange, any provincial or territorial securities commission any competition tribunal or the Canadian Radio-television and Telecommunications Commission in Canada and/or the functional equivalent in any foreign jurisdiction.

55) retroactive date

The date specified as the Retroactive Date in the **declarations**.

56) statutory conditions

The **statutory conditions** prescribed by the applicable legislation in the applicable province or territory in Canada as set out in Appendix 1 to this **policy**.

57) subsidiary

any entity in which the person, company, firm, partnership, organization or other entity stated in the **declarations** as the Insured:

- a) holds 50% or more of the share capital; and/or
- b) controls more than 50% of the voting power; and/or
- c) controls the composition of the board of directors.

58) territorial limits

The territorial limits stated in the **declarations**.

59) terrorism

Any act including, but not limited to, the use of force or violence or the threat thereof of any person or group of persons whether acting alone or on behalf of or in connection with any organization or government committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public or any section of the public in fear.

60) toxic mould

Fungi including, but not limited to, any form or type of mould, mildew, mushroom, yeast or bio-contaminant and/or spore including but not limited to any substance produced by, emanating from, or arising out of any fungi.

61) underground resources

- a) oil gas water or other mineral substances which have not been reduced to physical possession above the surface of the earth and sea;
- b) any well hole shaft pipeline (including process transportation and storage facilities) formation stratum reservoir or area in or through which exploration for or production of any substance is carried on;
- c) any casing pipe bit tool pump or other drilling or well servicing machinery or equipment located beneath the surface of the earth in any such well hole or shaft.

62) underwriter

Pembroke
Lloyds Syndicate 4000
One Lime Street
London
EC3M 7HA

63) waiting hours retention

the dollar amount of **business interruption income loss** and **extra expense** incurred by the **insured organization** as shown in the Declarations.

64) war

War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) civil war, rebellion, revolution, insurrection or military or usurped power.

65) wrongful act

- a) any actual or alleged negligent act, negligent error or negligent omission;
- b) any actual or alleged defamation, libel, slander, product disparagement or other tort-related disparagement or harm to character or reputation;
- c) any actual or alleged breach of privacy, breach of confidentiality, invasion of privacy or misuse of information which is either confidential or subject to statutory restrictions on its use;
- d) any actual or alleged infringement of any **intellectual property rights**, including any act of passing off.

SECTION 1 – PROFESSIONAL LIABILITY

Section 1 of this **policy** operates on a 'claims made and notified' basis. This means that indemnity shall only be provided for **claims** made against the **insured** and notified to the **underwriter** during the **period of insurance**.

INSURING CLAUSE

The **underwriter** shall, subject to the terms, conditions, exclusions, extensions and **endorsements** contained in this **policy**, indemnify the **insured** in respect of:

1) Wrongful Acts

damages and claimants' costs for which the insured shall become legally liable to pay in connection with any **claim** first made and notified to the **underwriter** during the **period of insurance** arising out of any actual or alleged **wrongful act**:

- a) committed after the **retroactive date** by the **insured**; or
- b) committed after the **retroactive date** by any party acting on behalf of the **insured** for whom the **insured** are legally liable,

in the course of the **business**.

2) Defence Costs

all **defence costs** incurred in connection with a **claim** covered under Insuring Clause 1 (Wrongful Acts) of this Section.

AUTOMATIC EXTENSIONS OF COVER UNDER SECTION 1

1) Loss of Documents

The **underwriter** shall indemnify the **insured** in respect of the reasonable and necessary costs of repair, replacement and/or reconstitution of any **document** which has been unintentionally destroyed, damaged beyond reasonable use, lost or mislaid during the **period of insurance** and which after diligent search cannot be found.

Provided always that:

- a) such loss or **damage** is suffered, first discovered and notified to the **underwriter** during the **period of insurance** and in any event within 30 days of discovery; and
- b) no indemnity shall be afforded in relation to any **document** kept in magnetic or electronic form unless such **document** is duplicated and the duplicate is stored at a separate address as a back-up; and
- c) the **insured** shall provide the **underwriter** with bills and accounts substantiating the expenses incurred by the **insured** in repairing, replacing and/or reconstituting such **documents**; and
- d) no expense shall be incurred without the prior written consent of the **underwriter**; and
- e) the maximum amount payable by the **underwriter** under this clause during the **period of insurance** shall not exceed in the aggregate CAD500,000.

2) Additional Insureds

The **underwriter** shall indemnify any person, corporation, firm or organization (herein after called **Additional Insured**) for which the Insured has contracted to provide insurance, but only with respect to vicarious liability that arises out of the operations of the **Insured** and only to the extent required by such contract. Liability arising from the negligence of the **Additional Insured** is excluded.

3) Compensation for Court Attendance

The **underwriter** agrees to pay the **insured**, compensation (up to the applicable sub-limit) in the event the **underwriter** or its legal advisers require the **insured**, any **employee** or other relevant party to attend court, arbitration, adjudication or other similar legal process as a witness of fact in connection with a **claim** indemnified by this **policy**.

The maximum amount payable by **underwriters** under this policy shall not exceed CAD 250 per person per day capped at CAD 5,000 per person in total and subject to the **limit of liability** stated in the **declarations**.

4) Extended Reporting Provision

The **underwriter** will provide an Extended Reporting Period as described below:

An Extended Reporting Period is automatically provided without additional charge. This period starts upon the expiry of the policy period and lasts for sixty (60) days. The Extended Reporting Period does not apply to any **claim** that is covered under any subsequent insurance the **insured** purchases, or where the **insured** is engaged in any work or services during the extended reporting period or to any **claim** that would be covered but for exhaustion of the **limit of liability** applicable to such **claim(s)**.

The Extended Reporting Period does not extend the policy period or change the scope of coverage provided or reinstate or increase the **limit of liability** stated as such in the **declarations**.

The Extended Reporting Period applies only to **claim(s)** first made and reported during the Extended Reporting Period(s) that arise out of any **wrongful act** that took place;

- (a) during the policy period; or
- (b) before the inception date of this policy, but after the **retroactive date**, if any, shown in the **declarations**.

provided that on the inception date of this policy the insured did not know, and could not have reasonably foreseen, that such **wrongful act** could give rise to a **claim**.

Any **claim** that is first made and reported during the Basic Extended Reporting Period will be deemed to have been made on the last day of the policy period.

Once in effect, the Extended Reporting Period cannot be cancelled, except for non-payment of premium.

OPTIONAL EXTENSIONS UNDER SECTION 1

Where the following optional extension is shown in the **declarations** as being covered, the indemnity specified in the extension shall be deemed to be included under this **policy**.

1) Reinstatement of Liability

In the event the **limit of liability** under Section 1 of this **policy** has been entirely exhausted during the **period of insurance**, the **limit of liability**, inclusive of all **defense costs**, shall be reinstated in the same amount, once only.

Provided always that:

- a) the reinstated **limit of liability** shall only apply to **claims** which are not caused by, contributed to by, or arising out of the same source or originating cause of any of the **claims** already paid or payable under the original **limit of liability**; and
- b) all terms, conditions, extensions, exclusions and **endorsements** contained in this **policy** shall continue to apply in the same manner to the reinstated **limit of liability**; and
- c) there shall be no reinstatement of any sub-limit of liability provided under any Extension of Cover; and
- d) the reinstated **limit of liability** shall only apply following the exhaustion of the liability limit of any policy of insurance which operates in excess of the original **limit of liability**.

2) Defence costs exclusive of limit of liability

In the event the insured elects to take up this extension, the **underwriter** will pay **defence costs** in addition to the **limit of liability**. and provided that in event that a settlement or other payment has to be made to dispose of a **claim** which exceeds the amount of the **limit of liability**, the **underwriter's** liability in respect of **defence costs** shall be limited to the same proportion that the **limit of liability** bears to the amount of such settlement or other payment

LIMIT OF LIABILITY UNDER SECTION 1

- 1) The total amount payable by the **underwriter** under this Section of the **policy** for all **claims** inclusive of all **defence costs** in any one **period of insurance** shall not exceed the **limit of liability** irrespective of the number of claimants and/or the number of parties against whom such **claims** are made.
- 2) Any applicable sub-limit of liability available under any Extension of Cover or any **endorsement** shall be deemed to be part of and not in addition to the **limit of liability**.

DEDUCTIBLE APPLICABLE UNDER SECTION 1

- 1) The **underwriter** shall only be liable to indemnify the **insured** for that part of the **insured's** liability for each **claim** that is greater than the **deductible**.
- 2) The **deductible** shall be inclusive of **defence costs**.
- 3) The full **limit of liability** shall apply over and above the **deductible**.
- 4) Where the **underwriter** has paid on the **insured's** behalf part or all of the **deductible**, the **insured** shall reimburse the **underwriter** immediately upon request.

EXCLUSIONS APPLICABLE TO SECTION 1

The liability provided by this Section of the **policy** shall not apply to:

1) Injury and Damage

any **claim** directly or indirectly caused by or contributed to or arising from:

- a) **injury**;
- b) **damage** other than as provided for under Automatic Extension of Cover 3) (Loss of Documents).

unless arising directly from a negligent act, negligent error or negligent omission in the course of the **insured's business**

2) Investment and Financial

any **claim** directly or indirectly caused by or contributed to by, or arising from:

- a) any depreciation or loss of investments when the depreciation or loss is as a result of any fluctuation in any financial stock or commodity markets when such fluctuation is outside the influence or control of the **insured**;
- b) any actual or alleged dealings of any nature by which it is sought to affect the price of, or market in, any shares or debentures of any company or commodity or currency, or any negotiable instrument, other than dealings carried out in accordance with the laws, rules and regulations applicable to such dealings;
- c) the arrangement of any finance or credit by the **insured**
- d) the sale or recommendation of financial or investment products

3) Joint Ventures and Consortia

any joint venture or consortium of which the **insured** is a member

4) Intellectual Property

any **claim** directly or indirectly caused by or contributed to by, or arising from infringement of any patent or trade secret.

5) Known Claims or Circumstances

- a) any **claim** which has been or ought to have been notified under any other policy of insurance in force prior to the inception of this **policy**;
- b) any **claim** which is based upon, arising from or in consequence of
 - i) any circumstance which could reasonably be foreseen to give rise to a **claim** if written notice of such circumstance has been given, or ought to have been given under any other policy;
 - ii) any circumstance which could reasonably be foreseen to give rise to a **claim** of which the **insured** was actually aware, or ought reasonably to have been aware, prior to the inception date of this **policy**.

6) Licensing Inquires

Any prosecution, **inquiry** or other investigation in relation to the **insured** failing to be properly licenced, registered or accredited to provide services in the course of the business as required by law or other regulation

7) Retroactive Date

any actual or alleged act, error, omission or event committed or occurring wholly or in part prior to the Retroactive Date shown in the **declarations**.

8) Trade Specific

any **claim** directly or indirectly caused by or contributed to by, or arising from:

- a) any valuation of any residential or commercial property other than where such valuation is undertaken for establishing a price for the sole purpose of marketing a property for sale;
- b) the provision of any legal advice or legal services where such advice or services should only be provided by a fully qualified legal practitioner or barrister. However, this exclusion shall not apply to legal services provided by any paralegal or legal secretary where such work is undertaken under the direct supervision of a qualified legal practitioner;

9) Trading Debts

any **claim** directly or indirectly caused by or contributed to by, or arising from:

- a) any trading loss or trading liability incurred by the **insured** or any business managed or carried on by or on behalf of the **insured** (including the loss of any client account or business);
- b) the actual or alleged overcharging or improper receipt of fees by the **insured** or any business managed or carried on by the **insured**.

SECTION 2 – COMMERCIAL GENERAL LIABILITY AND PRODUCTS LIABILITY

Section 2 of this **policy** operates on a 'losses occurring' basis. This means that liability shall only be provided for losses that first occur during the **period of insurance**.

INSURING CLAUSES

The **underwriter** shall, subject to the terms, conditions, extensions, exclusions and **endorsements** contained in this **policy**, indemnify the **insured** in respect of:

1) Injury & Damage

damages and claimants costs for which the **insured** shall become legally liable to pay in connection with any **claim** for or arising out of:

- a) **injury**; and/or
- b) **damage**;

happening during the **period of insurance** within the **territorial limits** from an **occurrence** in connection with the **insured's business** or **products**.

