



DECLARATIONS

Policy No. FED06426401

In consideration of the premium charged, the INSURERS named in the List of Subscribing Insurers forming part of this policy, hereinafter called the INSURERS, severally, and not jointly agree, each for the sum insured, or the percentage of the total sum insured under this Policy, indicated against its name in the List of Subscribing Insurers, to indemnify the Insured for loss, subject to the Limit(s) of Liability Indicated and subject to the terms, conditions, and limitations of the policy.

Named Insured The Air Cadet League of Canada

Mailing Address 815 St. Laurent Blvd Room 223, Ottawa, ON, K1K 3A7

Policy Period July 1, 2024 to July 1, 2025
(12:01 a.m. standard time at postal address of the Named Insured as stated above.)

Total Premium \$60,508

Minimum Retained Premium \$15,127

Broker Name & Phone No. B.F. Lorenzetti & Associates
1-613-454-8291

Broker Code: 7557

IN WITNESS WHEREOF, the Insurer, has duly executed this Policy. PROVIDED, however, that this Policy is not valid unless countersigned by an authorized representative of the Insurer.

President & CEO

Federated Property & Casualty - A member of The Co-operators Group of Companies
130 Macdonell St., Guelph, Ontario, N1H 6P8
Toll Free 1-866-331-6002



Insurers

Wherever in this policy or in any endorsement(s) attached, reference is made to “The Company”, “The Insurer” or “This Company” reference shall be deemed to be made to each of the Insurers severally.

Insurer	Participation	Premium	Authorized Signature	Date
Sovereign General Insurance Company	100.0%	\$60,508	<u><i>Krista Lethbridge</i></u>	June 26, 2024

Policy Conditions

Notice of Cancellation or Termination	60 days' notice
FAL DOE	Declaration of Emergency Endorsement

Property and Business Income Section

The limits, amounts, and premiums stipulated in this policy are in Canadian currency, unless otherwise endorsed hereon.

Property and Business Income Coverage

Locations

As per statement of values attached

Limits of Insurance

All Property - Laperriere, Ottawa	\$	96,513	any one occurrence
All Property - Riedel, Fort McMurray	\$	78,612	any one occurrence
	\$	175,125	Earthquake Annual Aggregate
	\$	175,125	Flood
Miscellaneous Property Floater	\$	30,000	any one occurrence

Basis of Settlement

Replacement Cost on Building and Equipment

Stated Amount Co-Insurance

Miscellaneous Property Floater Actual Cash Value

Deductibles

Earthquake	3%	
Flood	\$	25,000
All other losses	\$	1,000
Miscellaneous Property Floater	\$	1,000

Perils Insured

All Risks of direct physical loss or damage to the Insured Property, including Earthquake, Flood and Sewer Back-up, subject to the policy exclusions and conditions.

Form Number

FAL AB
 FAL PB
 FAL PB Flood
 FAL PB EQ
 FAL RC
 FAL PB SACO
 FAL PB CDE
 FAL PB MiscBF

Form Name

Common Definitions, Exclusions and Conditions
 Commercial Property Form
 Flood Endorsement
 Earthquake Shock Endorsement
 Replacement Cost Endorsement
 Stated Amount Co-Insurance
 Communicable Disease Exclusion
 Miscellaneous Property Floater Broad Form

Property Coverage Extensions	Sub-Limits <i>Sub-limits are part of, and not in addition to, the limits of insurance shown above. Where "included" is indicated, the extension is not subject to a separate limitation.</i>
<i>Refer to the FAL PB wording for wordings, terms and conditions for each extension.</i>	
Arson, Theft or Malicious Acts Reward	\$10,000
Automatic Fire Suppression System Recharge	\$25,000
Basis of Settlement - Stock	Selling Price
Building By-Laws	Included in Building Limit
Building Damage by Theft	\$10,000
Civil Authority Destruction of Property	Included
Courier and Parcel Post	\$10,000
Debris Removal	25% of the direct loss or damage to the property insured plus \$50,000
Debris Removal – Windstorm	\$50,000
Electronic Data Processing System, Equipment and Media	Included
Environmental Alternatives	10% of the amount of loss, maximum \$50,000
Exhibitions	\$50,000
Extra Expense	\$50,000
Extra Expense Civil Authority	30 Days
Extra Expense - Leasehold Interest	30 Days
Fine Arts	\$25,000
Fire Department Charges	\$50,000
Fire Extinguishing Materials	Included
Furs, Fur Garments, Jewels, Jewellery, Costume Jewellery, Watches, Pearls, Precious and Semi-precious Stones	\$5,000
Glass	Included
Growing Plants, Lawns, Trees, or Shrubs	\$1,000 any one item, \$25,000 any one occurrence
Home Office	\$10,000
Identity Theft	\$10,000
Inflation Protection	Included
Inventory Preparation Expenses	\$10,000
Land and Water Pollution Clean Up	\$50,000 per occurrence and annual aggregate
Liberalization Clause	Included
Lock Replacement Costs	\$10,000
Master Key Coverage	\$25,000
Newly Acquired Building(s), Equipment and Stock	\$1,500,000
Non-Owned Locations	\$25,000
Pair and Set	Included
Parking Lots, Walkways, Roadways	\$50,000
Personal Property of Officers and Employees	\$1,000 any one individual
Professional Fees	\$500,000
Proof of Loss Preparation Costs	\$10,000
Property in Transit	\$250,000
Removal of Insured Property	30 Days
Sewer Back-Up	Included, \$5,000 deductible
Signs Including Street Clocks, Communication Towers, Antennae, and Satellite Receivers	Included
Temporary or Unnamed Locations	\$250,000
Third Party Vehicles	Included
Vacancy	30 Days
Valuable Papers and Records	\$50,000

Equipment Breakdown

Locations

815 St. Laurent Blvd, Ottawa, ON, K1K 3A7

Limits of Insurance

Equipment Breakdown Insurance \$ 96,513 any one breakdown

Locations

20 Riedel Street, Fort McMurray, Alberta

Limits of Insurance

Equipment Breakdown Insurance \$ 78,612 any one breakdown

Deductibles

\$ 1,000

Form Number

FAL F-35

Form Name

Equipment Breakdown Form (Excluding Production Machinery)

Ammonia Contamination	\$100,000
Brands and Labels	\$100,000
Building By-Laws	Included
Claims Preparation Cost	\$100,000
Cloud Computing Service Interruption	Included
Data Coverage	\$25,000
Debris Removal	\$100,000
Denial of Access	30 Days
Environmental, Safety and Efficiency Improvements	150%
Errors and Omissions	\$250,000
Expediting Expense	Included
Green Coverage	\$25,000
Hazardous Substances	\$100,000
Interruption by Civil Authority	30 Days
Newly Acquired Location -60 Days reporting	\$1,000,000
Off Premises Transportable Insured Equipment	\$10,000
Public Relations	\$10,000
Service Interruption	Included
Spoilage	\$25,000

*This Endorsement modifies the coverage provided under the Equipment Breakdown Form to which it is attached.

Item 2. Limit of Insurance is deleted and replaced with the following:

The Limit of Insurance stated on the "Declarations " at any one location, is the most the Insurer will pay for:

- a) Direct physical loss to insure equipment including any resulting loss to insured property
- b) Loss of income
- c) Extra expense

Any loss of income, extra expense or extension of coverage that are applicable to this form are part of and not in addition to the Limit of Insurance.

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

Crime

Limits of Insurance

Employee Dishonesty	\$	50,000
Money and Securities- Loss Inside the Premises	\$	10,000
Money and Securities – Loss Outside the Premises	\$	10,000
Money Orders and Counterfeit Paper Currency	\$	10,000
Depositors Forgery	\$	10,000
Credit Card, Debit Card or Automated Teller Card	\$	10,000
Professional Fees	\$	25,000
Computer Fraud or Funds Transfer Fraud	\$	10,000

Deductibles

Employee Dishonesty	NIL	
All Other Crime Coverages	\$	500

Form Number

FAL CRCSC
FAL CR1
FAL CRCFFT
FAL CRMSO

Form Name

Comprehensive Dishonesty, Disappearance and Destruction Form
Computer Fraud or Funds Transfer Fraud Endorsement
Money and Securities Loss Outside the Premises Extension Endorsement

Liability

Commercial General Liability

Limits of Insurance

Bodily Injury and Property Damage	\$	5,000,000	any one occurrence
	\$	5,000,000	Annual Aggregate for Products and Completed Operations
Personal Injury	\$	5,000,000	any one occurrence
	\$	5,000,000	annual aggregate
Medical Expenses	\$	50,000	per person
	\$	500,000	Annual Aggregate
Tenants Legal Liability	\$	2,000,000	any one occurrence
Abuse Limited Liability Endorsement	\$	2,000,000	any one occurrence
	\$	2,000,000	Annual Aggregate
Fungi and Fungal Derivatives	\$	250,000	any one occurrence
	\$	250,000	Annual aggregate
Forest Fire Fighting Expense	\$	2,000,000	any one occurrence
Employee Benefits E&O	\$	1,000,000	any one occurrence
	\$	1,000,000	Annual Aggregate

Deductibles

Property Damage	\$	5,000
Tenants' Legal Liability	\$	5,000
Employee Benefits E&O	\$	5,000

Form Number

FAL D-1
 FAL ALLC
 FAL D-1 FFFEE
 FAL D-1 FUNGI
 FAL D-1 EBILE
 FAL D-1 EBEO
 FAL D-1 PFAS

Form Name

Commercial General Liability
 Abuse Limited Liability Coverage Endorsement
 Forest Fire Fighting Expense Endorsement
 Fungi & Fungal Derivatives Limited Liability Endorsement
 Employers Bodily Injury Liability Endorsement
 Employee Benefits E&O Liability
 Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) Exclusion

Non-Owned Automobile Liability

Limits of Insurance

Non-Owned Automobile Liability	\$	1,000,000	any one occurrence
Legal Liability for Damage to Hired Automobiles	\$	50,000	any one occurrence

Deductibles

Legal Liability for Damage to Hired Automobiles	\$	5,000
---	----	-------

Form Number

FAL SPF6
 FAL SEF 94
 FAL SEF 96
 FAL SEF 99

Form Name

Standard Non-Owned Automobile Liability Insurance
 Legal Liability for Damage to Hired Automobile Endorsement
 Contractual Liability Endorsement
 Excluding Long Term Leased Vehicle Endorsement



Remitting Federated Premiums to SGIC

With Federated policies moving to Sovereign General Insurance Company (SGIC) at renewal, we've updated the process for brokers to remit net premiums on behalf of their Federated Agencies clients.

What you need to know

Your unique broker code is: **7557**

Include this code whenever you submit premiums to SGIC.

For support, contact **Vesna Purkovic** at vesna.purkovic@sovgen.com.

365

SGIC Premium Remittance Process

- » Federated accounts will set up and billed to the Agency or Broker on record.
- » SGIC will issue a monthly report that lists all net premiums processed that month, e.g. the August report will be sent the first working day in September.
- » Brokers can remit net premiums according to the report or their own statement.
- » Payment is due within 60 days, e.g. August premiums appear on the report sent at the beginning of September and are due no later than October 31.
- » SGIC's accounting department will contact brokers if there is a payment issue or discrepancy.

What you need to do

- » Watch for your report and remit net premiums by the due date.

IMPORTANT NOTICE TO POLICYHOLDERS: CHANGES TO LIABILITY COVERAGE FORMS – PFAS EXCLUSION

Introduction

This notice is designed to alert you to a change in coverage but does not form part of your insurance contract.

Dear valued policyholder,

We appreciate your continued trust in Sovereign Insurance for your insurance needs. We are writing to notify you of an update to your insurance policy.

In response to evolving industry standards, we have added a Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) Exclusion to your policy, which excludes all coverage for liability arising out of PFAS substances.

This Exclusion has been added to each of the following Coverage Forms: Commercial General Liability Coverage Form, Commercial Umbrella Liability Coverage Form, Excess Liability Coverage Form, and Wrap-Up Liability Coverage Form.

Please take the time to review your updated policy documentation attached to this letter, including all endorsements and Declarations. This important notice is for informational purposes only and does not form part of your policy, which will govern in the event of any inconsistency with this important notice.

If you have any questions or concerns regarding this update, please contact the broker identified on the Policy Level Declarations.

Thank you for choosing Sovereign Insurance. We value your business and look forward to continuing to serve you.

Federated Agencies Limited

DECLARATION OF EMERGENCY - EXTENSION OF TERMINATION or EXPIRY DATE

The effective date of termination of this policy by us or the expiry date of this policy is automatically extended when a state of emergency is declared by a Canadian public authority designated by statute for the purpose of issuing such an order, subject to the following:

1. The state of emergency must be declared:
 - a. in response to a situation or an impending situation that constitutes a danger of major proportions that could result in serious harm to persons or substantial damage to property and that is caused by forces of nature, a disease or other health risk, an accident or an act whether intentional or otherwise; or
 - b. as provided for by relevant governing legislation,but does not include any subsequent statutory declaration(s) that may be issued relating to the same event.
2. The situation or impending situation giving rise to a declaration of the state of an emergency must have a direct effect or impact on:
 - a. the first named insured shown on the Declarations; or
 - b. the named insured's head office, provided it is located in the declared emergency area; or
 - c. the address of the first named insured shown on the Declarations, provided it is located in the declared emergency area; or
 - d. the named insured's insurance advisor's or broker's office, provided it is located in the declared emergency area.
3. Any time limitation described in the Termination condition of the policy (the Cancellation condition in Quebec), with respect to termination of this policy by us, will not continue to run until the state of emergency is lifted plus the lesser of:
 - a. 30 days; or
 - b. the number of days equal to the total time the state of emergency order was in effect.
4. If the policy is due to expire during a declared state of emergency, it will continue in force until the state of emergency is lifted plus the lesser of:
 - a. 30 days; or
 - b. the number of days equal to the total time the state of emergency order was in effect.