2) Defense Costs

defence costs incurred in connection with a **claim** covered under Insuring Clause 1 (Injury & Damage) of this Section

3) Representation costs

all reasonable legal costs and expenses incurred with the prior written consent of the **underwriter** for representation of the **insured** at proceedings in any court of summary jurisdiction arising out of any alleged breach of statutory duty resulting in **injury**.

AUTOMATIC EXTENSIONS OF COVER UNDER SECTION 2

Subject otherwise to the terms, conditions and exclusions of this **policy**, in so far as they can apply, the **underwriter** shall provide indemnity in respect of the following extensions:

1) S.P.F.No.6 Non-Owned Automobile Liability – Endorsement 1 – as attached

2) Cross Liabilities

If the **insured** comprises more than one party, the **underwriter** shall provide indemnity to each such **insured**, in the same manner and to the same extent, as if a separate **policy** had been issued to each, provided always that the cumulative total amount payable hereunder to all such **insureds** shall not exceed the **limit of liability**.

3) Additional Insureds

The **underwriter** shall indemnify any person, corporation, firm or organization (herein after called **Additional Insured**) for which the Insured has contracted to provide insurance, but only with respect to vicarious liability that arises out of the operations of the **Insured** and only to the extent required by such contract. Liability arising from the negligence of the **Additional Insured** is excluded.

4) Tenant's Legal Liability

To pay on behalf of the **insured** all sums which the **insured** shall become legally obligated to pay because of damage to, injury to or destruction, including loss of use, of premises of others rented by the **insured** or occupied by the **insured**. The amount which the **underwriter** will pay shall not exceed the **limit of liability** specified in the **declarations** and shall be deemed to be part of and not in addition to the **limit of liability** which applies in respect of commercial general and products Liability.

5) Compensation for Court Attendance

The **underwriter** agrees to pay the **insured**, compensation (up to the applicable sub-limit) in the event the **underwriter** or its legal advisers require the **insured**, any **employee** or other relevant party to attend court, arbitration, adjudication or other similar legal process as a witness of fact in connection with a **claim** indemnified by this **policy**.

The maximum amount payable by **underwriters** under this policy shall not exceed CAD 250 per person per day capped at CAD 5,000 per person in total and subject to the **limit of liability** stated in the **declarations**.

LIMIT OF LIABILITY UNDER SECTION 2

- 1) In respect of Commercial General Liability, the maximum amount payable by the **underwriter** shall not exceed the **limit of liability** any one **occurrence**, exclusive of **defence costs** for claims brought in a Canadian jurisdiction and provided that in event that a settlement or other payment has to be made to dispose of a **claim** which exceeds the amount of the **limit of liability**, the **underwriter's** liability in respect of **defence costs** shall be limited to the same proportion that the **limit of liability** bears to the amount of such settlement or other payment. Outside of Canadian jurisdiction, **defence costs** are inclusive of the **limit of liability**.
- 2) In respect of Products Liability, the maximum amount payable by the **underwriter** shall not exceed the **limit of liability** any one **occurrence** or all **occurrences** during any one **period of insurance**, exclusive of **defence costs** for claims brought in a Canadian jurisdiction and provided that in event that a settlement or other payment has to be made to dispose of a **claim** which exceeds the amount of the **limit of liability**, the **underwriter's** liability in respect of **defence costs** shall be limited to the same proportion that the **limit of liability** bears to the amount of such settlement or other payment. Outside of Canadian jurisdiction, **defence costs** are inclusive of the **limit of liability**. 3) Where the **underwriter** is required to indemnify more than one party, the total amount payable under the **policy** shall not exceed the **limit of liability**.
- 4) Any applicable sub-limit of liability available under any Extension of Cover specified in Section 2 of this **policy** shall be deemed to be part of and not in addition to the **limit of liability** which applies in respect of commercial general and products Liability.

DEDUCTIBLE APPLICABLE UNDER SECTION 2

- 1) The **underwriter** shall only be liable to indemnify the **insured** for that part of the **insured's** liability for each **claim** that is greater than the **deductible**.
- 2) The **deductible** shall be inclusive of **defence costs**.
- 3) The full **limit of liability** shall apply over and above the **deductible**.
- 4) Where the underwriter has paid on the insured's behalf part or all of the deductible, the insured shall reimburse the underwriter immediately upon request.

EXCLUSIONS APPLICABLE TO SECTION 2

The liability provided by this Section of the **policy** shall not apply to:

1) Airside Liability

any **claim** directly or indirectly caused by contributed by or arising from **airside liability**.

2) Damage to products

any **claim** directly or indirectly caused by contributed by or arising from **damage** to any **products** caused by any defect therein or the unsuitability thereof for their intended purpose.

3) Product Repair, Replacement or Recall

any costs and/or expenses in relation to the repair of or recall of, or the provision of any refund in respect of **products**.

4) **Property**

- a) any claim directly or indirectly caused by contributed by or arising from damage to any property which, at the time of the occurrence giving rise to such claim, is owned by or held in trust by or in the custody or control of the insured other than:
 - i) **employees'**, directors', partners', guests', customers', clients' or visitors' personal effects including vehicles and their contents; or
 - ii) premises, including fixtures, fittings and contents not owned by or leased to or rented to the **insured**, where the **insured** is undertaking work in connection with the **business**; or
 - iii) premises and their fixtures and fittings, hired, leased, rented or lent to the **insured** other than **damage** in circumstances where liability is assumed by the **insured** under a tenancy or other agreement and would not have attached in the absence of such agreement; or
 - iv) any vehicle, craft, container or railway rolling stock, including contents and accessories not owned by or leased to the **insured**, for the purpose of or whilst being loaded or unloaded by the **insured**; or
 - v) food or beverages for consumption on the premises of the **insured** or at any other premises where the **insured** is carrying on the **business**.
- b) damage to that part of any property on which the **insured** or any servant or agent of the **insured** is or has been working.

5) **US Product Sales**

any **claim** directly or indirectly caused by contributed by or arising from **products** or services which are sold, supplied, erected, repaired, altered, treated or installed by the **insured**, in or for delivery or use in the United States of America.

This exclusion does not apply if such products or services have been declared to the underwriters and accepted by them, for suits that are brought in Canada.

6) **Vehicles**

any **claim** directly or indirectly caused by contributed by or arising from the ownership possession or use by or on behalf of the **insured** of any:

- a) mechanically propelled vehicle or mobile plant, other than any **claim** arising out of:
 - i) the use of plant as a tool of trade on site; and
 - ii) the use of plant at the premises of the **insured**; and
 - iii) the loading or unloading of any vehicle, trailer or container; and
 - iv) the unauthorised movement on the **insured's** premises or contract site.

Provided always that:

- (a) liability is not provided by any automobile insurance contract; or
- (b) compulsory automobile insurance is not required by law; or
- (c) there is not more specific insurance applying.

- b) aircraft or aerospace device; or
- c) hovercraft or hydrofoil; or
- d) water-borne craft, other than:
 - i) hand propelled or sailing craft in inland territorial waters; or
 - ii) water-borne craft not owned by the **insured**, but used by the **insured** for business entertainment; or
 - iii) mechanically-propelled water-borne craft not exceeding 22 feet in length in inland or territorial waters.

7) Employers Liability

“Bodily injury” to:

(1) your employees arising out of and in the course of:

- (a) Employment by you; or
- (b) Performing duties related to the conduct of your business.

(2) The spouse, child, parent, brother or sister of that employee as a consequence of Paragraph (1) above.

This exclusion applies:

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

This exclusion does not apply to a claim made or an “action” brought by a Canadian resident employee on whose behalf contributions are made by or required to be made by you under the provisions of any Canadian provincial or territorial workers’ compensation law, if cover or benefits have been denied by any Canadian Workers’ Compensation Authority.

SECTION 3 – DIRECTORS & OFFICERS LIABILITY

Section 3 of this **policy** operates on a 'claims made and notified' basis. This means that indemnity shall only be provided for **claims** made against the **insured** and notified to the **underwriter** during the **period of insurance**.

INSURING CLAUSE

Notwithstanding General Exclusion 7 (Directors' & Officers') the **underwriter** shall, subject to the terms, conditions, exclusions, extensions and **endorsements** contained in this **policy**, indemnify:

- a) any **insured person** in respect of **loss** arising from any **claim** first made against them during the **period of insurance**;
- b) the **insured** in respect of loss arising from any **claim** first made against any **insured person** when and to the extent that the **insured** has indemnified that **insured person**;

where such **claim** arises from a **wrongful act** committed by an **insured person** in the course of the performance of the **insured person's** duties solely in their capacity as a director or officer of the **insured**.

AUTOMATIC EXTENSIONS OF COVER UNDER SECTION 3

1) Compensation for Court Attendance

The **underwriter** agrees to pay the **insured**, compensation (up to the applicable sub-limit) in the event the **underwriter** or its legal advisers require the **insured**, any **employee** or other relevant party to attend court, arbitration, adjudication or other similar legal process as a witness of fact in connection with a **claim** indemnified by this **policy**.

The maximum amount payable by **underwriters** under this policy shall not exceed CAD 250 per person per day capped at CAD 5,000 per person in total and subject to the **limit of liability** stated in the **declarations**.

LIMIT OF LIABILITY UNDER SECTION 3

The maximum amount payable by the **underwriter** under this clause during the **period of insurance** for all **claims** shall not exceed in the aggregate the amount specified in the declarations.

DEDUCTIBLE APPLICABLE UNDER SECTION 3

- 1) The **underwriter** shall only be liable to indemnify the **insured** for that part of the **insured's** liability for each **claim** that is greater than the **deductible**.
- 2) The **deductible** shall be inclusive of **defence costs**.
- 3) The full **limit of liability** shall apply over and above the **deductible**.
- 4) Where the underwriter has paid on the insured's behalf part or all of the deductible, the insured shall reimburse the underwriter immediately upon request.

EXCLUSIONS APPLICABLE TO SECTION 3

The indemnity provided by this Section of the **policy** shall not apply to:

1) Bodily Injury & Property Damage

any **claim for injury** or **damage**.

2) Employment Claims

any **claim** directly or indirectly arising out of any obligation owed by the **insured** as employer to any current or former or prospective **employee**, including any **claim** directly or indirectly arising out of any **employment practice dispute**;

3) **Fraudulent, Dishonest and wilful conduct**

any **claim** directly or indirectly caused by, contributed to by, or arising from:

- a) the gaining of any financial advantage to which the **insured** or any **insured person** was not entitled, including the repayment of any wrongfully received monies;
- b) any conduct which involves wilful breach of duty in relation to the **insured**,
- c) any dishonest, fraudulent, criminal or malicious act

4) **Known Circumstances and Prior Litigation**

- a) any **claim** based upon, attributable to or arising out of any prior or pending litigation or proceedings, commenced before the **prior and pending litigation date**, including allegations deriving from the same or essentially the same facts, involving an **insured person** or the **insured** which has been or should have been the subject of notice given under any prior insurance;
- b) any **claim** which has been or ought to have been notified under any other policy of insurance in force prior to the inception of this **policy**; or
- c) any **claim** which is based upon, arising from or in consequence of:
 - iv) any circumstance which could reasonably be foreseen to give rise to a **claim** if written notice of such circumstance has been given, or ought to have been given under any other policy; or
 - v) any circumstance which could reasonably be foreseen to give rise to a **claim** of which the **insured** or any **insured person** was actually aware, or ought reasonably to have been aware, prior to the inception date of this **policy**.

5) **Pension Schemes**

any **claim** directly or indirectly caused by any **insured person** acting in the capacity of trustee or fiduciary or administrator of any employer-sponsored pension or superannuation scheme or superannuation programme.

6) **Professional Services**

any **claim** directly or indirectly caused by, contributed to by, or arising from any breach of, or failure to provide professional services.

7) **Shareholders**

any **claim** brought by or on behalf of any company and/ or individual owning 15% or more of the **insured's** issued share capital.

8) **Share Offerings**

any **claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving a **wrongful act** committed by any **insured person** in relation to any actual public offering of the **insured's** share capital.

SECTION 4 – CYBER & PRIVACY

Section 4 of this **policy** operates on a 'claims made and notified' basis. This means that indemnity shall only be provided for **claims** made against the **insured** and notified to the **underwriter** during the **period of insurance**.