5. In no event shall the total duration of this extension exceed 120 consecutive days.

The insured in accepting such an extension agrees to pay the pro rata premium earned for the additional time we remain on risk as a result of the above.

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

Federated Agencies Limited

Insuring Agreements and Common Definitions, Exclusions and Conditions Form

Applicable to all Property and Business Interruption coverages of this Policy.

Words and phrases in quotation marks have special meaning as defined in the Common Definitions.

I. Insuring Agreements

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

Indemnity Agreement

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

1. the value of the lost or damaged property as determined in the applicable Form or Endorsement;
2. the interest of the Insured in the property;
3. the Limit of Insurance specified in the “Declarations” for the lost or damaged property. The inclusion of more than one person or interest shall not increase the Insurer’s liability.

II. Common Exclusions

A. War Exclusion

This Policy does not insure against loss or damage caused by, related to, directly or indirectly, in whole or in part, by war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.

B. Nuclear Exclusion

This Policy does not insure against loss or damage caused by, related to, directly or indirectly, in whole or in part:

1. By any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any amending law) or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning, or explosion of natural, coal or manufactured gas;
2. By contamination by radioactive material.

This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.

C. Bylaw Exclusion

This Policy does not insure against loss or damage caused by, related to, directly or indirectly, in whole or in part, arising in consequence of or contributed to by the enforcement of any bylaw, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which bylaw, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss.

D. Data and Cyber Exclusion

Notwithstanding any provision to the contrary within this policy or any endorsement thereto, this policy excludes all loss, damage, liability, cost, or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:

1. any loss of use, reduction in functionality, repair, replacement, restoration, or reproduction of any “data”, including any amount pertaining to the value of such “data”.
2. any loss of, alteration of, or damage to or a reduction in the functionality, availability, or operation of a “computer system”, except as follows;

Subject to all other terms, conditions and exclusions contained in this policy, this policy will insure direct physical loss of or damage to property insured under the policy and any “time element loss” directly resulting therefrom, provided this policy insures for any “time element loss”, where such direct physical loss of or damage to property insured is directly caused by any of the following perils, provided these perils are insured by this policy and not otherwise excluded:

- a) fire,
- b) lightning,
- c) explosion,
- d) aircraft or vehicle impact,
- e) falling objects,
- f) windstorm,
- g) hail,
- h) tornado,
- i) cyclone,
- j) hurricane,
- k) earthquake,
- l) volcano,
- m) tsunami,
- n) flood,
- o) freeze,
- p) weight of snow.

E. Pollution Exclusion

This Policy does not insure against:

1. loss or damage caused by, related to, directly or indirectly in whole or in part, by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “Pollutants”, nor the cost or expense of any resulting “Clean Up”. This exclusion does not apply:
 - a. if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “Pollutants” is directly caused by a peril not otherwise excluded in this Policy; or
 - b. to loss or damage caused directly by a resultant peril not otherwise excluded in this Policy;

2. cost or expense for any testing, monitoring, evaluating, or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “Pollutants”.

F. Fungi and Spores Exclusion

This Policy does not insure against:

1. loss or damage caused by, related to, directly or indirectly, in whole or in part, by any “Fungi” or “Spores”. This exclusion does not apply:
 - a. if the “Fungi” or “Spores” are directly caused by a peril not otherwise excluded in this Policy; or
 - b. to loss or damage caused directly by a resultant peril not otherwise excluded in this Policy;
2. the cost or expense for any testing, monitoring, evaluating, or assessing of “Fungi” or “Spores”.

G. Terrorism Exclusion

This Policy does not insure loss or damage caused by, related to, directly or indirectly, in whole or in part, by “Terrorism” or by any activity or decision of a government agency or other entity to prevent, respond to or terminate “Terrorism”. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage. If any portion of this exclusion is found to be invalid, unenforceable, or contrary to law or statute, the remainder shall remain in full force and effect.

III. Common Definitions

Wherever used in this Policy:

“**Clean Up**” means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization, or remediation of “Pollutants”, including testing which is integral to any of these processes.

“**Computer system**” means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility.

“**Data**” means representations of information or concepts, in any form.

“**Declaration**” means the page(s) of your Policy which provide the specifics of your insured coverages and limits including any supplementary pages or schedule of coverages attached thereto applicable to this Policy subject to the terms and conditions of this Policy.

“**Fire Protective Equipment**” includes tanks, watermains, hydrants, valves and any other apparatus whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:

1. branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
2. any watermains or appurtenances located outside of the “Premises” or “Project Site” and forming a part of the public water distribution system;
3. any pond or reservoir in which the water is impounded by a dam.

“Fungi” includes, but is not limited to, any form or type of mould, yeast, mushroom, mildew, wet or dry rot or bacteria, whether or not allergenic, pathogenic, or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any “Fungi” or “Spores” or resultant mycotoxins, allergens or pathogens.

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

“Premises” means the entire area within the property lines and areas under adjoining sidewalks and driveways at:

1. each location described in the “Declarations”;
2. Temporary Locations and any Newly Acquired Location, if covered by this Policy; and in or on vehicles within 100 metres (328 feet) of such locations.

“Project Site” means the site of the project described in the “Declarations”.

“Specified Perils” means:

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

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

1. electric arcing or any coincident rupture of electrical equipment due to such arcing;
 2. bursting or rupture caused by hydrostatic pressure or freezing;
 3. bursting or rupture of any safety disc, rupture diaphragm or fusible plug.
3. Impact by Aircraft, Spacecraft or Land Vehicle: The terms Aircraft and Spacecraft include articles dropped from them.

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

- a. caused by land vehicles belonging to or under the control of the Insured or any of the Insured's employees;
- b. to aircraft, spacecraft or land vehicles causing the loss;
- c. caused by any aircraft or spacecraft when being taxied or moved inside or outside of a "Building".

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

5. Leakage from "Fire Protective Equipment": means:

- a. the leakage or discharge of water or other substance from;
- b. the collapse of; or
- c. the rupture due to freezing of;

"Fire Protective Equipment" for the "Premises", "Project Site" or for adjoining structures.

6. Windstorm or Hail: There shall in no event be any liability for loss or damage:

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

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

"Terrorism" means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

"Time element loss" means business interruption, contingent business interruption or any other consequential losses.

IV. Policy Conditions

Where the terms and conditions of this Policy, the "Declarations" and the Forms, Schedules and Endorsements attached thereto are in conflict with the applicable Provincial statutes, the interpretation most favourable to the Insured shall prevail.

A. Subrogation

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

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

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

B. Enhancement Clause

If the Insurer in its sole discretion elects to broaden coverage under this Policy without any additional premium during the policy period, the broadened coverage will immediately apply to this Policy.

C. Recovery by Innocent Persons

If a contract contains a term or condition excluding coverage for loss or damage to property caused by a criminal or intentional act or omission of an Insured or any other person, the exclusion applies only to the claim of a person:

1. whose act or omission caused the loss or damage,
2. who abetted or colluded in the act or omission,
3. who
 - a. consented to the act or omission, and
 - b. knew or ought to have known that the act or omission would cause the loss or damage, or
 - c. is not a natural person

provided that coverage shall only apply if the insured

- i. co-operates with the insurer in respect of the investigation of the loss, including, without limitation, by submitting to an examination under oath, if requested by the insurer, and
- ii. produces for examination, at such reasonable place and time as is designated by the insurer, all documents that relate to the loss in addition to those required by the contract.

Nothing in the above paragraph allows an insured to recover more than that insured's proportionate interest in the lost or damaged property.

D. Examination Under Oath

After a loss which may be insured under this policy, the Insured shall, upon the Insurer's request:

1. submit to an examination under oath, and produce for the examination, at a reasonable place and time as designated by the Insurer, all documents in the Insured's possession or control that relate to the matters in question, and permit extracts and copies to be made;
2. use reasonable best efforts to produce employees or others for examination under oath.

The Insured shall not interfere in any negotiation for settlement or in any legal proceeding.

All Provinces Except British Columbia, Alberta, Saskatchewan, and Quebec:

Where the Insured is domiciled in, or the insured property is located in, provinces or territories other than Alberta, British Columbia, Saskatchewan, or Quebec all of the Statutory Conditions below apply to the peril of fire and, as modified or supplemented by forms or endorsements attached, apply as Policy Conditions to all other perils insured by property coverage on this policy.

V. Statutory Conditions

The Statutory Conditions below apply to the peril of fire and, as modified or supplemented by Forms or Endorsements attached, apply as Policy Conditions to all other perils insured by property coverage on this Policy.

A. Misrepresentation

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

B. Property of Others

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

C. Change of Interest

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

D. Material Change

Any change material to the risk and within the control and knowledge of the Insured voids 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 15 days of the receipt of the notice, pay to the Insurer an additional premium. In a 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.

E. Termination

1. This contract may be terminated:
 - a. by the Insurer giving to the Insured written notice of termination at least:
 - i. five days before the effective date of termination if personally delivered;
 - ii. 15 days before the effective date of termination if the contract is terminated by registered mail for non-payment of premium; or
 - iii. 30 days before the effective date of termination if the contract is terminated by registered mail for any other reason.

b. by the Insured at any time on request.

2. When this contract is terminated by the Insurer:

- a. the Insurer shall refund the excess of premium actually paid by the Insured(s) over the pro rata 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. When this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.

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

5. The 15 and 30 days mentioned in clauses 1. a. ii. and iii. of this condition commence to run on the day following the receipt of the registered letter at the post office to which it is addressed.

F. Requirements After Loss

1. Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if loss or damage is covered by the contract, in addition to observing the requirements of Conditions I., J., and K.:

- 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, destroyed 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 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 property insured was at the time of loss;
- c. if required, give a complete inventory of undamaged property, showing in detail quantities, cost, actual cash value;
- d. if required, and if practicable, produce accounts, warehouse receipts, stock lists, invoices and other pertinent records, verified by statutory declaration, as well as any relevant contracts or agreements with others.

2. The evidence furnished under clauses 1. c. and d. of this condition shall not be considered proofs of loss within the meaning of Conditions L. and M.

G. Fraud

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.

H. Who May Give Notice and Proof

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

I. Salvage

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

J. Entry, Control, Abandonment

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

K. Appraisal

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 for one is made in writing and until proof of loss has been delivered.

L. When Loss Payable

The loss is payable within 60 days after completion of the proof of loss, unless the contract provides for a shorter period.

M. Replacement

1. The Insurer, instead of making payment, may repair, rebuild, or replace the property damaged or lost, giving written notice of its intention to do so within 30 days after receipt of the proof of loss;
2. In that event, the Insurer shall commence to repair, rebuild, or replace the property within 45 days after receipt of the proof of loss, and shall proceed with all due diligence to completion of the work.

N. Action

Every action or proceeding against the Insurer for the recovery of any claim shall be absolutely barred unless commenced within one year after the loss or damage occurs, unless legislation provides otherwise.

O. Notice

Any written notice to the Insurer may be sent by registered mail or delivered to the chief agency or any office of the Insurer in 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.

The following applies where the insured is domiciled in, or the insured property is located in, the province of British Columbia.

I. Statutory Conditions

The Statutory Conditions below apply to the peril of fire and, as modified or supplemented by Forms or Endorsements attached, apply as Policy Conditions to all other perils insured by property coverage on this Policy.

A. Misrepresentation

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

B. Property of Others

The Insurer is not liable for loss or damage to property owned by a person other than the Insured unless

1. otherwise specifically stated in the contract, or
2. the interest of the Insured in that property is stated in the contract.

C. Change of Interest

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.

D. Material Change in Risk

1. The Insured must promptly give notice in writing to the Insurer or its agents 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 E., 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 E. 2. a. applies in respect of the unearned portion of the premium.

E. Termination of Insurance

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.

F. Requirements After Loss

1. On the happening of any loss of or damage to the insured property, the Insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition I.,
 - 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 L. and M.

G. Fraud

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

H. Who May Give Notice and Proof

Notice of loss under Statutory Condition F. 1. a. may be given and the proof of loss under Statutory Condition F. 1. b. may be made

1. by the agent of the Insured, if
 - a. the Insured is absent or unable to give the notice or make the proof, and
 - b. the absence or inability is satisfactorily accounted for, or
2. 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.

I. Salvage

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.

J. Entry, Control, Abandonment

After loss or damage to insured property, the Insurer has

1. 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
2. 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
 - a. without the Insured's consent, the Insurer is not entitled to the control or possession of the insured property, and
 - b. without the Insurer's consent, there can be no abandonment to it of the insured property.

K. In Case of Disagreement

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.

L. When Loss Payable

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 F. and delivered to the Insurer.

M. Repair or Replacement

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.

N. Notice

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.

II. Limitation of Action

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.

The following applies where the insured is domiciled in, or the insured property is located in, the province of Alberta.

I. Statutory Conditions

The Statutory Conditions below apply to the peril of fire and, as modified or supplemented by Forms or Endorsements attached, apply as Policy Conditions to all other perils insured by property coverage on this Policy.

A. Misrepresentation

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

B. Property of Others

The Insurer is not liable for loss or damage to property owned by a person other than the Insured unless

1. otherwise specifically stated in the contract, or
2. the interest of the Insured in that property is stated in the contract.

C. Change of Interest

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.

D. Material Change in Risk

1. The Insured must promptly give notice in writing to the Insurer or its agents 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 E., 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 E. 2. a. applies in respect of the unearned portion of the premium.

E. Termination of Insurance

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.

F. Requirements After Loss

1. On the happening of any loss of or damage to the insured property, the Insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition I.,
- 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 L. and M.

G. Fraud

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

H. Who May Give Notice and Proof

Notice of loss under Statutory Condition F. 1. a. may be given and the proof of loss under Statutory Condition F. 1. b. may be made

1. by the agent of the Insured if
 - a. the Insured is absent or unable to give the notice or make the proof, and
 - b. the absence or inability is satisfactorily accounted for, or
2. 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.

I. Salvage

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.

J. Entry, Control, Abandonment

After loss or damage to insured property, the Insurer has:

1. 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
2. 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
 - a. without the Insured's consent, the Insurer is not entitled to the control or possession of the insured property, and
 - b. without the Insurer's consent, there can be no abandonment to it of the insured property.

K. In Case of Disagreement

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.

L. When Loss Payable

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 F. and delivered to the Insurer.

M. Repair or Replacement

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.

N. Notice

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.

II. Limitation of Action

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.

The following applies where the insured is domiciled in, or the insured property is located in, the province of Saskatchewan.

I. Statutory Conditions

The Statutory Conditions below apply to the peril of fire and, as modified or supplemented by Forms or Endorsements attached, apply as Policy Conditions to all other perils insured by property coverage on this Policy.

A. Misrepresentation

If a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known

to the Insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

B. Property of Others

The Insurer is not liable for loss or damage to property owned by a person other than the Insured unless:

1. otherwise specifically stated in the contract; or
2. the interest of the Insured in that property is stated in the contract.

C. Change of Interest

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.

D. Material Change in Risk

1. The Insured must promptly give notice in writing to the Insurer or its agents 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 E.; 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 E. 2. a. applies in respect of the unearned portion of the premium.

E. Termination of Insurance

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 is practicable.
3. If the contract is terminated by the Insured, the Insurer must refund as soon as is 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 following the day on which the registered letter or notification of it is delivered to the Insured's postal address.

F. Requirements After Loss

1. On the happening of any loss of or damage to the insured property, the Insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition I.:
 - a. immediately give notice in writing to the Insurer;
 - b. deliver as soon as is 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. provide invoices and other vouchers verified by statutory declaration; and
 - iii. provide a copy of the written portion of any other relevant contract.
2. The evidence given, produced, or provided under subparagraph 1. c. and d. of this condition must not be considered proofs of loss within the meaning of Statutory Conditions L. and M.

G. Fraud

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

H. Who May Give Notice and Proof

Notice of loss under Statutory Condition F. 1. a. may be given and the proof of loss under Statutory Condition F. 1. b. may be made:

1. by the agent of the Insured if:
 - a. the Insured is absent or unable to give the notice or make the proof; and
 - b. the absence or inability is satisfactorily accounted for; or
2. 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.

I. Salvage

1. In the event of loss of or damage to insured property, the Insured must take all reasonable steps to prevent further loss of or damage to that property and to prevent loss of 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.

J. Entry, Control, Abandonment

After loss of or damage to insured property, the Insurer has:

1. 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
2. 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:
 - a. without the Insured's consent, the Insurer is not entitled to the control or possession of the insured property; and
 - b. without the Insurer's consent, there can be no abandonment to it of the insured property.

K. In Case of Disagreement

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.

L. When Loss Payable

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 F. and delivered to the Insurer.

M. Repair or Replacement

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.

N. Notice

1. Written notice to the Insurer may be delivered at, or sent by registered mail to, the chief office 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.

II. Limitation of Action

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.

If This Policy is subject to the Civil Code of the Province of Quebec

Reference to Civil Code articles in some instance is for easier reading only and should not be construed as exact quotations.

I. Policy Conditions

This Policy is subject to the Civil Code of the Province of Quebec.

Reference to Civil Code articles in some instances is for easier reading only and should not be construed as exact quotations.

A. Statements

1. Representation of Risk (Article 2408)

The client, and the Insured if the Insurer requires it, is bound to represent all the facts known to him which are likely to materially influence an Insurer in the setting of the premium, the appraisal of the risk or the decision to cover it, but he is not bound to represent facts known to the Insurer or which from their notoriety he is presumed to know, except in answer to inquiries.

The client means the person submitting an insurance application.

2. Material Change in Risk (Articles 2466 and 2467)

The Insured shall promptly notify the Insurer of any change that increases the risks stipulated in the policy and that results from events within his control if it is likely to materially influence an insurer in setting the rate of the premium, appraising the risk or deciding to continue to insure it.

On being notified of any material change in the risk, the Insurer may cancel the contract or propose, in writing, a new rate of premium. Unless the new premium is accepted and paid by the Insured within thirty days of the proposal, the policy ceases to be in force.

3. Misrepresentations or Concealment (Articles 2410, 2411 and 2466)

Any misrepresentation or concealment of relevant facts mentioned in section 1. and in the first paragraph of section 2. by the client or the Insured nullifies the contract at the instance of the Insurer, even in respect of losses not connected with the risk so misrepresented or concealed.

Unless the bad faith of the client or of the Insured is established or unless it is established that the Insurer would not have covered the risk if he had known the true facts, the Insurer remains liable towards the Insured for such proportion of the indemnity as the premium he collected bears to the premium he should have collected.

4. Warranties (Article 2412)

Any increase in risk resulting from a breach of warranty suspends the coverage until accepted by the Insurer or until such breach has been remedied by the Insured.

B. General Provisions

1. Insurable interest (Articles 2481 and 2484)

A person has an insurable interest in a property where the loss or deterioration of the property may cause him direct and immediate damage. It is necessary that the insurable interest exist at the time of the loss but not necessary that the same interest have existed throughout the duration of the contract. The insurance of a property in which the Insured has no insurable interest is null.

2. Changes (Article 2405)

The terms of this policy shall not be waived or changed except by endorsement.

3. Assignment (Articles 2475 and 2476)

This policy may be assigned only with the consent of the Insurer and in favour of a person who has an insurable interest in the insured property.

Upon the death or bankruptcy of the Insured or the assignment of his interest in the insurance to a co-Insured, the insurance continues in favour of the heir, trustee in bankruptcy or remaining Insured, subject to his performing the obligations that were incumbent upon the Insured.

4. Books and Records

The Insurer and its authorized representatives shall have the right to examine the Insured's books and records related to the subject matter of this insurance at any time during the period of this policy and the three subsequent years.

5. Inspections

The Insurer and its authorized representatives shall have the right but are not obligated to make inspections of the risk, give the Insured reports on the conditions found and recommend changes. Any inspections, surveys, reports, or recommendations relate only to insurability and the premiums to be charged. They shall not constitute a warranty that the premises, property, or operations are safe or healthful or comply with laws, codes, or standards.

6. Currency

All limits of insurance, premiums and other amounts in this policy are in Canadian currency.

7. Co-operation

The Insured shall co-operate with the Insurer in the processing of all claims.

C. Losses

1. Notice of Loss (Article 2470)

The Insured shall notify the Insurer of any loss which may give rise to an indemnity as soon as he becomes aware of it. Any interested person may give such notice.

In the event that the requirement set out in the preceding paragraph is not fully complied with, all rights to compensation shall be forfeited by the Insured where such non-compliance has caused prejudice to the Insurer.

2. Information to be Provided (Article 2471)

The Insured shall inform the Insurer as soon as possible of all the circumstances surrounding the loss, including its probable cause, the nature and extent of the damage, the location of the Insured property, the rights of third parties, and any concurrent insurance; he shall also furnish him with vouchers and swear or warrant to the truth of the information.

Where, for a serious reason, the Insured is unable to fulfill such obligation, he is entitled to a reasonable time in which to do so. If the Insured fails to fulfill his obligation, any interested person may do so on his behalf.

In addition, the Insured shall forthwith send to the Insurer a copy of any notice, letter, subpoena or writ or document received in connection with a claim.

3. False Representation (Article 2472)

Any deceitful representation entails the loss of the right of the person making it to any indemnity in respect of the risk to which the representation relates.

However, if the occurrence of the event insured against entails the loss of both movable and immovable property or of both property for occupational use and personal property, forfeiture is incurred only with respect to the class of property to which the representation relates.

4. Intentional Fault (Article 2464)

The Insurer is never liable to compensate for injury resulting from the Insured's intentional fault. Where there is more than one Insured, the obligation of coverage remains in respect of those Insureds who have not committed an intentional fault.

Where the Insurer is liable for injury caused by a person for whose acts the Insured is liable, the obligation of coverage subsists regardless of the nature or gravity of that person's fault.

5. Notice to Police

The Insured must promptly give notice to the police of any loss caused by vandalism, theft or attempted theft or other criminal act.

6. Safeguarding and Examination of Property (Article 2495)

At the expense of the Insurer, the Insured must take all reasonable steps to prevent further loss or damage to the insured property and any further loss or damage resulting directly or indirectly from the Insured's failure to take such action shall not be recoverable.

The Insured may not abandon the damaged property if there is no agreement to that effect. The Insured shall facilitate the salvage and the inspection of the insured property by the Insurer. He shall, in particular, permit the Insurer and his representatives to visit the premises and examine the insured property before repairing, removing, or modifying the damaged property, unless so required to safeguard the property.

D. Compensation and Settlement

1. Basis of Settlement (Articles 2490, 2491, 2493)

Unless otherwise provided, the Insurer shall not be liable for more than the actual cash value of the property at the time of loss as normally determined. In unvalued policies, the amount of insurance does not make proof of the value of the insured property. In valued policies, the agreed value makes complete proof, between the Insurer and the Insured, of the value of insured property.

If the amount of insurance is less than the value of the property the Insurer is released by paying the amount of the insurance in the event of total loss or proportional indemnity in the event of partial loss.

2. Pair and Set

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

3. Parts

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

4. Replacement (Article 2494)

Subject to the rights of preferred and hypothecary creditors, the Insurer reserves the right to repair, rebuild or replaced the insured property. He is then entitled to salvage and may take over the property.

5. Time of Payment (Articles 1591, 2469 and 2473)

The Insurer shall pay the indemnity within sixty days after receiving the notice of loss or, at his request, all relevant information and vouchers and the Insured have complied with all the requirements of this policy. Any outstanding premium may be deducted from the indemnity payable.

6. Property of Others

Where a claim is made as a result of loss of or damage to property not owned by the Insured, the Insurer reserves the right to pay the indemnity to the Insured or to the owner of the property and to deal directly with such owner.

7. Waiver

Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of the policy by any act relating to arbitration or to the completion or delivery of proof of loss, or to the investigation or adjustment of the claim.

8. Limitation of Actions (Article 2925)

Every action or proceeding against the Insurer under this policy shall be commenced within three years from the date the right of action has arisen.

9. Subrogation (Article 2474)

Unless otherwise provided, the Insurer shall be subrogated to the extent of the amount paid or the liability assumed therefore under this policy to the rights of the Insured against persons responsible for the loss except when they are members of the Insured's household. The Insurer may be fully or partly released from his obligation towards the Insured where, owing to any act of the Insured, he cannot be so subrogated.

E. Other Insurance

1. Property Insurance (Article 2496)

The Insured who, without fraud, is insured by several insurers, under several policies, for the same interest and against the same risk so that the total amount of indemnity that would result from the separate performance of such policies would exceed the loss incurred may be indemnified by the Insurer or Insurers of his choice, each being liable only for the amount he has contracted for.

No clause suspending all or part of the performance of the contract by reason of other insurance may be used against the Insured.

Unless otherwise agreed, the indemnity is apportioned among the Insurers in proportion to the share of each in the total coverage, except in respect of specific insurance, which constitutes primary insurance.

F. Cancellation (Articles 2477 and 2479)

This policy may be cancelled at any time:

1. By any of the Named Insureds giving written notice to the Insurer. Termination takes effect upon receipt of the notice and the Insured shall therefore be entitled to a refund of the excess of the premium actually paid over the short-term rate for the expired time.
2. By the Insurer giving written notice to each Named Insured. Termination takes effect 30 days following receipt of such notice by the Insured at his last known address or 15 days for non-payment of premium, and the Insurer shall refund the excess of premium actually paid over the pro rata premium for the expired time. If the premium is subject to adjustment or determination as to amount, the refund shall be made as soon as practicable.

Where one or more of the Named Insureds have been mandated to receive or send the notice provided for under paragraph 1. or 2. above, notices sent or received by them shall be deemed to have been sent or received by all Named Insureds. In this condition the words << premium actually paid >> mean the premium actually paid by the Insured to the Insurer or its authorized representative, but do not include any premium or part thereof paid to the Insurer by an authorized representative, the latter remaining unpaid by the Insured.

G. Notice

Any notice to the Insurer may be sent by any recognized means of communication to the Insurer or its authorized representative. Notice may be given to the Named Insured by letter personally delivered to him or by mail addressed to him at his last known address. It is incumbent upon the sender to prove that such notice was received.

Federated Agencies Limited

Commercial Property Form

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN EITHER SECTION D DEFINITIONS OF THIS FORM OR IN THE INSURING AGREEMENTS AND COMMON DEFINITIONS, EXCLUSIONS AND CONDITIONS FORM

SECTION A – INSURING AGREEMENTS

In consideration of the premium specified and the statements contained in the “Declarations”, and subject to all the terms and conditions of this Form and any riders or Endorsements attached, the Insurer agrees to insure the Named Insured, subject to the Limit(s) of Insurance applying for the specified Policy Period.

I Limit(s) of Insurance

The Insurer’s liability for the cumulative total of adjusted net claims resulting from any one loss, casualty, disaster, or occurrence (including all costs, fees, charges, and expenses) shall not exceed the Limit(s) of Insurance stated in the “Declarations”.

Limits of Insurance for certain extensions of coverage, being part of and not in addition to the Limit(s) of Insurance specified in the “Declarations”, are indicated within the applicable extensions of coverage clauses.