INSURING CLAUSE

The **underwriter** shall, subject to the terms, conditions, exclusions, extensions and **endorsements** contained in this **policy**, indemnify the **insured** in respect of:

1) Network Security Liability

damages and claimant's costs for which the **insured** shall become legally liable to pay in connection with any **claim** first made and notified to the **underwriter** during the **period of insurance** arising out of any actual or alleged **hacking attack** that has emanated from or passed through **insured organization's computer system**.

- a) committed after the **retroactive date** by the **insured**; or
- b) committed after the **retroactive date** by any party acting on behalf of the **insured** for whom the **insured** are legally liable,

in the course of the **business**.

2) Privacy Liability

damages and claimant's costs for which the **insured** shall become legally liable to pay in connection with any **claim** first made and notified to the **underwriter** during the **period of insurance** arising out of any actual or alleged **privacy breach**:

- a) committed after the **retroactive date** by the **insured**; or
- b) committed after the **retroactive date** by any party acting on behalf of the **insured** for whom the **insured** are legally liable,

in the course of the **business**.

3) Network Security and Privacy Breach Costs

all **network security and privacy breach costs** for which the **insured organization** incurred, subject to the **underwriter's** prior written agreement, as a direct result of a **hacking attack** or **privacy breach** first discovered during the **period of insurance**.

4) Regulatory Actions and Investigations

all **regulatory fines** made against the **insured organization** in connection with a **regulatory proceeding**, subject to the **underwriter's** prior written agreement, as a direct result of a **hacking attack** or **privacy breach** first discovered during the **period of insurance**.

5) Digital Asset Loss

all **digital asset loss** for which the **insured organization** incurred, subject to the **underwriter's** prior written agreement, as a direct result of a **hacking attack**, first discovered during the **period of insurance**.

6) Business Interruption Income Loss

all **business interruption income loss** and **extra expense** the **insured organization** actually sustains during the **period of restoration** as a direct result of a **hacking attack**, first discovered during the **period of insurance**.

7) Network and Data Extortion

all **network extortion loss** the **insured organization** actually paid as a direct result of a **network and data extortion threat** that occurs during the **period of insurance**.

8) Defence Costs

all **defence costs** incurred in connection with a **claim** or **regulatory proceeding** covered under Insuring Clause 1. 2. and 4. of this Section.

LIMIT OF LIABILITY UNDER SECTION 4

- 1) The total amount payable by the **underwriter** under this Section of the **policy** for all **claims, damages, defence costs, claimants' costs, loss, network security and privacy costs, regulatory fines, digital asset loss, business interruption income loss** and **extra expense** and **network extortion loss** in any one **period of insurance** shall not exceed \$250,000 irrespective of the number of claimants and/or the number of parties against whom such **claims** are made.
- 2) Any applicable sub-limit available under any Extension of Cover or any **endorsement** shall be deemed to be part of and not in addition to the **limit of liability**.

DEDUCTIBLE UNDER SECTION 4

- 1) The **underwriter** shall only be liable to indemnify the **insured** for that part of the **insured's** liability for each **claim, damage, claimants' costs, loss, network security and privacy costs, regulatory fines, digital asset loss, business interruption income loss** and **extra expense** and **network extortion loss** that is greater than the **deductible** or **waiting hours retention**.
- 2) The **deductible** shall be inclusive of **defence costs**.
- 3) The full **limit of liability** shall apply over and above the **deductible**.
- 4) The full **network security and privacy costs, regulatory fines, digital asset loss, business interruption income loss** and **extra expense, network extortion loss** shall apply over and above the **deductible**.
- 5) Where the **underwriter** has paid on the **insured's** behalf part or all of the **deductible**, the **insured** shall reimburse the **underwriter** immediately upon request.

EXCLUSIONS APPLICABLE TO SECTION 4

The **insurer** shall not be liable to make any payment for **claims, damages, claimant costs, loss, network security and privacy costs, regulatory fines, digital asset loss, business interruption income loss** and **extra expense** and **network extortion loss** in connection with any **claim** made against an **insured** alleging out of, based upon or attributable to:

- A. any **claim** from **injury** or **damage**.
- B. any **claim** directly or indirectly from **damage** to any **products** caused by any defect therein or the unsuitability thereof for their intended purpose.
- C. any costs and/or expenses in relation to the repair of or recall of, or the provision of any refund in respect of **products**.

- D. any **claim** or matter asserted or brought by or on behalf of or in the name or right of any local, state, federal, or foreign administrative, governmental, or regulatory agency, body, entity, or tribunal; however, this exclusion shall not apply to a covered **regulatory proceeding**, or if such local, state, federal, or foreign administrative, governmental, or regulatory agency, body, entity or tribunal brings a **claim** in the capacity of a customer or client of the **insured**.
- E. any **claim** or matter asserted or brought by or on behalf of or in the name or right of any trade or licensing agency, body, entity, society, collective, or tribunal, including but not limited to the Access Copyright, the Society of Composers, Authors and Music Publishers of Canada, the Canadian Musical Reproduction Rights Agency, Sound Music Licensing Company, American Society of Composers, Authors and Publishers, the Society of European State Authors and Composers, the Recording Industry Association of America, and Broadcast Music, Inc.
- F. any actual or alleged violation of any responsibility, duty, or obligation imposed under:
1. the Canada Pension Plan, R.S.C. 1985, c. C-8, the Pension Benefits Act, R.S.O. 1990, c. P-8, the Old Age Security Act, R.S.C. 1985, c. O-9 the Employment Standards Act 2000 S.O. 2000, c.41, the Labour Code, R.S.C. 1985, c. L2, Labour Relations Act 1995 S.O. 1995, Sched. A and any equivalent provincial legislation Occupational Health and Safety Act, R.S.O. 1990, c. 0.1, the Canada Health Act, R.S.C. 1985, c. C-6, the Ontario Health Insurance Act, R.S.O. 1990, c. H.6, the Ontario Insurance Act, R.S.O. 1990, c. I.8 or any similar local, municipal, county, provincial or territorial, federal or foreign act, statute, legislation, regulation, rule, requirement, common law, bylaw, ordinance or other law of any country, state, province, territory, municipality, county or locality related to or governing pensions and/or benefits; provided, however, this exclusion shall not apply to any **claim** resulting from a **hacking attack** or **privacy breach**;
 2. any federal, provincial or territorial Securities Act, Securities Transfer Act, Corporation Securities Registration Act, Personal Property Securities Act or any other securities law, or any similar local, state, provincial or territorial, federal or foreign act, statute, legislation, rule, regulation, requirement, ordinance, common law, or other law, including but not limited to any amendment thereto;
 3. the Security of Information Act, R.S.C. 1985, c. O-5 and any other similar local, municipal, county, state, provincial or territorial, federal or foreign act, statute, legislation, rule, regulation, requirement, ordinance, common law, or other law, including but not limited to any amendment thereto any regulation promulgated thereunder, respecting security concerns of a nation or state, including official secrets, national intelligence, military activities, espionage and activities of terrorist groups and/or any matter involving disclosure of information for a purpose that is prejudicial to the safety or interests of a nation, country or state;
 4. the Competition Act, RSC 1985, c C-34, the Bank Act, S.C. 1991, c. 46, federal, provincial and territorial Business Corporations Acts and Company Acts, and/or any similar local, municipal, county, state, provincial or territorial, federal or foreign act, statute, legislation, rule, regulation, requirement, ordinance, common law, or other law, including but not limited to any amendment thereto, and or any law involving or prohibiting any antitrust activity, price fixing (including but not limited to horizontal or other price fixing of wages, hours, salaries, compensation, benefits, or other terms or conditions of employment), price discrimination, predatory pricing, monopoly or monopolization, restraint of trade, unfair competition, conspiracy, collusion, or unfair, false, deceptive or misleading trade or business practices or advertising; provided, however, this exclusion shall not apply to any **regulatory proceeding** or **regulatory fine** from a **hacking attack** or **privacy breach**;
 5. the Business Practices and Consumer Protection Act, SBC 2004, c 2 and any like or similar federal, provincial or territorial legislation; or
 6. any wrongful refusal to hire, wrongful dismissal, discharge or termination of employment, violation of employment-related practices or policies, wrongful demotion, evaluation, reassignment or discipline, retaliation, discrimination of any kind, malicious prosecution or employment-related defamation, harassment, humiliation, invasion of privacy, defamation or infliction of emotional distress; provided, however, this exclusion shall not apply to any **claim** resulting from a **hacking attack** or **privacy breach**.
- G. any unsolicited electronic dissemination of faxes, emails, or other communications by the **insured** or any other third party, including actual or alleged violations of:

1. An Act to promote the efficiency and adaptability of the Canadian economy by regulating certain activities that discourage reliance on electronic means of carrying out commercial activities, and to amend the Canadian Radio-television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act S.C. 2010, c. 23 (CASL), including any amend of or addition to such law; or
2. any other federal, state or foreign anti-spam statute or any other similar federal, state or foreign statute, law, ordinance or regulation.

Provided, however, this exclusion shall not apply to the extent any **claim** or **business interruption income loss** attributable to a **hacking attack** or **privacy breach**.

- H. any mechanical or electrical failure, interruption or outage, however caused, including any electrical power interruption or surge, brownout, blackout, short circuit, over voltage, or power fluctuation or outage to gas, water, telephone, wireless communications, data transmission lines, cable, satellite, telecommunications, the internet or any component thereof including hardware, software or any other infrastructure, services, equipment or facilities; provided, however, this exclusion shall not apply to any failure, interruption, or outage of telephone, cable or telecommunications under the **insured organization's** direct control which is the result of an **hacking attack** directed against the **computer system** of the **insured organization**.
- I. gradual deterioration, wear or tear, malfunction, mechanical failure, or defect of any **computer system** of the **insured organization**, including but not limited to any hardware, network terminal device, data storage devices, input and output device, back up facility, application, program, software, script, or data of any type, nature, or kind, including, but not limited to, any **digital assets**; provided, however, this exclusion shall not apply to any failure, interruption, or outage of telephone, cable or telecommunications under the **insured organization's** direct control which is the result of a **hacking attack** directed against the **computer system** of the **insured organization**.
- J. unlawful or unauthorized gathering, collecting, acquiring, using, obtaining or taking of any **personally identifiable information** or **confidential corporate information**, including the use of cookies or malicious code; or failure to comply with any local, state, federal or foreign act, statute, rule, regulation, requirement, ordinance, common law, or other law requiring that individuals be provided with the ability to assent, consent to, or opt-in or withhold or withdraw assent to, consent to, or opt-out from the gathering, collecting, acquiring, using, obtaining, or taking of any information of any type, nature, or kind, including but not limited to **personally identifiable information** or **confidential corporate information**; provided, however, this exclusion shall not apply to the **insured organization** if the collection of **personally identifiable information** or **confidential corporate information** is by an **insured** acting without the knowledge or approval of an **insured person** solely in their capacity as a director or officer of the **insured organization**.

The **insurer** shall not be liable to make any payment for **Loss** in connection with any **claim** made against an **insured** for:

- K. (1) the theft of money or securities from an **insured**; or (2) the transfer or loss of money or securities from or to an **insured's** accounts or accounts under an **insured's** control, including customer accounts. For purposes of this exclusion, the term accounts shall include but are not limited to, deposit, credit, debit, prepaid and securities brokerage accounts.

GENERAL POLICY EXCLUSIONS

The following exclusions shall apply to all sections of this policy.

The indemnity provided by this **policy** shall not apply to:

1) Abuse

Any claim, cost or expense directly or indirectly caused by or contributed to by or arising from:

- i) corporal punishment, sexual or physical abuse, sexual exploitation, transmission of disease or other harmful acts by the insured or;
 - a) any occupant or resident of the insured's operation or premises;
 - b) any employee of any insured;
 - c) any volunteer
- ii) a) the actual or threatened abuse or molestation by anyone while in the care, custody or control of any insured; or
 - b) the negligent employment, investigation, supervision, reporting to the proper authorities or failure to so report, or retention of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded under paragraph (1) above

2) Asbestos

any **claim** directly or indirectly caused by or contributed to by, or arising from asbestos or any material containing asbestos in whatever form or quantity.