II Deductible

The Insurer is liable only for the amount by which the loss or damage caused by any of the Insured Perils exceeds the amount, specified in the “Declarations”, in any one occurrence.

If loss or damage is caused by snow slide or landslide, and earthquake coverage is added to this Policy by Endorsement, the deductible shall be the amount as specified in the “Declarations” for earthquake.

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

III Co-insurance

This clause applies separately to each item for which a co-insurance percentage is specified in the “Declarations” and only where the amount of loss or damage exceeds the lesser of five percent of the applicable limit of insurance or \$10,000.

The Insured shall maintain insurance concurrent with this Form on the insured property to the extent of at least the amount produced by multiplying the value of the property as determined in the VALUATION – BASIS OF LOSS SETTLEMENT clause of this Form by the co-insurance percentage specified in the “Declarations”. If the Insured fails to do so, the Insured shall be entitled to recover only the portion of any loss that the amount of insurance in force at the time of loss bears to the amount of insurance required to be maintained by this clause.

SECTION B- ALL PROPERTY

I INSURED PERILS

This Form, except as herein excluded, insures against all risks of direct physical loss of or damage to the Insured Property.

II INSURED PROPERTY

This Form insures “Building”, “Equipment”, “Mobile Equipment”, “Stock”, “Contents”, or “All Property” only if specified in the “Declarations” and except as hereinafter excluded, the Insured’s own property or the property of others for which they are legally liable, or for which they have assumed liability, or in which they have an insurable interest, while at the location(s) specified in the “Declarations” and at any temporary location(s) or while in transit, to the extent provided by this Form.

III EXCLUDED PROPERTY

This Form does not insure loss of or damage to:

- A. land, land value, land restoration or water;
- B. railway sidings and spur tracks;
- C. tarpaulins, polyethylene fabrics or other plastic materials used in hoardings unless loss or damage is caused directly by fire, lightning, or explosion;
- D. sewers, drains, or watermains, except underground storage tanks, located beyond the “Premises”. This exclusion does not apply to loss or damage caused directly by “Named Perils”;
- E. money, “Cash Cards”, bullion, platinum and other precious metals and alloys, securities, stamps, tickets (except lottery tickets) and tokens, or evidence of debt or title, but this exclusion does not apply to the first \$1,000 of any loss insured herein at any location specified in the Declarations;
- F. furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, precious and semi-precious stones;
- G. automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors, or other accessories attached to or mounted on such property, but this exclusion shall not apply to:
 - i. watercraft, amphibious or air cushion vehicles held for sale, unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the “Premises” of the Insured;
 - ii. unlicensed tank-trailers used in the business of the Insured in the Province of Manitoba only;
- H. property insured under the terms of any Marine Insurance, and property while waterborne, except while on a regular ferry or railway car transfer in connection with land transportation;
- I. property illegally acquired, kept, stored, or transported; property seized or confiscated for breach of any law or by order of any public authority;
- J. property on loan or on rental or sold by the Insured under conditional sale, installment payment or other deferred payment plan, from the time of leaving the Insured’s custody, but this

exclusion does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at the risk of the Insured;

K. growing plants, lawns, trees, or shrubs except as provided under “Growing Plants, Lawns, Trees, or Shrubs” extension of this Form;

L. animals, fish, or birds. This exclusion does not apply to loss or damage caused directly by “Named Perils” or by theft or attempted theft or collapse of a “building” or other structure;

M.

i. any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure;

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

caused directly or indirectly by explosion, rupture, bursting, cracking, burning out or bulging of such property while connected ready for use, but this exclusion does not apply to:

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

N. electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing, unless fire or explosion as described in Definitions “Named Perils” ensues and then only for such ensuing loss or damage.

IV EXCLUDED PERILS

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

A. in whole or in part by earthquake. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for physical loss or damage caused directly by resultant fire, explosion, smoke, or leakage from “Fire Protective Equipment”, all as described in Definitions “Named Perils”. This exclusion does not apply to property in transit;

B. in whole or in part by flood, including “Surface Water”, waves, tides, tidal waves, tsunamis, or the breaking out or overflow of any natural or artificial body of water. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for physical loss or damage caused directly by resultant fire, explosion, smoke, leakage from “Fire Protective Equipment”, all as described in Definitions “Named Perils”. This exclusion does not apply to property in transit or loss or damage caused directly by leakage from a watermain;

C. by

- i. seepage, leakage, or influx of water derived from natural sources through basement walls, doors, windows, or other openings therein, foundations, basement floors, sidewalks, sidewalk lights, or by the backing up of sewers, sumps, septic tanks, or drains, unless concurrently and directly caused by a peril not otherwise excluded in this Form;

- ii. the backing up or overflow of water from sewers, sumps, septic tanks, or drains, wherever located, unless concurrently and directly caused by a peril not otherwise excluded in this Form;
 - iii. the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings unless through an aperture concurrently and directly caused by a peril not otherwise excluded in this Form;
- D. by centrifugal force, mechanical or electrical breakdown or derangement in or on the “Premises”. This exclusion does not apply to loss or damage caused directly by resultant fire;
- E. by
- i. dampness or dryness of atmosphere, changes in or extremes of temperature, freezing (outside the bearing walls or foundations of the property insured), or heating,
 - ii. total or partial interruption to the supply of electricity, water, gas, or steam;

This exclusion E. does not apply to:

- a. loss or damage caused directly by rupture of pipes or breakage of apparatus not excluded in Excluded Property, exclusion M;
- b. damage to pipes caused directly by freezing, unless such pipes are excluded in Excluded Property, exclusion M;
- c. loss of or damage to “Buildings” or “Equipment” caused directly by “Named Perils”, theft or attempted theft;
- d. loss or damage caused directly by an accident to a transporting conveyance

- F. by
- i. shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, change in color or texture or finish;
 - ii. contamination;
 - iii. marring, scratching, or crushing;

This exclusion (F) does not apply to loss or damage caused directly by:

- a. “Named Perils”;
- b. rupture of pipes or breakage of apparatus not excluded under Excluded Property, exclusion M;
- c. theft or attempted theft;
- d. an accident to transporting conveyance.

This exclusion (F) does not apply to the extent that coverage is provided by Food Processing Extensions D Stock Spoilage – due to damage to equipment; E Stock Spoilage – Off Premises Service Interruption; or F Stock spoilage – contamination by a foreign substance.

- G. by cessation of work or by interruption of construction, unless directly caused by a peril not otherwise excluded;
- H. by rodents, insects, or vermin. This exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded in this Form; nor to the extent that coverage is provided by Food Processing Extension I Stock Infestation
- I. by delay, loss of market, or loss of use or occupancy;

- J. by
- i. any dishonest or criminal act committed by the Insured, any other party of interest, agents of the Insured, or any person to whom the property may be entrusted (except bailees for hire), acting alone or in collusion with others; but this exclusion does not apply to physical damage, caused directly by members or employees of the Insured, which results from a peril otherwise insured and not otherwise excluded under this Form;
 - ii. theft or attempted theft by employees of the Insured acting alone or in collusion with others.

For the purpose of this exclusion J:

- a. criminal act includes but is not limited to;
 - i. any act that would be considered an offence under the Criminal Code of Canada;
 - ii. any act that would be considered an offence under any federal or provincial legislation whether or not such an offence is punishable by incarceration. It is not necessary that an act result in a charge and/or conviction for the act to be a criminal act;
- b. agent includes a property manager of the Insured, as well as any other person who would qualify as an agent of the Insured in law;

K. to “Buildings” by:

- i. Snowslide, landslide, subsidence, or other earth movement. This exclusion does not apply to property in transit, or to loss or damage caused directly by resultant fire, explosion, smoke, or leakage from “Fire Protective Equipment”, all as described in Definitions “Named Perils”:
- ii. explosion (except explosion of natural, coal, or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated, or controlled by the Insured;
 - a. the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - b. piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 - c. other vessels and apparatus and their connected pipes while under pressure, or while in use or in operation provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure but this exclusion does not apply to loss or damage resulting from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimeters (24 inches) or less used for the heating and storage of hot water for domestic use;
 - d. moving or rotating machinery or parts thereof;
 - e. any vessels and apparatus and their connected pipes while undergoing pressure tests but this exclusion does not apply to other insured property hereunder that has been damaged by such explosion;

- f. gas turbines;
- g. This exclusion K, section ii. does not apply to loss or damage caused by resultant fire;
- iii. settling, expansion, contraction, moving, shifting, or cracking. This exclusion does not apply to loss or damage caused directly or concurrently by a peril not otherwise excluded in the Excluded Perils section of this Form.

V OTHER EXCLUDED LOSSES

This Form does not insure:

- A. Wear and tear; rust or corrosion; gradual deterioration, hidden or latent defect, inherent vice, or any quality in property that causes it to damage or destroy itself.

This exclusion (A) does not apply to loss or damage caused by a resultant peril not otherwise excluded in this Form.

- B. the cost of making good:
 - i. Faulty or improper material;
 - ii. Faulty or improper workmanship;
 - iii. Faulty or improper design;

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

- C. mysterious disappearance or shortage of “Stock”, “Equipment” or “Contents” disclosed on taking inventory;
- D. loss or damage sustained to “Equipment”, “Stock” or “Contents” while actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting, or servicing of “Equipment”, “Stock” or “Contents”, unless fire or explosion as described in Definitions “Named Perils” ensues and then only for such ensuing loss or damage;
- E. loss or damage to “mobile equipment” caused by:
 - i. breaking through ice or sinking in muskeg;
 - ii. the weight of the load exceeding the manufacturer’s designed capacity of any machine.

VI VALUATION – BASIS OF LOSS SETTLEMENT

For the purpose of reporting of values and loss adjustment, the value of the property insured is agreed as follows:

A. Records

Business records, including those which exist on electronic or magnetic media (other than pre-packaged software programs):

- i. the cost of blank materials for reproducing the records; and
- ii. the cost of labour to transcribe or copy the records when there is a duplicate.

B. “Fine Arts”

The value of each item is agreed as follows:

- i. If appraised prior to the loss: the value stated therefor on the most current appraisal;
- ii. If not appraised: the value of the item as declared to the Insurer prior to the loss.
- iii. In the absence of an appraisal or an itemized schedule of declared values: the Actual Cash Value

C. “Mobile Equipment”

The actual cash value of the property at the time any loss or damage occurs, and loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation but in no event exceed what it would cost the Insured to repair or replace same with material of like kind or quality.

D. Unsold Stock

The actual cash value of the property at the time any loss occurs, but in no event to exceed what it would cost to repair or replace with material of like kind and quality, including the cost of any processing to which the stock has been subject to.

It is agreed that the Insured shall keep a record of the purchases of all second hand and used articles taken into stock and in the event of loss; claim against the Insurer in respect to any such articles shall not exceed the cost price to the Insured. In the event the Insured improves any article either by additional materials and/or labour, the cost price to the Insured shall be deemed to include the extra cost of such labour and materials.

E. Sold Stock

The selling price after allowance for discounts.

F. All Other Property

- i. For those items subject to replacement cost as specified in the “Declarations”, the following shall apply:

“Replacement Cost” which means the cost of repairing, replacing, or reconstructing (whichever is the least) the property on the same site using new materials of similar kind and quality and for like occupancy without deduction for depreciation but is subject to the following:

- a. until the property is actually repaired, replaced, or reconstructed, the maximum amount recoverable shall be the actual cash value of the lost or damaged property
 - b. the Insured shall exercise due diligence and dispatch in effecting repair, replacement, or reconstruction;
 - c. replacement need not be affected on the same site, nor be of same or similar style, construction, or occupancy PROVIDED that the Insurer shall not be liable under this clause for that portion of the increased replacement cost that is directly attributable to the inclusion of this provision.
- ii. For those items for which replacement cost is not specified in the “Declarations” the following shall apply:

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

VII EXTENSIONS OF COVERAGE

The following extensions of coverage shall not increase the Limit(s) of Insurance to be considered for the purpose of determining the application of any coinsurance clause indicated in the “Declarations” and are subject to all conditions of this Form.

The Limits of insurance for these extensions are part of, and not in addition to, the loss limit specified in the “Declarations “.

The limit and aggregate, if any, provided for each extension of coverage is indicated on the Extension of Coverage Limit Summary.

The deductible amount, if any, for a specific extension, is indicated on the Extension of Coverage Limit Summary for any one loss.

These limits only apply if coverage is not more specifically provided elsewhere.

1. Arson, Theft or Malicious Acts Reward

In the event of loss or damage by theft, malicious acts, or fire which results from the act of arson, for which coverage is afforded under this Policy, the Insurer will reimburse the Insured for rewards paid for information leading direct to convictions for that act of arson.

2. Automatic Fire Suppression System Recharge Expense

The automatic fire suppression recharge expense incurred by the Insured due to leakage or discharge of the fire suppressant within any automatic fire suppression system at the premises of the insured where such discharge or leakage is caused by or results from an insured peril under this Policy.

3. Building By-Laws

This Form shall, and, only as a result of an Insured Peril, extend to indemnify the Insured for:

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

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

- i. regulates zoning or the demolition, repair or construction of damaged buildings or structures; and
- ii. is in force at the time of such loss or damage.

THIS EXTENSION, HOWEVER, DOES NOT INSURE AGAINST:

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

4. Building Damage by Theft

This Form is extended to insure damage (except by fire) to that part of a “Building” occupied by the Insured directly resulting from theft or any attempted theft and from vandalism or malicious acts committed on the same occasion, provided the Insured is not the owner of such “Building” and is liable for such damage and the “Building” is not otherwise insured under this Policy.

5. Civil Authority Destruction of Insured Property

Property which is insured under this Form is also covered against the risk of damage or destruction by civil authority during a conflagration or other catastrophe and for the purpose of retarding same; provided that neither such conflagration or other catastrophe, nor such damage or destruction, is caused or contributed to by a peril excluded under this Form.