3) Associated Companies

any **claim** brought by or on behalf of:

- a) any **insured**; or
- b) any parent or subsidiary of the **insured**; or
- c) any person having a financial, executive or controlling interest in the **insured** (unless the financial interest is less than 5%); or
- d) any entity controlled or managed by any **insured**; or where the **insured** has greater than a 5% interest, or where the **insured** has accepted a financial interest, irrespective of the amount, in the entity in exchange for fees incurred,

unless such **claim** is brought against the **insured** by an independent third party.

4) Avionics & Marine

any **claim** directly or indirectly caused by or contributed to by, or arising from **products** (including hardware, software, firmware and cabling) or electronic equipment used in connection with:

- a) the safety, communication, navigation, control of flight or maintenance of orbit of any aircraft, spacecraft or other aerial device; or
- b) the safety, communication, navigation or propulsion of any hovercraft or watercraft.

5) Contractual Liability

any liability or obligation assumed by the **insured** under the terms of a contract agreement or warranty unless the **insured** would have been liable to the same extent in the absence of such contract, agreement or warranty.

6) Computer Viruses (not applicable under Section 4 Cyber & Privacy)

any **claim** directly or indirectly caused by or contributed to or arising from:

- a) any failure of any **computer system** to correctly recognise any date or to process any data or to operate properly due to any failure to recognise any date unless such **claim** arises directly from a negligent act, negligent error or negligent omission committed by the **insured** or by any party acting on behalf of the **insured** for whom the **insured** are legally liable in the course of the **business**;
- b) any **claim** arising from the transmission of a **computer virus**, including any malicious or inappropriate email;
- c) any content published on the **insured's** own website.

7) Deliberate or Dishonest Acts

any **claim** directly or indirectly caused by or contributed to by, or arising from any intentional or dishonest act or omission committed or condoned by the **insured** or any wilful breach of or in reckless disregard of any statute, regulation, contract or duty by the **insured**, including without limitation a violation of a criminal or other law.

8) Directors & Officers

any **claim** made against any of the **insured's** directors, trustees or officers arising from any unlawful or negligent act, error or omission, actual or alleged breach of trust, breach of warranty of authority, or breach of duty committed or attempted by such director or officer where such **claim** is made solely by reason of his holding the position of director or officer and having acted in that capacity, including but not limited to any **claim** arising from any statement, representation or information regarding the **business** contained within any accounts, reports or financial statements. This exclusion shall not apply in respect of the indemnity afforded under Section 3 – Directors & Officers Liability.

9) Employment Liability

Except as expressly stated in Section 2, Exclusion 7, any **claim** directly or indirectly caused by or contributed to by, or arising from:

- a) **injury** to any **employee**; or
- b) any breach of any contract of service or of any obligation owed by or any liability of the **insured** as an employer or potential employer to any **employee** or prospective **employee** including any **employment practices dispute**;

10) Fines & Penalties (not applicable under Section 4 Cyber & Privacy)

any fine or penalty or any liquidated, punitive, exemplary, non-compensatory, multiple, or aggravated damages or any **claim** deemed uninsurable by law.

11) Insolvency and Insurance

any **claim** directly or indirectly caused by or contributed to by, or arising from:

- a) the insolvency or bankruptcy of the **insured** or any supplier to or licensor to the **insured**; or
- b) any failure to maintain or obtain adequate insurance or finance; or
- c) any lost profit, any mark up or any tax.

12) Jurisdiction and Territorial Limits

- a) legal proceedings brought in a Court of Law outside the Jurisdiction stated in the **declarations** or brought in a Court of Law within that Jurisdiction to enforce a judgment or order made in any Court of Law outside that Jurisdiction; or
- b) any **claim** directly or indirectly caused by or contributed to by, or arising from **business** undertaken outside the **territorial limits**.

13) Medical Malpractice

any **claim** directly or indirectly caused by or contributed to by, or arising from the provision of medical services by any professional (including but not limited to surgical, medical and dental practitioners, nurses and midwives, ambulance personnel and paramedics) but shall not include the provision of advice by social workers or healthcare workers.

14) Nuclear Risks

any **claim** directly or indirectly caused by or contributed to by, or arising from:

- a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
- b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

15) Oil and Gas Conditions

- a) any **claim** directly or indirectly caused by, contributed to by, or arising from loss of or **damage** to any **underground resources**;
- b) any costs and expenses incurred in restoring the place of exploration and/or exploitation to a safe and workable condition;
- c) any costs and expenses incurred in the removal of tangible property from the place of exploration and/or exploitation;

16) Pollution

Injury or damage arising out of any actual alleged or threatened **pollution**,

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) **Injury** if sustained within a building and caused by smoke, fumes, vapour or soot from equipment used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - (ii) **Injury or damage** for which the insured may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured;
 - (iii) **Injury or damage** arising out of heat, smoke or fumes from a **hostile fire**; or

- (iv) **Injury or damage** occurring at any premises, site or location situated in Canada and arising out of an unexpected or unintentional spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants** provided such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants**:
 - 1) resulting in the injurious presence of **pollutants** in or upon land, the atmosphere, drainage or sewage system, watercourse or body of water; and
 - 2) is detected within 120 hours after the commencement of such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape; and
 - 3) is reported to us within 120 hours of the detection of such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape; and
 - 4) occurs in a quantity or with a quality that is in excess of that which is routine or usual to the business of the insured.
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the **pollutants** are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) **Injury or damage** arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment or its parts, if such fuels, lubricants or other operating fluids escape from a permanent and integral mobile equipment part designed to hold, store or receive them. This exception does not apply if **Injury or damage** arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii) **Injury or damage** sustained within a building and caused by the release of gases, fumes or vapours from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor;
 - (iii) **Injury or damage** arising out of heat, smoke or fumes from a **hostile fire** or
 - (iv) **Injury or damage** occurring at any premises, site or location situated in Canada and arising out of an unexpected or unintentional spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants** provided such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants**:
 - 1) results in the injurious presence of **pollutants** in or upon land, the atmosphere, drainage or sewage system, watercourse or body of water; and
 - 2) is detected within 120 hours after the commencement of such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape; and
 - 3) is reported to us within 120 hours of the detection of such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape; and

- 4) occurs in a quantity or with a quality that is in excess of that which is routine or usual to the business of the insured.
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, **pollutants**.
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, **pollutants** ; or
- (b) Claim or **action** by or on behalf of a governmental authority for compensatory damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, **pollutants**.

However, this Section (2) does not apply to liability for compensatory damages because of **damage** that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or **action** by or on behalf of a governmental authority.

The Aggregate Limit applicable to this endorsement is part of and not in addition to the General Aggregate Limit as described in the declarations.

It is understood that to the extent any coverage may otherwise be provided under this policy or any of its endorsements, the provisions of this exclusion will supercede.

17) Toxic Mould

any **claim** directly or indirectly caused by or contributed to by, or arising from **toxic mould**.

18) United States of America

- (a) any legal proceedings brought against the insured in the courts of the United States of America and/or any territories which come within the jurisdiction of the United States of America or elsewhere under the law of that country or any arbitration or other award entered against the Insured under the law of that country;
- (b) any judgement or order wherever obtained for the enforcement of any judgement of the courts of the United States of America under the law of that country (whether by way of reciprocal agreements or otherwise), or for the enforcement of any arbitration or other award entered against the insured under the law of that country.

19) War and Terrorism

any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

- a) **war**; or
- b) **terrorism**

This exclusion also excludes loss, **damage**, cost or expense of any nature whatsoever directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to the above.

GENERAL POLICY CONDITIONS

The following General Conditions shall apply to the **policy**

1) Alteration

The **insured** must give immediate written notice to the **underwriter** of any alteration during the **period of insurance** which materially affects the risk. Such notice should be provided to Ironshore Canada Ltd., 320 Bay Street, Suite 1500, Toronto, Ontario M5H 4A6 via your broker as your agent. On receipt of such notice the **underwriter** may:

- a) vary the terms of the **policy** and/or charge such additional amount as it may determine appropriate; or
- b) elect to terminate the **policy**.

2) Adjustment – Directors & Officers Liability

- a) If after the inception of this **policy** and during the **period of insurance** the **insured** acquires or creates a **subsidiary**, the indemnity afforded under section 3 – Directors and Officers Liability in relation to such **subsidiary** shall attach from the date of acquisition or creation for subsequent acts, provided that if the **subsidiary**:
 - i) exceeds 25% of the consolidated assets of the **insured**; or
 - ii) is listed on any stock exchange anywhere in the world

then no indemnity shall be afforded in relation to such **subsidiary** without the prior written consent of the **underwriter**. In this event the **underwriter** reserves the right to review the terms and conditions of this **policy**.

- b) If during the **period of insurance** an entity ceases to be a **subsidiary**, or ceases to be a **subsidiary** during any insurance of which this is a renewal, the following provisions apply:
 - i) there shall be no coverage for subsequent **wrongful acts** relating to that **subsidiary**;
 - ii) the indemnity afforded to that **subsidiary** shall continue for the remainder of the **period of insurance** in respect of any claim arising from a **wrongful act** committed prior to the date the entity ceased to be a **subsidiary**.

3) Assignment

The **insured** cannot assign this **policy** or any rights under it without the prior written consent of the **underwriter** by way of **endorsement**.

4) Cancellation by the Underwriter

This **policy** may be cancelled by the **underwriter**. If the **policy** is cancelled, the **insured** shall be entitled to a rebate equal to the proportionate part of the premium corresponding to the unexpired portion of the **period of insurance**.

5) Changes to policy

The terms of the **policy** shall not be waived or amended except by **endorsement** issued by the **underwriter**.

6) Confidentiality

The **insured** shall not disclose the terms of this **policy** or the amount of **premium** paid to any third party:

- a) except to the extent that the **insured** is required by law to do so or by any regulatory authority as may be necessary to demonstrate to such regulatory authority that any mandatory insurance requirements of such authority have been satisfied; or
- b) except that the existence of the **policy** and the **limit of liability** may be disclosed to an underwriter, to a client or a prospective client or broker where this is necessary to maintain agency facilities, provided that no such disclosure shall be permitted in circumstances where the **insured** is aware or should have reasonably been aware that the person to whom disclosure is going to be made had made or is likely to make a **claim**; or
- c) except to the extent that the **underwriter** consents in writing to such disclosure.

7) Enforceability

In the event that any portion of the **policy** is found to be invalid or unenforceable the remainder shall remain in full force and effect.

8) Interpretation

The **policy** and the **declarations** shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this **policy** or the **declarations** shall bear such specific meaning wherever it may appear.

9) Law and Jurisdiction

The meaning, validity and effect of this **policy** will be interpreted in accordance with the law of the Commonwealth of Canada and the Courts of the Commonwealth of Canada will have exclusive jurisdiction in any dispute hereunder.

10) Liberalization

If, during the policy period, we adopt a coverage change to the EasyCover wording, or rules or regulations affecting the Policy are revised by statute or otherwise, so as to broaden the insurance coverage without an additional premium charge, such extended or broadened insurance will become a term of this Policy and will be used to your benefit.

11) Payment of Premium

The **insured** shall pay the **premium** in full to the **underwriter** immediately upon inception or in monthly instalments. In the event that the **premium** is not received in full by midnight on the applicable date due, EasyCover via Rogers Insurance Ltd. will immediately initiate cancellation proceedings in accordance with the Statutory Conditions.

12) Reasonable Precautions

The **insured** shall:

- a) take reasonable precautions to:
 - i) prevent any circumstances or to cease any activity which may give rise to liability under this **policy**; and
 - ii) maintain all buildings, furnishings, ways, works, machinery, plant and vehicles in sound condition; and

- b) as soon as possible after discovery cause any defect or danger in respect of products, buildings, fittings, furnishings, plant, or machinery to be made good or remedied and in the meantime shall cause such additional precautions to be taken as the circumstances require.

13) Identification of Underwriter/Action against Underwriter

This insurance has been effected in accordance with the authorization granted to the Coverholder by the Underwriting Members of Pembroke, Lloyd's Syndicate 4000, (hereinafter referred to as "the Underwriters"). The Underwriters shall be liable hereunder each for his own part and not one for another in proportion to the several sums that each of them has subscribed to the said Agreement.

In any action to enforce the obligations of the Underwriters they can be designated or named as "Lloyd's Underwriters" and such designation shall be binding on the Underwriters as if they had each been individually named as defendant. Service of such proceedings may validly be made upon the Attorney in Fact in Canada for Lloyd's Underwriters, whose address for such service is 1155 rue Metcalfe, Suite 2220, Montreal, Quebec, H3B 2V6.