6. Courier and Parcel Post

Insurance is provided for property in any one package in the course of transit by parcel post or courier until delivered.

7. Debris Removal

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

This does not apply to costs or expenses;

- a. To “Clean Up” “Pollutants” from land or water or
- b. For testing monitoring evaluating, or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “Pollutants”.

Debris removal expense shall not be considered in the calculation of the values as per the VALUATION – BASIS OF LOSS SETTLEMENT section for the purpose of applying Co-insurance.

8. Debris Removal – Windstorm debris

The Insurer will indemnify the Insured for expenses incurred in the removal of debris or other property, which is not insured by this Form, but which has been blown by windstorm on to the “Premises”.

This does not apply to costs or expenses;

- a. to “Clean Up” “Pollutants” from land or water or
- b. for testing monitoring evaluating, or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “Pollutants”.

Debris removal expense shall not be considered in the calculation of the values as per the VALUATION – BASIS OF LOSS SETTLEMENT section for the purpose of applying Co-insurance.

9. Electronic Data Processing System, Equipment and Media:

If insured under “Contents” and/or “Equipment” the following exclusions are deleted for electronic data processing systems, including equipment and component parts thereof, programs and instruction vehicles, the property of the Insured or the property of others, leased, rented or under the control of the Insured and for which the Insured is liable:

Exclusion N of Section B, III Excluded Property and
Exclusions C., D., E., F and H. of Section B, IV Excluded Perils

Data Processing Media Duplicates Warranty

It is warranted by the Insured that any electronic data and custom software insured under this Form shall be duplicated, maintained, and stored at the Insured’s expense as specified in this Form.

Frequency of Duplication

The Insured shall maintain duplicate copies at the same frequency as the insured electronic data and custom software is created, deleted, and/or revised.

Storage of Duplicate Copies

The duplicate copies of all insured electronic data and custom software shall be stored in at least one of the following situations:

1. On Premises

If duplicate copies are stored or maintained on the same premises as the insured electronic data and custom software, then such copies shall be stored in an approved fire resistive safe and/or records chest (with a U.L.C. fire-rating of at least 1 hour);

OR

2. Off Premises

The duplicate copies shall be stored or maintained elsewhere than on the same premises as the insured electronic data and custom software.

10. Environmental Alternatives

In the event of loss or damage to the Insured’s property, the Insurer will pay an additional percentage of the claim amount otherwise payable, subject to the maximum amount, to cover the additional cost to repair or replace the damaged or destroyed property with more environmentally responsible alternatives. The additional percentage and maximum amount payable under this section are as stated in the Extension of Coverage Limit Summary.

11. Extra Expense

This extension insures the extra expense necessarily incurred by the Insured in continuing “Normal” conduct of the Insureds business during the “Period of Restoration” following loss or damage by an Insured Peril to the property insured.

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

Civil Authority

The Insurer shall be liable for “Extra Expense” incurred during the period of time, stated in the Extension of Coverage Limits Summary while access to the “Premises” is prohibited by order of civil authority but only when such order is given as a direct result of damage to neighbouring premises by an insured peril.

Leasehold Interest (Rent) Extension

This extension also includes the extra lease expense resulting from direct physical loss or damage to property at the “Premises” by an insured peril rendering the premises unfit for occupation, necessarily resulting in the Insured’s lease being terminated under the terms of the lease agreement.

The Limit of Insurance for this extension shall be the difference between the monthly rent at the time of the loss or damage and the monthly rent at the replacing location multiplied by the number of months remaining of the lease for the “Premises”, including the lease renewal only if an offer to renew had been made and accepted by the landlord, in writing, prior to the loss, subject to a maximum period of indemnity as specified in the Extension of Coverage Limits Summary

THIS EXTENSION, HOWEVER, DOES NOT INSURE AGAINST:

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

In no event, however, shall the Insurer be liable under this extension for loss of income nor for “Extra Expense” in excess of that necessary to continue as nearly as practicable the “Normal” conduct of the Insured’s business, nor the cost of repairing or replacing any of the described property that has been damaged or destroyed by the perils insured against, except cost in excess of the normal cost of such repairs or replacements necessarily incurred for the purpose of reducing the total amount of “Extra Expense”.

12. Exhibitions

Insurance is provided for “Stock” and “Equipment” while temporarily on exhibition at any location not owned by the insured, in Canada, or the Continental United States of America, including while in transit to and from such locations.

13. Fine Arts

Insurance is extended to insure all risks of direct physical loss or damage to “Fine Arts”. However, the Insurer is not liable for:

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

This extension provides coverage on insured property within the territorial limits of Canada and the continental United States of America, excluding the premises of fairgrounds or of any national or international exposition.

14. Fire Department Charges

Insurance is provided for Fire Department Charges for which the Insured is liable for services rendered when the fire department is called for the protection of property owned by the Insured and covered under this Form. This clause does not apply to the normal municipal fire department levy assessed against the Insured for fire protection services. The Insurer’s liability for this extension shall not exceed the amount shown on the Extension of Coverage Summary.

15. Fire Extinguishing Materials

The Insurer will indemnify the Insured for the loss of or damage to foam solution, halon or any other fire extinguishing materials lost, expended, or destroyed in firefighting.

16. Furs, Fur Garments, Jewels, Jewellery, Costume Jewellery, Watches, Pearls, Precious and Semi-precious Stones

Notwithstanding Excluded Property, section F., this Form is extended to insure loss or damage to furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, precious and semi-precious stones owned by the Insured, except those the Insured sells commercially, up to the amount indicated in the Extension of Coverage Limit Summary, and above that limit up to the limit indicated in the Declarations for “contents” or “all property” if such loss is caused directly by “Named Perils” (except hail and windstorm) theft or attempt thereat, or collapse of a “Building” or other structure.

17. Glass

Insurance is extended to damage to exterior glass and /or vitrolite including lettering, ornamentation or burglary alarm tape thereon provided the Insured is the owner of the “Building” or is legally liable for such damage. This extension shall also include expense incurred for boarding up damaged openings or installing temporary plates and the cost of repairing or replacing frames immediately encasing and contiguous to insured glass when damage to the glass makes it necessary to repair or replace the frames.

Coverage shall not apply to glass cracked or broken prior to the effective date of this insurance until after such time as the damaged glass has been repaired or replaced.

18. Growing Plants, Lawns, Trees, or Shrubs

Notwithstanding Excluded Property section., K., this Form is extended to insure loss or damage to decorative growing plants, lawns, trees, or shrubs outside the “building”, except those the Insured grows commercially, caused directly by “Named Perils” (except hail or windstorm), theft or attempt thereat, or collapse of a “Building” or other structure.

19. Home Office

Insurance is provided for property at a permanent residence of the Insured or any Employee anywhere in Canada or continental United States of America except:

- a. Personal property of officers and employees
- b. Contents in the custody of a sales representative of the insured

20. Identity Theft

The Insurer will pay the “Identity Recovery Insured” for loss caused by “Identity Theft” and “Identity Recovery Expenses”.

This extension does not apply to:

- a. "Identity recovery expenses" incurred to restore a professional or business identity;
- b. "Identity recovery expenses" incurred due to any fraudulent, dishonest or criminal act by an "identity recovery insured" or any person aiding or abetting an "identity recovery insured", or by any authorized representative of an "identity recovery insured", whether acting alone or in collusion with others;
- c. Loss other than "identity recovery expenses".
- d. "Identity theft expenses" arising from any "identity theft" by or with the knowledge of any relative or Former relative of the "identity recovery insured."
- e. Loss arising from an "identity theft" that is first discovered by the "identity recovery insured" prior to the Policy Period or after the Policy Period, whether or not such “identity theft” began or continued during the Policy Period.
- f. Loss arising from an "identity theft" that is not reported to the Insurer within 60 days after it is first discovered by the "identity recovery insured."
- g. Loss arising from an "identity theft" that is not reported in writing to the police.

21. Inflation Protection

- a. The amount of insurance applicable to “Building” shall be increased during the Policy Period by the proportion by which the latest published “Building Construction Index” has increased since the last “Premium Due Date”.
- b. At the “Premium Due Date”, the amount of insurance shall be automatically increased in accordance with the latest published “Building Construction Index” and the appropriate premium charged.
- c. If the Limit of Insurance applicable to “Building” is changed at the request of the Insured during the Policy Period, Item a. above shall apply only for the period from the effective date of the change.
- d. If this Form insures two or more items, the foregoing shall apply separately to each item.

22. Inventory Preparation Expenses

If, as a result of loss or damage insured against by this Form, the Insurer requests the preparation of inventories to help determine the amount of the loss, the Insurer will indemnify the Insured for the necessary expenses incurred to prepare such inventories. The Insurer shall not be liable under this

extension from expenses to prove this Policy insures against a loss. This extension does not apply to Professional Fees or Proof of Loss Preparation Costs.

23. Land and Water Pollution Clean Up

Insurance is provided to indemnify the Insured for expenses incurred to “Clean Up” “Pollutants” from land or water at the “Premises provided the spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of “Pollutants”;

- a. is occasioned by loss or damage to property insured at the “Premises” for which insurance exists under this Form
- b. is sudden, unexpected, and unintended from the standpoint of the Insured and
- c. first occurs during the Policy Period

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

The Insurer shall not be liable for:

1. Expense for “Clean Up” away, from, or beyond the “Premises” resulting from any spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “Pollutants” even if the “Pollutants” emanated from the “Premises”.
2. Expenses for “Clean Up” of any spill, discharge, emission, dispersal, seepage, leakage, release migration or escape of “Pollutants” that began before the effective date of this extension of coverage.
3. Fines, penalties, punitive or exemplary damages

24. Liberalization Clause

If, during the Policy Period there is any broadening of the standard coverage for this Form without additional premium charge, then the broadened insurance shall also apply to the Insured’s coverage from the introduction date of the broadened coverage.

25. Lock Replacement Costs

Insurance is provided if physical loss of one or more keys requires, for proper security, the replacement of any locks. In the event the Insurer will indemnify the Insured for the cost of replacing such locks, even if the locks have sustained no physical damage.

26. Master Key Coverage

Insurance is provided to cover a loss caused by the necessary replacement of locks and keys, or repair or rekeying the lock cylinders, if the master keys, master electronic pass or master access cards are stolen. This extension: 1) only covers the cost of the replaced locks and keys including any labour cost for installation or repair and 2) is not subject to the deductible indicated in the “Declarations”.

27. Newly Acquired “Building(s)”, “Equipment” and “Stock”

Insurance is provided for:

- a. new “Building(s)”, under construction at the “Premises” of the Insured

- b. “Building(s)”, “Equipment” and “Stock” at any newly acquired location, within Canada or the continental United States of America, that is owned, rented, or controlled by the Insured in part or in whole
- c. in or on vehicles within 100 meters (328 feet) of such location.

The limit of insurance attaches from commencement of construction or the acquisition and extends for a period of 60 days, or to the date that a Builders Risk Policy is issued for new buildings under construction, or to the day of endorsement of this Policy adding such location, or the expiry date of the Policy, whichever first occurs.

Adjustment of premium, if deemed necessary by the Insurer, shall be affected from the date of acquisition.

28. Non-Owned Locations

Insurance is provided for business contents while at a location not owned, rented, or controlled in whole or in part by the insured, but this extension of coverage does not apply to the following property:

- a. Tools and contractor’s equipment
- b. Computer equipment, media and accessories
- c. Property temporarily on exhibition at locations not owned by the Insured.

29. Pair and Set

In the event of loss or damage to any article(s) which are part of a pair or set, the measure of loss or damage to such article(s) shall be reasonable and fair proportion of the total value of the pair or set, giving consideration to the importance of said article(s), or the full amount of the value of such pair or set in accordance of the Valuation Clauses of this Form, with the Insured surrendering the remaining article(s) to the Insurer. In no event shall the loss or damage to any article(s) be constructed to mean total loss of the pair or set.

30. Parking Lots, Walkways, Roadways

Insurance is provided, for damage to parking lots or other exterior paved surfaces Forming part of the “Premises”.

31. Personal Property of Officers and employees

This extension insures personal property of officers and employees of the Insured. This insurance:

- a. shall not attach if the property is insured by the owner, unless the Insured is obligated to insure it or is liable for its loss or damage;
- b. shall apply only to loss or damage occurring at the “Premises”.

32. Professional Fees

In the event of loss or damage by an insured peril, the Insurer will pay reasonable fees to auditors, accountants, lawyers, architects, engineers, or other professionals, except public adjusters and the Insured’s own employees and, for producing and certifying particulars of the Insured’s business required by the Insurer in order to arrive at the amount of loss payable under this Form.

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

This extension does not apply to Inventory Preparation Expenses or Proof of Loss Preparation Costs.

33. Proof of Loss Preparation Costs

Insurance is provided under this Policy for reasonable costs incurred in the preparation of a proof of loss Form, required by the Insurer, in connection with any claim made against any part of this Policy. This extension does not apply to Professional Fees or Inventory Preparation Expenses.

34. Property in Transit

Insurance is provided, for property while in transit, other than by parcel post or courier, until delivered, within Canada and the continental United States of America.

35. Removal of Insured Property

If any of the insured property is necessarily removed from the "Premises" to prevent loss of or damage to, or further loss of or damage to, such property, that part of the insurance under this Policy that exceeds the amount of the Insurer's liability for any loss already incurred shall for thirty days only, or for the unexpired term of the Policy if less than thirty days, insure the property removed and any property remaining at the "Premises" in the proportions which the value of the property in each of the locations bear to the value of the property in them all.