NOTICE

Any notice to the Underwriters may be validly given to the **coverholder**.

In witness whereof this **policy** has been signed as authorized by the Underwriters, by Pembroke, Lloyd's Syndicate 4000, 1 Lime Street, London, EC3M 7HA.

The **insured** is requested to read this policy, and if incorrect, return it immediately for alteration.

In the event of an occurrence likely to result in a claim under this insurance, immediate notice should be given to the **coverholder** whose name and address appears above. All inquiries and disputes are also to be addressed to this **coverholder**.

For the purpose of the Insurance Companies Act (Canada), this Canadian Policy was issued in the course of Lloyd's Underwriters' insurance business in Canada. LSW1548B

14) Several Liability of underwriters

The obligations of the subscribing underwriters where there is more than one underwriter named in the **declarations** subscribing to this **policy** are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing underwriters are not responsible for the subscription of any co-subscribing underwriter who for any reasons does not satisfy part or all of its obligations.

15) Titles and Headings

Titles and Headings are descriptive and are used solely for convenience of reference and shall not be deemed to limit or affect the provisions to which they relate in any way.

16) Waiver of Subrogation Rights

The **insured** shall not surrender any right of recovery that it may have against another party without the **underwriter's** prior written consent. Failure to comply with this condition may permit the **underwriter** to reduce any payment under this **policy** to the extent that prejudice has been suffered.

17) Lloyd's Underwriters policyholders' complaint protocol

Lloyd's strives to enhance your customer experience with us through superior service and innovative insurance products.

We have developed a formal complaint handling protocol in accordance with the Insurance Companies Act of Canada to ensure your concerns as our valued customer are addressed expeditiously by our representatives. This protocol will assist you in understanding the steps we will undertake to help resolve any dispute which may arise with our product or service. All complaints will be handled in a professional manner. All complaints will be investigated, acted upon, and responded to in writing or by telephone by a Lloyd's

representative promptly after the receipt of the complaint. If you are not satisfied with our products or services, you can take the following steps to address the issue:

- Firstly, please contact the broker who arranged the insurance on your behalf about your concerns so that he or she may have the opportunity to help resolve the situation.
- If your broker is unable to help resolve your concerns, we ask that you provide us in writing an outline of your complaint along with the name of your broker and your policy number.

Please forward your complaint to:

Lloyd's Underwriters

Attention: Complaints Officer:

1155 rue Metcalfe, Suite 2220, Montréal (Québec) H3B 2V6

Tel: 1-877-455-6937

E-mail: info@lloyds.ca

Your complaint will be directed to the appropriate business contact for handling. They will write to you within two business days to acknowledge receipt of your complaint and to let you know when you can expect a full response. If need be, we will also engage internal staff in Lloyd's Policyholder and Market Assistance Department in London, England, who will respond directly to you, and in the last stages, they will issue a final letter of position on your complaint.

In the event that your concerns are still not addressed to your satisfaction, you have the right to continue your pursuit to have your complaint reviewed by the following organizations:

General Insurance OmbudService (GIO): assists in the resolution of conflicts between insurance customers and their insurance companies. The GIO can be reached at:

Toll free number: 1-877-225-0446

www.giocanada.org

For Quebec clients:

Autorité des marchés financiers (AMF): The regulation of insurance companies in Quebec is administered by the AMF. If you remain dissatisfied with the manner in which your complaint has been handled, or with the results of the complaint protocol, you may send your complaint to the AMF who will study your file and who may recommend mediation, if it deems this action appropriate and if both parties agree to it. The AMF can be reached at

Toll Free: 1-877-525-0337

Québec: (418) 525-0337

Montréal: (514) 395-0311

www.lautorite.qc.ca

If you have a complaint specifically about Lloyd's Underwriters' complaints handling procedures you may contact the FCAC.

Financial Consumer Agency of Canada (FCAC) provides consumers with accurate and objective information about financial products and services, and informs Canadians of their rights and responsibilities when dealing with financial institutions. FCAC also ensures compliance with the federal consumer protection laws that apply to banks and federally incorporated trust, loan and insurance companies. The FCAC does not get involved in individual disputes. The FCAC can be reached at:

427 Laurier Avenue West, 6th Floor, Ottawa ON K1R 1B9

Services in English: 1-866-461-FCAC (3222)

Services in French: 1-866-461-ACFC (2232)

www.fcac-acfc.gc.ca

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18) Lloyd's underwriters code of consumer rights and responsibilities

Insurers (including Lloyd's Underwriters), along with the brokers and agents who sell home, auto and business insurance are committed to safeguarding your rights both when you shop for insurance and when you submit a claim following a loss. Your rights include the right to be informed fully, to be treated fairly, to timely complaint resolution, and to privacy. These rights are grounded in the contract between you and your insurer and the insurance laws of your province. With rights, however, come responsibilities including, for example, the expectation that you will provide complete and accurate information to your insurer. Your policy outlines other important responsibilities. Insurers and their distribution networks, and governments also have important roles to play in ensuring that your rights are protected.

Right to Be Informed

You can expect to access clear information about your policy, your coverage, and the claims settlement process. You have the right to an easy-to-understand explanation of how insurance works and how it will meet your needs. You also have a right to know how insurers calculate price based on relevant facts. Under normal circumstances, insurers will advise an insurance customer or the customer's intermediary of changes to, or the cancellation of a policy within a reasonable prescribed period prior to the expiration of the policy, if the customer provides information required for determining renewal terms of the policy within the time prescribed, which could vary by province, but is usually 45 days prior to expiry of the policy.

You have the right to ask who is providing compensation to your broker or agent for the sale of your insurance. Your broker or agent will provide information detailing for you how he or she is paid, by whom, and in what ways.

You have a right to be told about insurers' compensation arrangements with their distribution networks. You have a right to ask the broker or agent with whom you deal for details of how and by whom it is being paid. Brokers and agents are committed to providing information relating to ownership, financing, and other relevant facts.

Responsibility to Ask Questions and Share Information

To safeguard your right to purchase appropriate coverage at a competitive price, you should ask questions about your policy so that you understand what it covers and what your obligations are under it. You can access information through one-on-one meetings with your broker or agent. You have the option to shop the marketplace for the combination of coverages and service levels that best suits your insurance needs. To maintain your protection against loss, you must promptly inform your broker or agent of any change in your circumstances.

Right to Complaint Resolution

Insurers, their brokers and agents are committed to high standards of customer service. If you have a complaint about the service you have received, you have a right to access Lloyd's Underwriters' complaint resolution process for Canada. Your agent or broker can provide you with information about how you can ensure that your complaint is heard and promptly handled. Consumers may also contact their respective provincial insurance regulator for information. Lloyd's is a member of an independent complaint resolution office, the General Insurance OmbudService.

Responsibility to Resolve Disputes

You should always enter into the dispute resolution process in good faith, provide required information in a timely manner, and remain open to recommendations made by independent observers as part of that process.

Right to Professional Service

You have the right to deal with insurance professionals who exhibit a high ethical standard, which includes acting with honesty, integrity, fairness and skill. Brokers and agents must exhibit extensive knowledge of the product, its coverages and its limitations in order to best serve you.

Right to Privacy

Because it is important for you to disclose any and all information required by an insurer to provide the insurance coverage that best suits you, you have the right to know that your information will be used for the purpose set out in the privacy statement made available to you by your broker, agent or insurance representative. This information will not be disclosed to anyone except as permitted by law. You should know that Lloyd's Underwriters are subject to Canada's privacy laws - with respect to their business in Canada.

October 2012

LSW1565C

19) Notice concerning personal information

How we use your information

By purchasing insurance from certain Underwriters at Lloyd's, London ("Lloyd's"), a customer provides Lloyd's with his or her consent to the collection, use and disclosure of personal information. Consent is subject to the customer's understanding of the nature, purpose and consequences of the collection, use or disclosure of their personal information.

Information is collected and stored for the following purposes:

- the communication with Lloyd's policyholders
- the underwriting of policies
- the evaluation of claims
- the analysis of business results
- purposes required or authorized by law

What personal information we collect about you

We collect, process and store the following personal information about you:

- Name
- Address including postal code and country
- Policy number
- Claim number
- Credit card details
- Bank account details

We also collect information about you when you visit www.lloyds.com. Further details can be found on our online Privacy & Cookies policy at <http://www.lloyds.com/common/privacy-and-cookies-statement>.

We will not use your personal information for marketing purposes and we will not sell your personal information to other parties.

Who we disclose your information to

For the purposes identified, personal information may be disclosed to Lloyd's related or affiliated organisations or companies, their agents/mandataires, and to certain non-related or unaffiliated organisations or companies, including service providers. These entities may be located outside Canada therefore a customer's information may be processed in a foreign jurisdiction (the United Kingdom and the European Union) and their information may be accessible to law enforcement and national security authorities of that jurisdiction.

Disclosure without consent

The following are reasonable grounds to permit the disclosure of personal information without the knowledge or consent of a customer:

- ☐ Detecting or suppressing fraud
- ☐ Investigating or preventing financial abuse
- ☐ For communication with the next to kin or authorized representative of an injured, ill or deceased individual
- ☐ Investigating a breach of an agreement or a contravention of the laws of Canada or a foreign jurisdiction
- ☐ Witness statement necessary to assess, process or settle insurance claims
- ☐ Information produced in the course of employment and the disclosure is consistent with the purpose it was produced for

How to access your information and/or contact us

To access and request correction or deletion of your information, or to obtain written information about Lloyd's policies and practices in respect of service providers located outside Canada, please contact the Ombudsman at info@lloyds.ca. The Ombudsman will also answer customer's questions about the collection, use, disclosure or storage of their personal information by such Lloyd's service providers.

Further information about Lloyd's personal information protection policy may be obtained from the customer's broker or by contacting Lloyd's on: 514 861 8361, 1 877 455 6937, or through info@lloyds.ca.

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LSW1543C

GENERAL CLAIMS CONDITIONS

1) Action by the insured

- a) The **insured** shall give written notice to the **underwriter** via your broker as your agent as soon as reasonably practicable of any:
 - i) **claim**; and/or
 - ii) **loss**; and/or
 - iii) **occurrence**; and or
 - iv) **discovery of any cause for suspicion of any dishonest or fraudulent act or omission**,

regardless of any **deductible** that may apply.

Every letter, **claim**, writ, summons and process in connection with such circumstances shall be forwarded to the **underwriter** immediately on receipt. The notice must include full particulars, including the identity of the claimant or potential claimant, details of the allegations and potential allegations against the **insured**, identification of the project and services giving rise to the **claim** or potential **claim** and the potential quantum, if known, involved in the **claim**.

- b) The **insured** shall also give written notice to the **underwriter** as soon as reasonably practicable with full particulars of any circumstances of which the **insured** shall become aware, which could reasonably be expected to give rise to a **claim**.
- c) The notice shall include the reasons for the belief that the circumstance is reasonably expected to give rise to a **claim**

In respect of Sections 1 (Professional Liability) and Section 3 (Directors & Officers) of this **policy** only, any **claim** subsequently arising from a circumstance notified to the **underwriter** shall be deemed to have been made during the **period of insurance** in which notice of such circumstance was first received by the **underwriter**.

Such notice required under clause 1 a) and 1 b) above shall be provided to Ironshore Canada Ltd., 320 Bay Street, Suite 1500, Toronto, Ontario, M5H 4A6, Canada via your broker as your agent.

- d) No admission, offer, promise, payment or indemnity shall be made or given by or on behalf of the **insured** without the prior written consent of the **underwriter**.
- e) The **insured** shall not surrender any right to, or settle any claim for, contribution, recovery or indemnity from any other party without the written consent of the **underwriter**.
- f) The **insured** shall give all assistance as the **underwriter** and its representatives may reasonably require.
- g) The **insured** shall use due diligence and shall ensure that all reasonable and practicable steps are taken to avoid or diminish any liability which may give rise to or has given rise to a **claim** or loss.

Compliance with this condition shall be at the **insured's** own cost.

2) Conduct of the claim

- a) The **underwriter** shall be entitled but not obliged to take over and conduct in the name of the **insured** for its own benefit and shall have full discretion in the conduct of any proceedings and in the settlement of any **claim**.
- b) The **underwriter** shall be entitled to select and appoint lawyers or other parties that will defend and represent the **insured** in respect of any **claim**.

- c) Subject to General Claims Condition 6 (Right to contest), the **underwriter** shall be entitled to settle a **claim** at its sole discretion.
- d) If the **underwriter** is of the opinion that a **claim** will not exceed the **deductible**, it may require the **insured** to conduct the defence of the **claim** at its own expense.
- e) The **underwriter** shall be entitled but not obliged to tender any remaining amount of the **limit of liability** to the **insured** at any time, whereupon the **underwriter's** liability for **defence costs** incurred after the date of tender shall cease.

3) Arbitration

If any difference as to the amount to be paid under this policy (liability being otherwise admitted) such difference shall, at the agreement of the insured and the underwriters, be referred to an arbitrator to be appointed by the parties or, failing agreement between the parties, to be appointed by the President of the Institute of Arbitrators & Mediators Canada.

Where any difference is by this condition to be referred to arbitration the making of an award shall be a condition precedent to any right of action against the **underwriter**.

4) Payment of Deductible

Where the **underwriter** has paid on the **insured's** behalf part or all of the **deductible**, the **insured** shall reimburse the **underwriter** immediately upon request.

5) Interlocking Clause

No request for indemnity shall be made under more than 1 section of this **policy** in respect of any one claim, loss or occurrence.

Furthermore, it is agreed that if, in the event that any **claim**, loss or **occurrence** triggers indemnity under more than 1 Section of the **policy** in respect of such **claim** or **occurrence**, the only right to indemnity shall be under that section with the highest remaining **limit of liability** and not under both.

6) Right to contest

If the **underwriter** recommends settlement in respect of any **claim** and the **insured** does not agree that such **claim** should be settled, then the **insured** may elect to contest the **claim** provided that the maximum amount payable by the **underwriter** in respect of such **claim** shall not exceed the amount for which the **claim** could have been settled plus the **defence costs** incurred up to the date of such election.

7) Rights of the Underwriter

In the event that the **underwriter** is entitled to avoid or repudiate the **policy** ab initio, the **underwriter** may instead, at its election, give notice in writing to the **insured** that it regards the **policy** as of full force and effect save that there shall be excluded from any insurance afforded hereunder any **claim** which has arisen or which may arise and which is related to the circumstances which entitle the **underwriter** to avoid or repudiate the **policy**. This **policy** shall then continue in full force and effect, but shall be deemed to exclude the particular **claim** referred to in the said notice.

8) Subrogation and Waiver of Rights

The **underwriter** shall be subrogated to all the rights of recovery of the **insured** against any third party before and after any indemnity is given under this **policy** provided always that the **underwriter** shall not exercise any such rights against any **employee** unless the **claim** in respect of which the indemnity is afforded under this **policy** was caused by or contributed to by serious or wilful misconduct by the **employee** or former **employee**. The **insured** shall, without charge, provide such assistance as the **underwriter** may require in any subrogation. In the event that any amount is recovered by the **underwriters** it shall first be allocated against any amount previously incurred by the **underwriters** with any surplus thereafter being payable to the **insured**.

APPENDIX 1 - STATUTORY CONDITIONS

Applicable in British Columbia as per *Insurance Act* (BC):

Misrepresentation

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

Property of others

2. The insurer is not liable for loss or damage to property owned by a person other than the insured unless

- (a) otherwise specifically stated in the contract, or
- (b) the interest of the insured in that property is stated in the contract.

Change of interest

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

Material change in risk

4. (1) The insured must promptly give notice in writing to the insurer or its agent of a change that is

- (a) material to the risk, and
- (b) within the control and knowledge of the insured.

(2) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.

(3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may

- (a) terminate the contract in accordance with Statutory Condition 5, or
- (b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.

(4) If the insured fails to pay an additional premium when required to do so under subparagraph (3) (b) of this condition, the contract is terminated at that time and Statutory Condition 5 (2) (a) applies in respect of the unearned portion of the premium.

Termination of insurance

5. (1) The contract may be terminated

- (a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or
- (b) by the insured at any time on request.

(2) If the contract is terminated by the insurer,

- (a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and
- (b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.

(3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.

(4) The 15 day period referred to in subparagraph (1) (a) of this condition starts to run on the day the registered letter or notification of it is delivered to the insured's postal address.

Requirements after loss

6. (1) On the happening of any loss of or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition

- (a) immediately give notice in writing to the insurer,
- (b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration,
 - (i) giving a complete inventory of that property and showing in detail quantities and cost of that property and particulars of the amount of loss claimed,
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
 - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
 - (iv) stating the amount of other insurances and the names of other insurers,
 - (v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
 - (vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
 - (vii) stating the place where the insured property was at the time of loss,
- (c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
- (d) if required by the insurer and if practicable,
 - (i) produce books of account and inventory lists,
 - (ii) furnish invoices and other vouchers verified by statutory declaration, and
 - (iii) furnish a copy of the written portion of any other relevant contract.

(2) The evidence given, produced or furnished under subparagraph (1) (c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

Fraud

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

Who may give notice and proof

8. Notice of loss under Statutory Condition 6 (1) (a) may be given and the proof of loss under Statutory Condition 6 (1) (b) may be made

- (a) by the agent of the insured, if
 - (i) the insured is absent or unable to give the notice or make the proof, and
 - (ii) the absence or inability is satisfactorily accounted for, or
- (b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so or in the circumstances described in clause (a) of this condition.

Salvage

9. (1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.
- (2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

Entry, control, abandonment

10. After loss or damage to insured property, the insurer has
- (a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and
 - (b) after the insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but
 - (i) without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and
 - (ii) without the insurer's consent, there can be no abandonment to it of the insured property.

In case of disagreement

11. (1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the Insurance Act, whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.
- (2) There is no right to a dispute resolution process under this condition until
- (a) a specific demand is made for it in writing, and
 - (b) the proof of loss has been delivered to the insurer.

When loss payable

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

Repair or replacement

13. (1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.
- (2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

Notice

14. (1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.
- (2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.

Applicable acts to apply as per provincial legislation.

STATUTORY CONDITIONS (Alberta)

Misrepresentation

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

Property of others

2. The insurer is not liable for loss or damage to property owned by a person other than the insured unless

- (a) otherwise specifically stated in the contract, or
- (b) the interest of the insured in that property is stated in the contract.

Change of interest

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

Material change in risk

- 4. (1) The insured must promptly give notice in writing to the insurer or its agent of a change that is
 - (a) material to the risk, and
 - (b) within the control and knowledge of the insured.
- (2) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.
- (3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may
 - (a) terminate the contract in accordance with Statutory Condition 5,
 - or
 - (b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.
- (4) If the insured fails to pay an additional premium when required to do so under subparagraph (3) (b) of this condition, the contract is terminated at that time and Statutory Condition 5 (2) (a) applies in respect of the unearned portion of the premium.

Termination of insurance

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

Requirements after loss

- 6. (1) On the happening of any loss of or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,
 - (a) immediately give notice in writing to the insurer,
 - (b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration,

- (i) giving a complete inventory of that property and showing in detail quantities and cost of that property and particulars of the amount of loss claimed,
- (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
- (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
- (iv) stating the amount of other insurances and the names of other insurers,
- (v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
- (vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
- (vii) stating the place where the insured property was at the time of loss,
- (c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
- (d) if required by the insurer and if practicable,
 - (i) produce books of account and inventory lists,
 - (ii) furnish invoices and other vouchers verified by statutory declaration, and
 - (iii) furnish a copy of the written portion of any other relevant contract.
- (2) The evidence given, produced or furnished under subparagraph (1) (c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

Fraud

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

Who may give notice and proof

- 8. Notice of loss under Statutory Condition 6 (1) (a) may be given and the proof of loss under Statutory Condition 6 (1) (b) may be made
 - (a) by the agent of the insured, if
 - (i) the insured is absent or unable to give the notice or make the proof, and
 - (ii) the absence or inability is satisfactorily accounted for, or
 - (b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so or in the circumstances described in clause (a) of this condition.

Salvage

- 9. (1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.
- (2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

Entry, control, abandonment

- 10. After loss or damage to insured property, the insurer has
 - (a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and
 - (b) after the insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but

- (i) without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and
- (ii) without the insurer's consent, there can be no abandonment to it of the insured property.

In case of disagreement

- 11. (1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the *Insurance Act*, whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.
- (2) There is no right to a dispute resolution process under this condition until
 - (a) a specific demand is made for it in writing, and
 - (b) the proof of loss has been delivered to the insurer.

When loss payable

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

Repair or replacement

- 13. (1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.
- (2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

Notice

- 14. (1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.
- (2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.

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STATUTORY CONDITIONS (Manitoba)

Misrepresentation

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

Property of others

- 2. The insurer is not liable for loss or damage to property owned by a person other than the insured unless
 - (a) otherwise specifically stated in the contract, or
 - (b) the interest of the insured in that property is stated in the contract.

Change of interest

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

Material change in risk

4. (1) The insured must promptly give notice in writing to the insurer or its agent of a change that is
- (a) material to the risk, and
 - (b) within the control and knowledge of the insured.
- (2) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.
- (3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may
- (a) terminate the contract in accordance with Statutory Condition 5,
- or
- (b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.
- (4) If the insured fails to pay an additional premium when required to do so under subparagraph (3) (b) of this condition, the contract is terminated at that time and Statutory Condition 5 (2) (a) applies in respect of the unearned portion of the premium.

Termination of contract

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

Requirements after loss

6. (1) On the happening of any loss or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,
- (a) immediately give notice in writing to the insurer,
 - (b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration
 - (i) giving a complete inventory of that property and showing in detail quantities and costs of that property and particulars of the amount of loss claimed,
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
 - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
 - (iv) stating the amount of other insurances and the names of other insurers,

- (v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
 - (vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
 - (vii) stating the place where the insured property was at the time of loss,
- (c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
- (d) if required by the insurer and if practicable,
 - (i) produce books of account and inventory lists,
 - (ii) furnish invoices and other vouchers verified by statutory declaration, and
 - (iii) furnish a copy of the written portion of any other relevant contract.
- (2) The evidence given, produced or furnished under subparagraph (1) (c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

Fraud

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

Who may give notice and proof

- 8. Notice of loss under Statutory Condition 6 (1) (a) may be given and the proof of loss under of Statutory Condition 6 (1) (b) may be made
 - (a) by the agent of the insured if
 - (i) the insured is absent or unable to give the notice or make the proof, and
 - (ii) the absence or inability is satisfactorily accounted for, or
 - (b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so, or in the circumstances described in clause (a) of this condition.

Salvage

- 9. (1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.
- (2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

Entry, control, abandonment

- 10. After loss or damage to insured property, the insurer has
 - (a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and
 - (b) after the insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but
 - (i) without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and
 - (ii) without the insurer's consent, there can be no abandonment to it of the insured property.

In case of disagreement

- 11. (1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage,

those questions must be determined using the applicable dispute resolution process set out in the *Insurance Act* whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.

- (2) There is no right to a dispute resolution process under this condition until
 - (a) a specific demand is made for it in writing, and
 - (b) the proof of loss has been delivered to the insurer.

When loss payable

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

Replacement

- 13. (1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.
- (2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss and must proceed with all due diligence to complete the work within a reasonable time.

Notice

- 14. (1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.
- (2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to the insured's last known address as provided to the insurer by the insured.

17/10/14
LSW1851

STATUTORY CONDITIONS

(Not applicable to the Provinces of British Columbia, Alberta, Manitoba and Quebec)

(If any condition below contains a variation, omission or addition to the statutory condition established by the applicable Provincial or Territorial statute, then the statutory condition established by Provincial or Territorial statute prevails). If any portion of these conditions are found to be invalid, unenforceable or contrary to statute, the remainder will remain in full force and effect.

Misrepresentation

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

Property of Others

2. Unless otherwise specifically stated in the contract, the insurer is not liable for loss or damage to property owned by any person other than the insured, unless the interest of the insured therein is stated in the contract.

Change of Interest

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

Material Change

4. Any change material to the risk and within the control and knowledge of the insured avoids the contract as to the part affected by the change unless the change is promptly notified in writing to the insurer or its local agent. The insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract. Alternatively, the Insurer may notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within fifteen days of the receipt of the notice, pay to the insurer an additional premium. In default of such payment the contract is no longer in force and the insurer shall return the unearned portion, if any, of the premium paid.