36. Sewer Back-Up

Notwithstanding Excluded Perils, C., i and ii, this Form is extended to cover physical loss or damage caused directly by the backing up of sewers, sumps, septic tanks or drains.

37. Signs Including Street Clocks, Communication Towers, Antennae, and Satellite Receivers

Insurance is provided under this policy to insure loss or damage caused by an insured peril to exterior signs, street clocks, communication towers, antennae, and satellite receivers located on the "Premises"

38. Temporary or Unnamed Locations

Insurance is provided for property at a temporary or unnamed location, other than a location specified in the "Declarations", but there shall be no liability under this clause at any location owned, rented, or controlled in whole or in part by the Insured for more than thirty (30) consecutive days. The Insurer's liability under this item is excess of any other valid and collectible insurance.

39. Third Party Vehicle

Notwithstanding Excluded Property III. G, at the option of the Insured this Form shall extend to cover loss of or damage to any vehicle(s) belonging to others while on the "Premises" of the insured for the purpose of loading and unloading, but only when the Insured is liable for such damage. The Insurer's liability under this item is excess of any other valid and collectible insurance

This extension shall not apply to loss or damage caused by impact by vehicles belonging to, or under the control of, the Insureds or its employees.

40. Vacancy Permit

Permission is granted for an insured "Building" described in the "Declarations" to remain vacant or unoccupied for the number of days indicated on the Summary of Extensions, from the date of vacancy or un-occupancy, or until the expiry date of this Policy, whichever is less. The "Building" shall be checked internally every 72 hours and be under the care and supervision of a competent person during the term of vacancy, and the doors and windows shall be securely closed and locked and all rubbish removed from the "Premises".

41. Valuable Papers and Records

This extension covers the actual loss sustained by the Insured through direct physical loss or damage by an Insured Peril to "Valuable Papers and Records".

The insurance provided by this extension applies:

- a. while the insured "Valuable Papers and Records" are contained in the "Premises" specified in the "Declarations";
- b. while the insured "Valuable Papers and Records" are being removed to and while at a place of safety because of imminent danger of loss or damage and while being returned from such place, provided the Insured gives written notice to the Insurer of such removal within ten days of such removal;
- c. while the "Valuable Papers and Records" are being conveyed outside the "Premises" or temporarily within other premises in Canada or the continental United States of America, except for storage.

Additional Exclusions

This extension does not insure:

- a. loss or damage resulting from loss of use of the property insured or loss of sums due to the Insured which the Insured is unable to collect because of loss of or destruction or damage to the property insured;
- b. loss of property held as samples or for sale or for delivery after sale;
- c. property which cannot be replaced with other of like kind and quality.

Basis of Settlement

Subject to the limit indicated in the Extension of Coverage Limit Summary the liability of the Insurer for loss or damage to:

1. Books of accounts, drawings, card index systems and other records, other than as described in 2. below, shall not exceed the cost of blank books, blank pages, or other materials, plus the cost of labour for actually transcribing or copying said records;
2. media, including electronic data, data storage devices, and programme devices for electronic and electro-mechanical data processing or for electronically controlled equipment, shall not exceed the cost of replacing or reproducing such media, including electronic data, data storage devices and programme devices or, if not replaced or reproduced, the blank value of the media;
3. other valuable papers shall not exceed the actual cash value of the property at time of loss nor what it would then cost to repair or replace the property with other of like kind and quality, provided, as respects property that cannot be replaced with other of like kind and quality and

which has been specifically declared to the Insurer, the agreed value shall be the basis of settlement.

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

SECTION C– GENERAL CONDITIONS

Application of Cover

Cover under this Form applies individually as to the interest of each Insured covered herein in the same manner and to the same extent as if a separate Policy had been issued to each; however, these provisions shall increase neither the Limit of Insurance nor the deductible(s) for any one occurrence beyond the amounts that would apply in the absence of this clause.

Bills of Lading

The Insured may, without prejudice to this insurance, accept such bills of lading, receipts or contracts of carriage as are ordinarily issued by carriers, containing a limitation as to the value of goods and/or merchandise.

Breach of Condition

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

Errors and Omissions

It is understood and agreed that any unintentional errors in the description, location, occupancy, or non-occupancy of any building, herein or on any plan, drawing or inspection report referred to herein, or supplied to the Insurer by the Insured or their representative shall not prejudice the rights of the Insured hereunder. However, the Insured must give notice in writing within 60 days of the unintentional errors coming to their attention.

Immediate Repairs

In the case of loss or damage the Insured is authorized and permitted to immediately carry out repairs which can conveniently and advantageously be undertaken by them, and costs so arising, including labour and overtime charges, and extra cost of expenses and temporary repairs and other rapid means of transportation, shall Form part of the loss.

Notice of such loss or damage will be given to the Insurer as soon as reasonably practicable, and if practical the Insured will retain the damaged property for the Insurer to inspect.

Loss Payable

Loss, if any, shall be payable as follows:

On all real and personal property: To the insured(s) or their order, except with respect to certain items of property in which a third party has a definable interest and such interest has been specifically acknowledged in a Commercial Mortgagee Advice of Coverage issued by the Insurer, in which case the Certificate holder shall be first loss payee.

Mortgage Clause

It is hereby provided and agreed that:

1. Breach of Conditions by Mortgagor, Owner or Occupant - This insurance and every documented renewal thereof - AS TO THE INTEREST OF THE MORTGAGEE ONLY THEREIN - is and shall be in force notwithstanding any act, neglect, omission or misrepresentation attributable to the Mortgagor, owner or occupant of the property insured, including transfer of interest, any vacancy or non-occupancy, or the occupation of the property for purposes more hazardous than specified in the description of the risk; PROVIDED ALWAYS that the Mortgagee shall notify forthwith the insurer (if known) of any vacancy or non-occupancy extending beyond thirty (30) consecutive days, or of any transfer of interest or increased hazard THAT SHALL COME TO HIS KNOWLEDGE; and that every increase of hazard (not permitted by the Policy) shall be paid for by the Mortgagee - on reasonable demand - from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.
2. Right of Subrogation - Whenever the Insurer pays the Mortgagee any loss this Policy and claims that - as to the Mortgagor or Owner- no liability therefore existed, it shall be legally subrogated to all rights of the Mortgagee against the Insured, but any subrogation shall be limited to the amount of such loss payment and shall be subordinate and subject to the basic right of the Mortgagee to recover the full amount of its mortgage equity in priority to the Insurer, or the Insurer may at its option pay the Mortgagee all amounts due or to become due under the mortgage or on the security thereof, and shall thereupon receive a full assignment and transfer of the mortgage together with all securities held as collateral to the mortgage debt.
3. Other Insurance - if there be other valid and collectible insurance upon the property with loss payable to the Mortgagee - at law or in equity - then any amount payable thereunder shall be taken into account in determining the amount payable to the Mortgagee.
4. Who May Give Proof of Loss - in the absence of the Insured, or the liability, refusal, or neglect of the Insured to give notice of loss to deliver the Proof of Loss under the Policy, then the Mortgagee may give the notice upon becoming aware of the loss and deliver as soon as is practicable to the Proof of Loss
5. Termination - The term of this Mortgage Clause coincides with the term of the Policy; PROVIDED ALWAYS that the Insured reserves the right to cancel the Policy as provided by Statutory provision but agrees that the Insurer will neither terminate nor alter the Policy to the prejudice of the Mortgagee without the notice stipulated in such Statutory provision.
6. Foreclosure - Should title or ownership of said property become vested in the Mortgagee and/or assigns as owner or purchaser under foreclosure or otherwise, this insurance shall continue until expiry or cancellation for the benefit of the said Mortgagee and/or assigns.

SUBJECT TO THE TERMS OF THIS MORTGAGE CLAUSE (and these shall supersede any Policy provisions in conflict therewith BUT ONLY AS TO THE INTEREST OF THE MORTGAGEE), loss under this Policy is made payable to the Mortgagee.

Occurrence

For the purposes of this Policy, an occurrence shall be defined as a loss and/or a series of losses which are attributable directly or indirectly to one cause, disaster, or occurrence. All such losses shall be added together, and the total amount of such losses shall be treated as one loss irrespective of the period or area over which the losses occur.

Insofar as loss involving in whole or in part the perils of lightning, tornado, windstorm, cyclone, hurricane, or hail is concerned, the terms "One Cause, Disaster or Occurrence" shall mean one single disturbance as designated by Environment Canada or the United States Weather Bureau. In the event such a designation is not made, all atmospheric disturbances occurring within any consecutive seventy-two (72) hours during the term of this Policy shall be construed to be a single cause, disaster or occurrence.

Permission

Permission is hereby granted:

- a. to make additions, alterations, or repairs;
- b. to do such work and to keep and use such articles, materials and supplies in such quantities as are usual or necessary to the Insured's business.

Property Protection Systems

It is agreed that the Insured shall notify the Insurer of any interruption to, or flaw or defect, coming to their knowledge, in any:

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

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

Property of Others

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

Recovery and Subrogation

The Insurer shall be entitled at any time, either in its own name or in the name of the Insured, to take steps for the recovery of any part of the property lost or damaged or for securing reimbursement in respect of any loss or damage.

The Insured shall give the Insurer all information and assistance required in so doing and the Insurer shall indemnify the Insured for any costs or expenses which the Insured may incur or be compelled to pay as a result of providing such information and assistance. Such indemnification is not subject to any deductible amount.

The Insurer, upon making any payment or assuming liability therefore under this Policy, shall be subrogated to all rights of recovery of the Insured against others, and may bring action in the name of the Insured to enforce such rights.

Except with respect to criminal or intentional acts or vehicle impact, the Insurer hereby waives its rights of subrogation against:

- a. any Member of the Insured, and if residents of the household of the Member, his or her "Spouse", the relatives of either and any other person under the age of 21 in the care of the Member or his or her "Spouse", provided the Insured has waived its right of legal action against such person prior to the loss, an individual or organization including employees thereof, affiliated or associated with, or subsidiary to, the Insured;
- b. any Insured named in this Policy against any other Insured named herein, including their employees.

However, the Insurer shall retain their subrogated rights against architects and engineers (who are not employees of the Insured) for their liability in the event of loss caused by or resulting from any error in design or any other professional error or omission pertaining to the subject of this insurance.

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

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

Reinstatement

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

Termination

If this contract is terminated by the Insurer for non-payment of premium, the Policy Conditions shall apply.

Otherwise, Clause 5. a. of the Policy Conditions of Insuring Agreements and Common Definitions, Exclusions and Conditions is amended to read as follows:

This contract may be terminated,

- a. by the Insurer giving the Insured sixty days' notice of termination by registered mail or by written notice personally delivered;
- b. by the Insured at any time on request.

Territory

This Form applies only to insured property within the territorial limits of Canada and the continental United States of America, unless otherwise specified.

Titles of Paragraphs

The several titles of the various paragraphs of this Form (and of endorsements, if any, now or hereafter attached to this Policy) are inserted solely for convenience of reference and shall not be deemed in any way to limit or affect the provisions to which they relate.

Verification of Values

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

SECTION D DEFINITIONS

Wherever used in this Form:

“All Property” means “Building” and “Equipment” and “Stock” as defined herein.

“Building” means:

The building(s) described in the “Declarations” and includes:

- a. Fixed structures pertaining to the building(s) and located on the “Premises”;
- b. Additions and extensions communicating and in contact with the building(s);
- c. Permanent fittings and fixtures attached to and forming part of the building(s);
- d. Materials, equipment, and supplies on the “Premises” for maintenance of, and normal repairs and minor alterations to the “Building” or for building services;
- e. Growing plants, trees, shrubs, or flowers inside the “Building” used for decorative purposes when the Insured is the owner of the “Building”.

“Building Construction Index” means the relevant Regional Index of the Non-residential Building Construction Input Price Indexes published by Statistics Canada.

“Cash Cards” means cards designed to store a cash value by electronic means as a mode of payment, without a personal identification number and without direct access to a bank or other account.

“Contents” means “Equipment” and “Stock” as defined herein.

“Data” means representations of information or concepts, in any Form.

“Declarations” means the first page(s) of your Policy which provides the specifics of your insured coverages and limits, including any supplementary pages or schedule of coverages attached thereto, applicable to the Policy subject to the terms and conditions of the Policy.

“Equipment” means:

- a. generally, all contents usual to the Insured's business including furniture, furnishings fittings,
- b. fixtures, machinery, tools, utensils, and appliances other than “Building” or “Stock” as herein defined;
- c. similar property belonging to others which the Insured is under obligation to keep insured or for which the Insured is legally liable;

“Extra Expense” means the excess (if any) of the total cost during the Period of Restoration for the purpose of continuing the Insured's business over and above the total cost that would normally have been

incurred to conduct the business during the same period had no loss occurred; the cost in each case to include expense of using other property or facilities of other concerns or other similar necessary emergency expenses.

“Extra Expense” includes the reasonable extra cost of temporary repair and of expediting the repair or replacement of such lost or damaged property of the Insured, including overtime and the extra cost of express or other rapid means of transportation, but excludes all other direct or indirect loss or damage to property and any expense for physical property unless incurred to reduce extra expense loss (and then not to exceed the amount by which such loss is reduced with due consideration for the salvage value of such property).

“**Fine Arts**” includes paintings, etchings, pictures, tapestries, and other bona fide works of art (such as valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains rare glass, and bric-a-brac) or rarity, historical value or artistic merit, the property of the Insured or the property of others in the custody or control of the insured on consignment for sale, display, or storage.

“**Fire Protective Equipment**” includes tanks, watermains, hydrants, valves, and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:

- a. Branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
- b. Any watermains or appurtenances located outside of the “Premises” and Forming a part of the public water distribution system;
- c. Any pond or reservoir in which the water is impounded by a dam.

“**Identity Theft**” means the fraudulent use of the social insurance number or other method of identifying an “identity recovery insured.” This includes fraudulently using the personal identity of an “identity recovery insured” to establish credit accounts, secure loans, enter into contract or commit crimes. “Identity theft” does not include the fraudulent use of a business name, or any other method of identifying a business activity. “Identity theft” does not include the unauthorized use of a valid credit card, credit account or bank account. However, “identity theft” does include the fraudulent alteration of account profile information, such as the address to which statements are sent.

“**Identity Recovery Expenses**” means the following when they are reasonable and necessary expenses that are incurred in Canada or the United States as a direct result of an “identity theft”:

- a. Costs for re-filing applications for loans, grants or other credit instruments which are rejected solely as a result of an “identity theft”.
- b. Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of your efforts to report an “identity theft” or amend or rectify records as to the true name or identity of the “identity recovery insured” as a result of an “identity theft.”
- c. Costs for up to six credit reports from established credit bureaus dated within 12 months after the discovery of any “identity theft.”
- d. Fees and expenses for an attorney appointed by the Insurer for:
 - i. Defending any civil suit brought against an “identity recovery insured” by a creditor or collection agency or entity acting on behalf of a creditor for “non-payment for goods or services or default on a loan as a result of an “identity theft””; and
 - ii. Removing any civil judgement wrongfully entered against an “identity

recovery insured” as a result of the “identity theft. “

“Identity Recovery Insured” means:

- a. When the business insured under this Policy is a sole proprietorship, the "identity recovery insured" is the individual person who is the sole proprietor of the insured business.
- b. When the business insured under this Policy is a partnership, the "identity recovery insureds" are all partners listed on this Policy as insureds.
- c. When the business insured under this Policy is a corporation, the "identity recovery insureds" are all individuals having an ownership position of 20% or more of the insured business. However, if and only if there is no one who has such an ownership position, then the "identity recovery insured" shall be the chief executive of the insured entity.
- d. When the business insured under this policy is a co-operative or a not-for-profit organization, the "identity recovery insured" means any natural person:
 - i. whose labour and service is engaged by and directed by the business insured under this policy or any subsidiary and who is on the payroll of such business or subsidiary; or
 - ii. who is a duly elected or appointed member of the board of directors, officer, member of the board of trustees, or member of the board of managers, or a functional equivalent thereof, of the business insured under this policy, or
 - iii. who is the lawful spouse, or person qualifying as a domestic partner under the provisions of any applicable federal, provincial or local law, of any person that meets the criteria set forth in paragraphs i., or ii., of this definition, or
 - iv. who is a child of any person that meets the criteria set forth in paragraphs i., ii., or iii., of this definition and is:
 - (a) under the age of eighteen (18) years of age; and
 - (b) a resident of the same household of such person; or
 - v. who is a parent of any person that meets the criteria set forth in paragraphs i., ii., or iii., of this definition and is a resident of the same household of such person.

An "identity recovery insured" must always be an individual person. The business insured under this Policy is not an "identity recovery insured."

“Mobile Equipment” means land equipment capable of moving under its own power, and used on the insured premises, and is not considered motor vehicles for insurance purposes.

“Named Perils” means:

1. FIRE OR LIGHTNING
2. EXPLOSION: Except with respect to explosion of natural, coal or manufactured gas, there shall in no event be any liability hereunder for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated, or controlled by the Insured:
 - a.
 - i. the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - ii. piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 - iii. the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion therefrom;

- iv. smelt dissolving tanks;
- b. other vessels and apparatus, and pipes connected therewith, while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders;
- c. moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
- d. any vessels and apparatus and pipes connected therewith while undergoing pressure tests, but this exclusion shall not apply to other property insured hereunder that has been damaged by such explosion;
- e. gas turbines;

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

- i. electric arcing or any coincident rupture of electrical equipment due to such arcing;
 - ii. bursting or rupture caused by hydrostatic pressure or freezing;
 - iii. bursting or rupture of any safety disc, rupture diaphragm or fusible plug.
3. **IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE:** The terms “Aircraft” and “Spacecraft” include articles dropped therefrom. There shall in no event be any liability for cumulative damage or for loss or damage:
- a. caused by land vehicles belonging to or under the control of the insured or any of the Insured’s employees;
 - b. to aircraft, spacecraft or land vehicles causing the loss;
 - c. caused by any aircraft or spacecraft when being taxied or moved inside or outside of a “Building”.
4. **RIOT VANDALISM OR MALICIOUS ACTS:** The term Riot includes open assemblies of strikers inside or outside the “Premises” who have quitted work and of locked-out employees.

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

- i. due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
 - ii. due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under Definitions, “Named Perils sections I Fire or Lightning. or 2. Explosion
 - iii. due to theft or attempt thereat.
5. **SMOKE:** The term “Smoke” means smoke due to a sudden, unusual, and faulty operation of any stationary furnace. There shall in no event be any liability hereunder for any cumulative damage.
6. **LEAKAGE FROM “FIRE PROTECTIVE EQUIPMENT”:** means:
- a. the leakage or discharge of water or other substance from;
 - b. the collapse of; or
 - c. the rupture due to freezing of “Fire Protective Equipment” for the “Premises” or adjoining structures.
7. **WINDSTORM OR HAIL:** There shall in no event be any liability hereunder for loss or damage:
- a. to the interior of “Buildings” or their “Contents” unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;

- b. directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, tsunami, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslide.

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

“Period of Restoration” means the time required, with due diligence and dispatch, to repair, rebuild or replace such part of said building(s) or contents as have been lost or damaged.

“Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.

“Premium Due Date” means the inception date of this Policy or any renewal, or anniversary date.

“Premises” means the entire area within the property lines and areas under adjoining sidewalks and driveways at:

- a. Each location described in the “Declarations.”
- b. Temporary Locations and any Newly Acquired Location, if covered by this Policy and in or on vehicles within 100 meters (328 feet) of such locations.

“Stock” means:

- a. Merchandise of every description usual to the insured’s business;
- b. Packing, wrapping, and advertising materials;
- c. Similar property belonging to others which the insured is under obligation to keep insured or for which the insured is legally liable.

“Surface Water” means water or natural precipitation temporarily diffused over the surface of the ground.

“Valuable Papers and Records” means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages, and manuscripts, but does not mean money or securities.

Federated Agencies Limited

Property

Flood Endorsement

Applicable to Form No. FAL PB Commercial Property

1. INSURING AGREEMENT

This Policy is extended to include, only if indicated in the “Declarations”, loss or damage caused directly by the peril of “Flood” and “Surface Water” subject to the following conditions.

2. DEDUCTIBLE CLAUSE

The Insurer is liable for the amount by which the loss or damage caused by “Flood” or “Surface Water” exceeds the amount of the deductible specified in the “Declarations” in any one occurrence. This Deductible Clause applies separately to each location for which coverage is provided by this Endorsement.

3. EXCLUSIONS

- a. This endorsement does not cover loss or damage caused directly or indirectly by:
 - i. continuous or repeated leakage or seepage of water; or
 - ii. any of the following perils whether or not caused by or attributable to flood: fire, explosion, smoke, “Leakage from Fire Protective Equipment” or leakage from a watermain, theft, riot, vandalism or malicious acts.
- b. This endorsement does not cover loss or damage caused by mudslide, mudflow or landslides, unless occurring concurrently with loss or damage caused by “Flood” or “Surface Water”.

4. EXTENSION OF COVERAGE

The Insurer shall be liable for loss or damage to the Property Insured caused by wind, hail, rain or snow entering a building through an opening in the roof or walls directly resulting from a “Flood”.

5. DEFINITION

Only with respect to this Endorsement, the following definitions shall apply:

“**Flood**” means the rising of, the breaking out or the overflow of any body of water, whether natural or man-made, and includes waves, tides, tidal waves and tsunamis.

“**Surface Water**” means water on the surface of the ground where water does not usually accumulate.

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

Federated Agencies Limited

Property

Earthquake Shock Endorsement

Applicable to Form No. FAL PB Commercial Property

This Endorsement applies separately to each location for which Earthquake Shock is specified in the “Declarations”.

1. INSURED PERIL

This insurance is extended to include the peril of “Earthquake”.

2. DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by “Earthquake” exceeds the amount of the deductible specified in the “Declarations” for this endorsement in any “Earthquake Occurrence”.

If a percentage deductible is specified, the amount of the deductible shall be that percentage of the amount of insurance applied separately for each item as specified in the “Declarations”.

If both an amount and a percentage are specified in the “Declarations”, whichever is greater shall apply.

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

The deductible clause for this endorsement supercedes the provisions of any other deductible clause stated elsewhere in the policy.

3. EXCLUSIONS

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

- a. fire, explosion or smoke;
- b. leakage from a water main or from “Fire Protective Equipment”;
- c. theft, vandalism or malicious acts;
- d. flood, including “Surface Water”, waves, tides, tidal waves, tsunamis, or the breaking out or overflow of any natural or artificial body of water, waterborne objects or ice.

4. EXTENSION OF COVERAGE

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

5. AGGREGATE LIMIT

If an Aggregate Limit is specified in the “Declarations” for this endorsement then the maximum amount of insurance during any one policy period shall not exceed in the aggregate, the amount of insurance specified in the “Declarations” for this endorsement.

6. DEFINITIONS

“**Earthquake**” includes snow slide, landslide, or other earth movements occurring concurrently with and directly resulting from an earthquake shock.

“**Earthquake occurrence**” means all earthquake shocks that occur within 168 consecutive hours, commencing during the policy period on or after the effective date of this endorsement. The expiration of this policy will not reduce the 168 hour period.

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

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

Federated Agencies Limited

Commercial Property Form

Replacement Cost Endorsement

This Endorsement modifies the coverage provided under the Property Form to which it is attached.

The following extension of coverage shall not increase the Limit of Insurance stated in the “Declarations” and is only applicable if specified in the “Declarations”.

1. The Insurer agrees to amend the basis of settlement from actual cash value to “Replacement Cost” subject to the following provisions:
 - a. “Replacement” shall be effected by the Insured with due diligence and dispatch;
 - b. “Replacement” shall be on the same site or on an adjacent site;
 - c. settlement on a “Replacement Cost” basis shall be made only when “Replacement” has been effected by the Insured and in no event shall it exceed the amount actually and necessarily expended for such “Replacement”;
 - d. failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this Endorsement had not been in effect;
 - e. any other insurance effected by or on behalf of the Insured in respect of the perils insured against by this Policy on the property to which this Endorsement is applicable shall be on the basis of “Replacement Cost” as defined herein;
 - f. if this Policy insures two or more items, this Endorsement applies separately to each item to which this Endorsement applies.
2. Any reference to actual cash value in a co-insurance clause in this Policy is deemed to be a reference to “Replacement Cost” of the property insured.
3. In this Endorsement:
 - a. “Replacement Cost” means the cost of replacing, repairing, constructing or re-constructing (whichever is the least) the property on the same site with new property of like kind and quality and for like occupancy without deduction for depreciation; and
 - b. “Replacement” includes repair, construction or re-construction with new property of like kind and quality.
4. In the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that damaged or destroyed and which is capable of performing the same function shall be deemed to be new property of like kind and quality for the purposes of this Endorsement.

5. EXCLUSIONS

This endorsement does not apply to:

- a. “Stock”;
- b. patterns, dies, moulds;

- c. paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelain, rare glassware, brick-a-brac or other articles of art, rarity or antiquity;
- d. manuscripts and records meaning books of account, drawings, card index systems and other records, media, including electronic data, data storage devices, and programme devices for electronic and electro-mechanical data processing or for electronically controlled equipment;
- e. any increase in the cost of "Replacement" occasioned by a restriction or prohibition in any bylaw, regulation, ordinance or law.

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

Federated Agencies Limited

Property

Stated Amount Co-Insurance Endorsement

Applicable to Form No. FAL PB Commercial Property

This Endorsement modifies the coverage provided under the Commercial Property Form.

1. In consideration of a professional building appraisal or a building valuation or a Statement of Values filed and attested by the Insured as of the inception date of this Policy and submitted within 30 days of each subsequent renewal date, the following clause 2. is substituted for the Co-insurance Clause cited in this Policy.
2. It is part of the consideration of this Policy and the basis upon which the premium rate is fixed that the Insured shall maintain insurance on the Insured Property, so that the total amount of insurance on the said property shall be not less than the amount stated on the professional building appraisal, or building valuation or Statement of values as the Limit of Insurance in the “Declarations” of this Policy, and that, failing to do so, the Insured shall be a co-insurer to the extent of an amount sufficient to make the total insurance equal of this Policy and, in that capacity, shall bear their proportion of any loss that may occur.

Failing compliance by the Insured with clause 1. above, the following conditions apply.

- (a) Stated Amount Co-insurance as stated herein shall not apply and
- (b) **SECTION A – INSURING AGREEMENTS, III Co- insurance** is deleted in its entirety and replaced by:

III Co-insurance

This clause applies to “All Property” or “Building” or “Contents” or “Equipment” or “Stock” whichever are listed on the declarations and only where the amount of loss or damage exceeds the lesser of five percent of the applicable limit of insurance or \$10,000.

The Insured shall maintain insurance concurrent with this Form on the insured property to the extent of at least the amount produced by multiplying the value of the property as determined in the VALUATION – BASIS OF LOSS SETTLEMENT clause of Commercial Property Form by the co-insurance percentage of 80%.

If the Insured fails to do so, the Insured shall be entitled to recover only the portion of any loss that the amount of insurance in force at the time of loss bears to the amount of insurance required to be maintained by this clause.