Termination

5. 1. This contract may be terminated,
 - (a) by the insurer giving to the insured written notice at least:
 - (i) five days before the effective date of termination if personally delivered;
 - (ii) fifteen days before the effective date of termination if the contract is terminated by registered mail for non-payment of premium; or
 - (iii) thirty days before the effective date of termination if the contract is terminated by registered mail for any other reason.
 - (b) by the insured at any time on request.
2. Where this contract is terminated by the insurer,
 - (a) the insurer shall refund the excess of premium actually paid by the insured over the proportionate premium for the expired time, subject to any minimum retained premium specified; and
 - (b) the refund shall accompany the notice, unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
3. Where this contract is terminated by the insured, the insurer shall refund as soon as practicable the excess of the premium actually paid by the insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
4. The refund may be made by money, postal or express company money order or cheque payable at par.
5. The fifteen and thirty days mentioned in clause 1(a)(ii) and (iii) of this condition commence to run on the day following the receipt of the registered letter at the post office to which it is addressed.

Requirements After Loss

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

Fraud

7. Any fraud or wilfully false statement in a statutory declaration in relation to any of the above particulars, vitiates the claim of the person making the declaration.

Who May Give Notice and Proof

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

Salvage

9. 1. The insured, in the event of any loss or damage to any insured property, shall take all reasonable steps to prevent further damage to such property and to prevent damage to other insured property including, if necessary, removal to a secure location.
2. The insurer shall contribute proportionately, according to the respective interests of the parties, towards any reasonable and proper expenses in connection with steps taken by the insured and required under subparagraph (1) of this condition.

Entry, Control, Abandonment

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

Appraisal

11. In the event of disagreement as to the value of the insured property, or the value of the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under the *Insurance Act* before there can be any recovery under this

contract whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefor is made in writing and until after proof of loss has been delivered.

When Loss Payable

12. The loss is payable within sixty days after completion of the proof of loss, unless the contract provides for a shorter period.

Replacement

13. 1. The insurer, instead of making payment, may repair, rebuild, or replace the property lost or damaged, giving written notice of its intention so to do within thirty days after receipt of the proofs of loss.
2. In that event the insurer shall commence to so repair, rebuild, or replace the property within forty-five days after receipt of the proofs of loss, and shall thereafter proceed with all due diligence to the completion thereof.

Action

14. Every action or proceeding against the insurer for the recovery of a claim shall be absolutely barred unless commenced within one year* after the loss or damage occurs, unless regulation provides otherwise.

* Two years in the Province of Manitoba and Yukon Territories.

Notice

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

S.P.F. NO. 6

NON-OWNED AUTOMOBILE

ENDORSEMENT 1

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS POLICY CONTAINS A PARTIAL PAYMENT OF LOSS CLAUSE. [Note: Required in British Columbia by Insurance (Vehicle) Act (BC)]

This endorsement modifies insurance provided under the following:

COMBINED LIABILITY INSURANCE SCHEME

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

ITEMS	APPLICATION
1.	Full name of the Insured: As per Policy Declaration Postal address As per Policy Declaration (Including county or district) Insured is Corporation (State whether individual, partnership, corporation, municipality or estate)
2.	Policy period: FROM: As per Policy TO: Declaration 12:01 A.M. Standard Time at the Insured's address stated herein as to each of said dates
3.	The automobiles in respect of which insurance is to be provided are those not owned in whole or in part by, nor licensed in the name of the Insured, used in the Insured's business of: AS KNOWN TO UNDERWRITER
4.	The Insured's partners, officers, employees and agents as of the date of this application are as follows: AS KNOWN TO UNDERWRITER

Location	Partners, Officers and Employees who regularly use automobiles not owned by the Insured in his business						All other Partners, Officers and Employees			All Insured's Agents		
	Class "A1" Private Passenger			Class "A2" Commercial			Class "B"			Class "C"		
	No.	Rate	Prem. \$ Incl.	No.	Rate	Prem. \$ Incl.	No.	Rate	Prem. \$ Incl.	No.	Rate	Prem. \$ Incl.

5. "Hired automobiles" - the automobiles hired by the Insured are as follows:

Type of Automobile	Estimated cost of hire	Rates per \$100 of cost of hire	Advance Premium
COVERED	IF ANY	INCLUDED	

The advance premium is subject to adjustment at the end of the policy period as provided in the policy.

6. The "automobiles operated under contract" on behalf of the Insured are as follows:

Type of Automobile & Description of Use	Estimated Contract Cost	Rates per \$100 of Contract Cost	Advance Premium
COVERED	IF ANY	INCLUDED	

The advance premium is subject to adjustment at the end of the policy period as provided in the policy.

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

Insuring Agreements	Perils	Limit	Combined Premium
Section A Third Party Liability	Legal Liability for bodily injury or death of any person or damage to property of others not in the care, custody or control of the Insured.	\$ AS PER POLICY DECLARATION (Exclusive of interest and costs) for loss or damage resulting from bodily injury to or the death of one or more persons, and for loss or damage to property, regardless of the number of claims arising from any one accident.	\$ Included
Endorsements	SEF NO. 99 – Excluding Long Term Leased Vehicle Endorsement		\$ Included
			\$
Minimum Retained Premium:			\$ Total
Premium			\$ Included

8. Has any Underwriter cancelled, declined or refused to renew or issue, automobile insurance to the Insured within three years preceding this application? If so, state name of Underwriter .

AS KNOWN TO THE UNDERWRITER

-
9. State particulars of all accidents or claims arising out of the use or operation in his business of Non-Owned automobiles by the Insured within the three years preceding this application.

Injury to persons	Damage to property of others
AS KNOWN TO THE UNDERWRITER	AS KNOWN TO THE UNDERWRITER

-
10. All the statements in this application are true and the Insured hereby applies for a contract of automobile insurance to be based on the truth of the said statements.

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

Under section 75 of the *Insurance (Vehicle) Act*, your claim is invalid if at any time you fail to provide complete and accurate information, violate a term or condition of your policy or commit fraud. This is a summary. For full information, see section 75 of the *Insurance (Vehicle) Act*. [Note: required in British Columbia by s. 63(5) of the *Insurance (Vehicle) Act (BC)*]

INSURING AGREEMENTS

NOW, THEREFORE, IN CONSIDERATION OF the payment of the premium specified and of the statements contained in the application and subject to the limits, terms, conditions, provisions, definitions and exclusions herein stated.

SECTION A - THIRD PARTY LIABILITY

The **underwriter** 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 DEATH OF ANY PERSON OR DAMAGE TO PROPERTY OF OTHERS NOT IN THE CARE, CUSTODY OR CONTROL OF THE INSURED:

Provided always the **underwriter** 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 for any liability imposed upon any person insured by this policy:
 - (1) by any workmen's compensation law; or
 - (2) by any law for bodily injury to or the death of the Insured or any partner, officer or employee of the Insured while engaged in the business of the Insured; or
- B. for any liability assumed by any person insured by this **policy** voluntarily under any contract or agreement; or
- C. for loss or damage to property carried in or upon an automobile personally driven by any person insured by this **policy** or to any property owned or rented by, or in the care, custody or control of any such person; or
- D. for any amount in excess of the limit stated in Item 7 of the application, and expenditures provided for in the Additional Agreements of this **policy**, subject always to the provisions of the section of the applicable insurance legislation relating to the nuclear energy hazard.

ADDITIONAL AGREEMENTS OF UNDERWRITER

Where indemnity is provided by this **policy**, the **underwriter** 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 **underwriter**; and
- (2) to defend in the name and on behalf of any person insured by this **policy** and at the cost of the **underwriter** 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) pay all costs taxed against any person insured by this **policy** in any civil **action** defended by the **underwriter** and any interest accruing after entry of judgment upon that part of the judgment which is within the limits of the Underwriter'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 Section A of Item 7 of the application; and

- (6) not set up any defence to a **claim** that might not be set up if the **policy** were a motor vehicle 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 **underwriter** his irrevocable attorney to appear and defend in any province or territory of Canada or jurisdiction of the United States of America in which action is brought against the Insured arising out of the use or operation of an automobile with respect to which insurance is provided hereunder;
- (b) shall reimburse the **underwriter** upon demand, in the amount which the **underwriter** has paid by reason of the provisions of any statute relating to automobile insurance and which the **underwriter** would not otherwise be liable to pay under this **policy**.

GENERAL PROVISIONS AND DEFINITIONS

1. ADDITIONAL INSURED

The **underwriter** agrees to indemnify in the same manner and to the same extent as if named herein as the Insured, every partner, officer or employee of the Insured who, with the consent of the owner thereof, personally drives (a) in the business of the Insured stated in Item 3 of the application, any automobile not owned in whole or in part by or licensed in the name of (i) the Insured, or (ii) such additional Insured person, or (iii) any person or persons residing in the same dwelling premises as the Insured or such additional insured person, or (b) any automobile hired or leased in the name of the Insured except an automobile owned in whole or in part or licensed in the name of such additional insured person.

2. TERRITORY

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

3. HIRED AUTOMOBILES DEFINED

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

4. AUTOMOBILES OPERATED UNDER CONTRACT DEFINED

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

5. TWO OR MORE AUTOMOBILES

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

6. PREMIUM ADJUSTMENT

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

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

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

The **underwriter** shall have the right and opportunity, whenever the **underwriter** so desires, to examine the books and records of the Insured to the extent they relate to the premium basis or the subject matter of this **policy**.

Coverage provided by this contract that extends the limit of coverage that is specified in a certificate or a policy is provided on the same terms and conditions of the coverage that is extended, except in respect of a prohibition, exclusion or different limit of coverage that is permitted by the *Insurance (Vehicle) Act*. [Note: required in British Columbia per section s. 170 of the *Insurance (Vehicle) Regulation*.]

PREScribed CONDITIONS

Applicable in British Columbia as per Part 13 of the *Insurance (Vehicle) Regulations* (BC):

Application and interpretation

1. (1) In these conditions:
 "insured" means a person who, whether named or not, is insured by this optional insurance contract;
 "territory" means a territory established by the insurer;
 "vehicle rate class" means a vehicle rate class established by the insurer.
(2) These conditions apply only in respect of coverage provided by this contract that does not extend the limit of coverage that is specified in a certificate or a policy to a limit that is in excess of that provided by the certificate or policy.

Changes during term of contract

2. (1) In this section, **"the territory in which the vehicle is primarily located when not in use"** means the territory in which the place where the vehicle is kept when not being driven is located.
(2) The insured named in this contract must,
 - (a) within 10 days after
 - (i) the named insured's address is changed from the address set out in this contract, or
 - (ii) the named insured acquires a substitute vehicle for the vehicle described in this contract, or
 - (b) before
 - (i) the use of the vehicle described in this contract is changed to a use to which a different vehicle rate class applies than the vehicle rate class applicable to the use set out in this contract, or
 - (ii) a vehicle in respect of which the premium is established on the basis of the territory in which a vehicle of that vehicle rate class is used or principally used, as the case may be, is used or principally used in a different territory than that set out in this contract,report the change of address, vehicle, use or territory to the insurer, and pay or be refunded the resulting difference in premium.
(3) If the premium for a vehicle is established on the basis of the territory in which the vehicle is primarily located when not in use and that territory as set out in this contract is changed, the insured named in this contract must, unless the vehicle is being used by the insured for vacation purposes, report the change to the insurer within 30 days of the change, and pay or be refunded the resulting difference in premium.

Prohibited use

3. (1) The insurer is not liable to an insured who breaches this condition or a subcondition of this condition.
(2) An insured must not operate a vehicle for which coverage is provided under this contract
 - (a) if the insured is not authorized and qualified by law to operate the vehicle,
 - (b) for an illicit or prohibited trade or transportation,
 - (c) to escape or avoid arrest or other similar police action, or
 - (d) in a race or speed test.
(3) An insured does not contravene subcondition (2) merely because the insured operates a vehicle in contravention of a restriction or condition imposed on his or her driver's licence by section 30.06 (2), 30.07 (1) or (3), 30.071 (1), 30.072 (1) (a) or (b), 30.08 (1), 30.10 (2) or (4) or 30.11 (1) of the Motor Vehicle Act Regulations, B.C. Reg. 26/58.
(4) An insured must not operate a vehicle for which coverage is provided under this contract contrary to the statements contained in the application for insurance for the vehicle, including, but not limited to,
 - (a) the use declared in the application for insurance for the vehicle,
 - (b) a statement relating to the time during which, and the territories in which, the vehicle may be operated, or
 - (c) a statement relating to the kind of goods, or number of passengers, that may be carried in or on the vehicle.
(5) Use of a vehicle does not contravene subcondition (4) if the premium paid for the vehicle rate class applicable to the use set out in the application for insurance is greater than or equal to the premium established by the insurer for the vehicle rate class that is applicable to the use to which the vehicle is put.
(6) An insured must not operate a motor vehicle for which coverage is provided under this contract if there is attached to the motor vehicle a trailer that is required to be registered and licensed under the *Motor Vehicle Act* or *Commercial Transport Act* and that is not registered and licensed under the *Motor Vehicle Act* or *Commercial Transport Act*.
(7) An insured named in this contract must not permit the vehicle described in this contract to be operated by a person or for a purpose that breaches this condition or a subcondition of this condition or would breach this condition or subcondition of this condition if the person were an insured.
(8) It is a breach of this condition if the injury, death, loss or damage in respect of which a claim is made by an insured is caused by or results from an intentional act of violence committed by the insured, while sane, by means of a vehicle.
(9) It is a breach of this condition if
 - (a) an insured is operating a vehicle while under the influence of intoxicating liquor or a drug or other intoxicating substance to such an extent that the insured is incapable of proper control of the vehicle,
 - (b) an insured is convicted of
 - (i) a motor vehicle related *Criminal Code* offence,
 - (ii) an offence under section 95 or 102 of the *Motor Vehicle Act*, or
 - (iii) an offence under a provision of the law of another jurisdiction in Canada or the United States of America that is similar to a provision referred to in subparagraph (i) or (ii),
 - (c) an insured is convicted of an offence under section 253 (b) of the *Criminal Code*, section 224 of the *Motor Vehicle Act* or a provision of another jurisdiction in Canada or the United States that is similar to either of those sections and

- the accident in respect of which a claim is made by the insured occurred during the commission of the offence by the insured and while the insured was operating a vehicle, or
- (d) an insured is convicted of an offence under section 254 (5) of the *Criminal Code*, section 226 of the *Motor Vehicle Act* or a provision of the law of another jurisdiction in Canada or the United States of America that is similar to either of those sections and the accident in respect of which a claim is made by the insured occurred within the 2 hours preceding the commission of the offence by the insured and while the insured was operating a vehicle.
- (10) In subcondition (9):
- "convicted"** includes being
- (a) convicted under the *Young Offenders Act* (Canada) for contravening a provision referred to in the definition of "motor vehicle related *Criminal Code* offence" or section 253 (b) or 254 (5) of the *Criminal Code*, and
- (b) convicted or the subject of a similar result in a jurisdiction of the United States of America under a law similar to the *Young Offenders Act* (Canada) for contravening a provision of the law of that jurisdiction that is mentioned in subcondition (9) (b) (iii), (c) or (d);
- "motor vehicle related *Criminal Code* offence"** means an offence under section 220, 221, 249, 252, 253 (a), 255 (2) or (3) or 259 (4) of the *Criminal Code* committed while operating or having care or control of a vehicle or committed by means of a vehicle.

Requirements if loss or damage to persons or property

4. If this contract provides third party liability insurance coverage, the insured must
- (a) promptly give the insurer written notice, with all available particulars, of
- (i) any accident involving death, injury, damage or loss in which the insured or a vehicle owned or operated by the insured has been involved,
- (ii) any claim made in respect of the accident, and
- (iii) any other insurance held by the insured providing coverage for the accident,
- (b) on receipt of a claim, legal document or correspondence relating to a claim, immediately send the insurer a copy of the claim, document or correspondence,
- (c) cooperate with the insurer in the investigation, settlement or defence of a claim or action,
- (d) except at the insured's own cost, assume no liability and settle no claim, and
- (e) allow the insurer to inspect an insured vehicle or its equipment or both at any reasonable time.

Requirements if loss of or damage to vehicle¹

5. (1) If loss of or damage to the vehicle insured under this contract occurs, the insured must, if the loss or damage is covered by this contract,
- (a) on the occurrence of loss or damage
- (i) promptly notify the insurer of the loss or damage, and
- (ii) file a written statement with the insurer setting out all available information on the manner in which the loss or damage occurred, and
- (b) within 90 days after the occurrence of the loss or damage file a proof of loss.
- (2) The insurer may require that a proof of loss be sworn by the person filing it.
- (3) If loss of or damage to a vehicle that is covered by this contract occurs, the owner or operator of the vehicle
- (a) must, at the expense of the insurer, protect the vehicle as far as reasonably possible from further loss or damage, and
- (b) until the insurer has had a reasonable opportunity to inspect the vehicle, must not, without the consent of the insurer, remove any physical evidence of the loss or damage to the vehicle or make any repairs to the vehicle, other than repairs that are immediately necessary to protect the vehicle from further loss or damage.
- (4) The insurer is not liable under this contract
- (a) for loss or damage resulting from the failure of an owner or operator to comply with subcondition (3) (a), or
- (b) to an owner if the owner or an operator, to the prejudice of the insurer, contravenes subcondition (3) (b).
- (5) The liability of the insurer for payment of indemnity for loss or damage to the vehicle is limited to the amount by which
- (a) the cost of repairing or replacing the vehicle and its equipment or any part of it with material of a similar kind or quality,
- (b) the declared value of the vehicle and its equipment, if appropriate, or
- (c) the actual cash value of the vehicle and its equipment,
- whichever is least, exceeds the deductible amount set out in this contract.
- (6) The insurer is not liable for that part of the cost of repair or replacement that improves a vehicle beyond the condition in which it was before the loss or damage occurred.
- (7) The insurer may determine
- (a) whether a vehicle and its equipment or any part of it will be repaired or replaced, and
- (b) whether to pay a garage service operator in respect of a repair or replacement instead of making a payment to the insured.
- (8) The liability of the insurer for loss or damage to an obsolete part of an insured vehicle, or a part the manufacturer does not have in stock, is limited to the price at which the part was last listed on the manufacturer's price list.
- (9) If the insurer replaces a vehicle or pays to an insured the declared value or actual cash value of a vehicle or its equipment or both, less any applicable deductible amount in accordance with subcondition (5),
- (a) the insurer is entitled, at its option, to the salvage in the vehicle or its equipment or both, and
- (b) the insured must, on request of the insurer, execute any documents necessary to transfer to the insurer title to the vehicle or its equipment or both.
- (10) If an insured is a co-insurer under this contract of any loss or damage to a vehicle or its equipment or both,
- (a) the insurer has conduct of the sale or other disposition of the salvage in the vehicle or its equipment or both, and
- (b) the insured is entitled to share in the proceeds of the sale or other disposition of the salvage in the vehicle or its equipment or both in the same proportion as the insured is a co-insurer of the loss or damage.
- (11) The insured must not leave a vehicle or its equipment or both with the insurer without its consent, refuse to take delivery of the insured's vehicle or its equipment or both from the insurer or otherwise abandon a vehicle or its equipment or both to the insurer without its consent.

¹ Prescribed Conditions 5, 6, 7 and 9 do not form part of this **policy** to the extent that it does not provide coverage for loss of or damage to the vehicle specified in this **policy**.

Statutory declaration²

6. (1) If required by the insurer, the insured must, on the occurrence of loss or damage for which coverage is provided by this contract, deliver to the insurer within 90 days after the occurrence of the loss or damage a statutory declaration stating, to the best of the insured's knowledge and belief, the place, time, cause and amount of the loss or damage, the interest of the insured and of all others in the vehicle, the encumbrances on the vehicle, all other insurance, whether valid or not, covering the vehicle and that the loss or damage did not occur through any wilful act or neglect, procurement, means or connivance of the insured.
- (2) An insured who has filed a statutory declaration must
- (a) on request of the insurer, submit to examination under oath,
 - (b) produce for examination, at a reasonable time and place designated by the insurer, all documents in the insured's possession or control relating to the loss or damage, and
 - (c) permit copies of the documents to be made by the insurer.

Inspection of vehicle³

7. The insured must permit the insurer at all reasonable times to inspect the vehicle and its equipment.

Time and manner of payment of insurance money

8. (1) The insurer must pay the insurance money for which it is liable under this contract within 60 days after the proof of loss or statutory declaration has been received by it or, if an arbitration is conducted under section 177 of the Insurance (Vehicle) Regulation, within 15 days after the award is rendered.
- (2) The insured must not bring an action to recover the amount of a claim under this contract unless the requirements of conditions 4, 5 and 6 are complied with and until the amount of the loss has been ascertained by an arbitrator under section 177, by a judgment after trial of the issue or by written agreement between the insurer and the insured.
- (3) Every action or proceeding against the insurer in respect of loss or damage for which coverage is provided under this contract must be commenced within 2 years from the occurrence of the loss or damage.

Who may give notice and proof of claim⁴

9. Notice of a claim related to loss or damage of the vehicle may be given and proof of claim and a statutory declaration may be made
- (a) by the agent of the insured named in this contract in case of absence or inability of the insured to give the notice or make the proof or statutory declaration, if the absence or inability is satisfactorily accounted for, or
 - (b) if the insured refuses to do so, by a person to whom any part of the insurance money is payable.

Termination⁵

10. (1) This contract may be terminated
- (a) by the insured named on this contract at any time on request, and
 - (b) by the insurer not less than
 - (i) 5 days after the insurer gives written notice of termination to the insured in person, or
 - (ii) 15 days after the insurer sends, by registered mail, written notice of termination to the last address of the insured according to the insurer's records.
- (2) On termination the insurer must refund the excess of premium actually paid by the insured over the proportionate premium for the expired time less any debt owed by the insured to the insurer, but in no event must the proportionate premium for the expired time less any debt owed by the insured to the insurer be less than any minimum retained premium specified in this contract.
- (3) If this contract is terminated by the insurer, the refund must accompany the notice unless the premium is subject to adjustment or determination as to the amount, in which case the refund must be made as soon as practicable.

Notice⁶

11. (1) A written notice to the insurer may be delivered at, or sent by registered mail to, the head office of the insurer in British Columbia or to a person appointed as an agent by the insurer for the purpose of receiving notices.
- (2) Written notice may be given to the insured named in this contract by letter personally delivered to the insured or by registered mail addressed to the insured at the insured's latest address according to the insurer's records.
- (3) In this condition and condition 10, "**registered**" means registered in or outside Canada.

Applicable acts to apply as per provincial legislation.

² Prescribed Conditions 5, 6, 7 and 9 do not form part of this **policy** to the extent that it does not provide coverage for loss of or damage to the vehicle specified in this **policy**.

³ Prescribed Conditions 5, 6, 7 and 9 do not form part of this **policy** to the extent that it does not provide coverage for loss of or damage to the vehicle specified in this **policy**.

⁴ Prescribed Conditions 5, 6, 7 and 9 do not form part of this **policy** to the extent that it does not provide coverage for loss of or damage to the vehicle specified in this **policy**.

⁵ Prescribed Conditions 10 and 11 only apply to this **policy** to the extent that it provides coverage that is the extension of the limit of coverage specified in a certificate issued under the *Insurance (Vehicle) Act* (British Columbia) or extends the limit of coverage specified in a certificate issued under the *Insurance (Vehicle) Act* (British Columbia), to a limit that is in excess of that provided by a certificate.

⁶ Prescribed Conditions 10 and 11 only apply to this **policy** to the extent that it provides coverage that is the extension of the limit of coverage specified in a certificate issued under the *Insurance (Vehicle) Act* (British Columbia) or extends the limit of coverage specified in a certificate issued under the *Insurance (Vehicle) Act* (British Columbia), to a limit that is in excess of that provided by a certificate.

Important Notice

All correspondence in relation to this **policy**, including the notification of any **claim, occurrence**, loss or circumstance which could reasonably be foreseen to give rise to a **claim** should be provided in the first instance to; Rogers Insurance Ltd. at the following address:

Rogers Insurance Ltd.

800 – 1331 Macleod Trail SE| Calgary, AB T2G 0K3

Main 403.296.2400 | Fax 403.520.7258 | Toll Free 1.800.565.8132