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

Federated Agencies Limited

Communicable Disease Exclusion Endorsement

Applicable to All Property and Loss of Income Coverages of this Policy

COMMUNICABLE DISEASE

This policy, subject to all applicable terms, conditions, and exclusions, covers losses attributable to direct physical loss of or damage to the property insured occurring during the policy period. Consequently and notwithstanding any other provision of this policy to the contrary, this policy does not insure against loss or damage, caused directly or indirectly by any "Communicable Disease", or the fear or threat (whether actual or perceived) of a "Communicable Disease", regardless of any other cause or event that contributes concurrently or in any sequence to such loss or damage, and any loss of income or extra expense loss resulting from such loss or damage.

For the purposes of this endorsement, loss or damage includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:

- (a) for a "Communicable Disease", or
- (b) any property insured hereunder that is affected by such "Communicable Disease".

DEFINITIONS

Wherever used in this endorsement:

"Animal" means, collectively, all species in the kingdom *Animalia* other than humans.

"Communicable Disease" means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- (a) the substance or agent includes, but is not limited to, a virus, bacterium, prion, parasite or other organism or any variation thereof, whether deemed living or not, and
- (b) the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
- (c) the disease, substance or agent can cause or threaten damage to human health or human welfare, "Animal" health or "Animal" welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.

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

Federated Agencies Limited

Miscellaneous Property Floater Broad Form

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN THE INSURING AGREEMENTS AND COMMON DEFINITIONS, EXCLUSIONS AND CONDITIONS FORM

1. INSURED PROPERTY

This Form covers the property of the Insured, or the property of others for which the Insured may be liable, as described in the “Declarations” or in the attached schedule, including appurtenances thereof attached thereto or contained thereon.

2. LIMIT OF INSURANCE

The maximum liability of the Insurer in any one loss shall not exceed the applicable Limit of Insurance stated in the “Declarations” or in the attached schedule.

3. TERRITORIAL LIMITS

This Form covers only within Canada and the continental United States of America.

4. DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by an Insured Peril exceeds the amount of the deductible specified in the “Declarations” in any one occurrence.

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

5. CO-INSURANCE

This Clause shall apply separately to each item insured.

The Insured shall maintain insurance concurrent with this Form on the Insured Property to the extent of at least the co-insurance percentage specified in the “Declarations” of the actual cash value thereof, and failing to do so, shall only be entitled to recover that portion of a loss that the amount of insurance in force at the time of loss bears to the amount of insurance required to be maintained by this clause.

6. INSURED PERILS

This Form insures:

- a. While on land, against all risks of direct physical loss of or damage to the Insured Property from any external cause, except as herein excluded;
- b. While waterborne on board any regular ferry while operating on inland or coastal waterways only, against loss or damage to the Insured Property directly caused by the stranding, sinking, burning or collision of the ferry, including general average and salvage charges.

7. EXCLUSIONS

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

- a. delay, loss of use, loss of market, wear and tear, gradual deterioration, inherent vice, latent defect or mechanical breakdown or derangement;
- b. corrosion, rust, rodents, insects, vermin, dampness of atmosphere, contamination, staining or freezing but this exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded herein;
- c. unexplained or mysterious disappearance of property (except property in the custody of carriers for hire);
- d. neglect of the Insured to use all reasonable means to save and preserve the property at and after any disaster insured against or when the Insured has notice of an impending disaster;
- e. breakage of glass or similar fragile materials, marring or scratching unless such loss or damage to the Insured Property is caused directly by fire or the combating thereof, lightning, flood, earthquake, windstorm, hail, explosion, strike, riot or civil commotion, aircraft, spacecraft, vehicles other than transporting conveyances, rupture of pipes or breakage of apparatus, sprinkler leakage, vandalism, malicious acts, theft, attempted theft, or accident to transporting conveyance;

Nor does this Form insure against:

- f. loss or damage resulting from artificially generated electrical currents to electrical appliances or devices (including wiring), unless fire ensues and then only for loss or damage by such ensuing fire;
- g. loss or damage (unless fire or explosion ensues and then only for the loss or damage caused by such ensuing fire or explosion) sustained while the Insured Property is actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting or servicing of the Insured Property;
- h. loss or damage resulting from misappropriation, secretion, conversion, infidelity or any dishonest act on the part of the Insured or other party of interest, his or their employees or agents or any person or persons to whom the property may be entrusted (bailees or carriers for hire excepted).

8. BREACH OF CONDITIONS

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

9. REINSTATEMENT

Any loss hereunder shall not reduce the amount of this Policy.

10. PROPERTY OF OTHERS

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

11. LIMITATION

Locked Vehicle Warranty:

This clause does not apply to property which is under the control of a common carrier. Warranted by the Insured that any vehicle in which the insured property is carried is equipped with a fully enclosed body or compartment, and the Insurer shall be liable in case of loss by theft from an unattended vehicle only as a direct result of forcible entry (of which there shall be visible evidence) into such body or compartment, the doors of which are securely locked, and the windows closed.

Federated Agencies Limited

Equipment Breakdown Form
(Excluding Production Machinery)

Words and phrases in quotation marks have special meaning as defined in this Form. This Form is subject to all the terms, provisions, and conditions (including Statutory Conditions, or General Conditions in Quebec) of the Policy, except as they may be varied herein, and to the Certificate of Insurance, Exclusions and Conditions applicable to this Form.

SECTION I – INSURING AGREEMENT

1. INDEMNITY AGREEMENT

- (a) The Insurer will indemnify the Insured against direct physical loss or damage to “insured equipment”, including any resulting loss or damage to “insured property”, caused directly by a “breakdown” occurring at the “premises” during the policy period.
- (b) If and only to the extent “loss of income” or “extra expense” coverage is provided by the Policy to which this Form is attached for the “premises” where a “breakdown” has occurred, then the Insurer will indemnify the Insured against losses sustained by the Insured resulting from such “breakdown”, subject to all the terms, limitations, exclusions, provisions and other conditions of the “loss of income” or “extra expense” insurance that is applicable to the “premises” where the loss was sustained.

2. LIMIT OF INSURANCE

- (a) The Limit of Insurance stated in the “Declarations” applicable for this Form is the maximum amount the Insurer will pay for direct physical loss or damage to “insured equipment”, including any resulting loss or damage to “insured property”, insured by this Form.
- (b) The Limit of Insurance provided by the Policy for “loss of income” is the maximum amount the Insurer will pay for “loss of income” insured by this Form.
- (c) The Limit of Insurance provided by the Policy for “extra expense” is the maximum amount the Insurer will pay for “extra expense” insured by this Form.

The Insurer’s liability for “loss of income” or “extra expense” shall be separate from and in addition to Part 2(a) above.

3. DEDUCTIBLE

We will pay only the amount by which the insured loss or damage exceeds the deductible amount specified in the “Declarations” for any “one breakdown”. The specific Limits of Insurance applies to the portion of the loss or damage which exceeds the deductible. If more than one item of “insured property” having different deductibles is involved in a claim, only one deductible shall be applied and that shall be the largest of the applicable deductibles.

In lieu of a dollar amount, the deductible may be expressed as a waiting period in which case, the Insurer shall not be liable for any loss that is incurred within the time period specified in the “Declarations” immediately following the “breakdown”.

SECTION II – EXCLUSIONS

1. EXCLUSIONS FOR LOSSES CAUSED BY PERIL TO WHICH THE PROPERTY FORM APPLIES

This Form does not insure loss or damage from a “breakdown” caused by a peril for which coverage is provided by a property form which is attached to the same Policy as this Form.

2. SPECIFIC EXCLUSIONS

A. This Form does not insure loss or damage from a “breakdown” caused by any of the following perils, irrespective as to whether coverage is provided by a property form which is attached to the same Policy as this Form.

- (a) Proximately or remotely, arising in consequence of or contributed by the enforcement of any by-law, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which by-law, regulation, ordinance, or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss.

This exclusion does not apply to coverage provided by 3. Building By-Laws extension of coverage.

- (b) Caused by or resulting directly or indirectly from:

- (i) delay, loss of market, or loss of use or occupancy;
- (ii) lack of power, light, heat, steam, or refrigeration; or
- (iii) any other indirect result of a “breakdown”.

This exclusion does not apply to coverage provided by Indemnity Agreement 1(b) or 19. Spoilage extension of coverage.

- (c) (i) Caused by or resulting directly or indirectly from contamination, including ammonia contamination, or damage by “hazardous substance” including the cost or expense of any resulting “clean up”; or
- (ii) Additional costs or expense for any testing, monitoring, evaluating, or assessing of any actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “hazardous substance”.

This exclusion does not apply to coverage provided by 1. Ammonia Contamination or 13. Hazardous Substance extension of coverage.

- (d) Caused by or resulting directly or indirectly from the partial or total failure, malfunction, or loss of use of any electronic equipment, computer system, information repository, microchip, integrated circuit, or any other similar devices due to:

- (i) the erasure, destruction, corruption, misappropriation, or misinterpretation of “data”;
- (ii) any error in creating, amending, entering, deleting, or using “data”;
- (iii) the inability to receive, transmit or use “data”; or
- (iv) the impact of any computer virus or malware, distributed denial of service (DDoS) attack or hacking event, or the functioning or malfunctioning of the internet, intranet, local area network, virtual private networks, or similar facility, or of any internet address, website, or similar facility;

however, loss that ensues solely from a “breakdown” to any other “insured equipment” is covered.

- (e) From a “breakdown” caused directly or indirectly by earth movement, including but not limited to earthquake or other seismic activity whether naturally occurring or resulting from man-made causes,

landslide, subsidence, collapse of sinkholes, volcanic eruption or mudflow caused by an accumulation of water on or underground.

- (f) Caused directly or indirectly by the escape of water resulting from a “breakdown”, unless:
 - (i) coverage is not provided by any other insurance in effect at the time of the loss; and
 - (ii) the water escapes from “insured equipment” that normally contains water or steam.
- (g) Caused directly or indirectly by fire, smoke or combustion explosion that occurs at the same time as a “breakdown” or that ensues from a “breakdown”. However, with respect to any “insured equipment” which is electrical or electronic equipment, this exclusion shall only apply to fire damage outside the “insured equipment” or that ensues from a “breakdown”.
- (h) Caused directly or indirectly by “flood”, however, if a “breakdown” to “insured equipment” results from a flood, damage or expense caused by the “breakdown” is covered.
- (i) Caused directly or indirectly:
 - (i) by any nuclear incident (as defined in the Nuclear Liability and Compensation Act (Canada) or any other nuclear liability act, law or statute, or any amending law) or nuclear explosion; or
 - (ii) by contamination by radioactive material.
- (j) From a “breakdown” caused directly or indirectly by riot, civil commotion or sabotage, however, direct physical loss or damage to “insured equipment” from a “breakdown” caused by strike, vandalism or malicious acts is covered.
- (k) To “insured property” caused directly or indirectly by a change in temperature or humidity resulting from a “breakdown”.

This exclusion does not apply to coverage provided by 19. Spoilage extension of coverage.
- (l) From a “breakdown” caused directly or indirectly by freezing at any location that is vacant, unoccupied, or shut down for more than 30 consecutive days.
- (m) Caused directly or indirectly, in whole or in part, by “terrorism” or by any activity or decision of a government agency or other entity to prevent, respond to or terminate “terrorism”. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage. If any portion of this exclusion is found to be invalid, unenforceable, or contrary to statute, the remainder shall remain in full force and effect;
- (n) Caused directly or indirectly in whole or in part by war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, or military power. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.

B. This Form does not cover loss or damage to “data”.

This exclusion does not apply to coverage provided by 6. Data Coverage extension of coverage.

SECTION III – SPECIAL CONDITIONS

1. BASIS OF VALUATION

A. “Insured Property” except Stock

The value of “insured property” except stock will be determined as follows:

- (a) for business records, including those which exist on electronic or magnetic “media” (other than pre-packaged software programs):
 - (i) the cost of blank materials for reproducing the records; and
 - (ii) the costs of labour to transcribe or copy the records when there is a duplicate.
- (b) for all other “insured property” except stock, the lesser of the cost at the time of the “breakdown” to:
 - (i) repair the damaged property; or
 - (ii) replace the damaged property with similar property of like kind, capacity, size, quality, and function.

The Insurer will not pay:

- 1) more than the amount actually expended by the Insured;
- 2) the cost of repairing or replacing any part or parts of a piece of equipment which is greater than the cost of repairing or replacing the entire piece of equipment;
- 3) more than the cost that would have been incurred to replace the damaged “insured property” with other property of like kind, capacity, size, quality and function in the event that replacement is by property of a better kind or quality or of a larger capacity or size;
- 4) more than the cost to repair the damaged property at the same or adjacent site; nor
- 5) for loss or damage to property which is useless or obsolete to the Insured.

B. Stock

The value for stock will be determined as follows:

- (a) for unsold stock: the cost to repair or replace with material of like kind and quality at the time and place of loss or damage;
- (b) for sold stock: the usual selling price of the Insured’s market after allowance for discounts.

If the damaged “insured property” is not repaired or replaced within 12 months after the date of the “breakdown”, the Insurer’s liability will only be for the “actual cash value” of the damaged “insured property”.

For the purpose of Section 1. Basis of Valuation, Stock means:

- (a) merchandise of every description usual to the Insured’s business;
- (b) packing, wrapping and advertising materials; and
- (c) similar property of others in the Insured’s care, custody or control and for which the Insured is legally liable.

2. SPECIAL PROVISIONS

- (a) The Insurer shall not be liable for loss from a “breakdown” of any newly acquired “insured equipment” until such “insured equipment” has been installed at the “premises”, tested, including performance and operational

testing, and contractually accepted by the Insured. This provision shall not apply to any “insured equipment” which is acquired to spare existing operating equipment.

- (b) As respects any boiler which uses a heat transfer medium other than water, such heat transfer medium and its vapour shall be considered as substituted for the words water and steam wherever such words appear in the definition of “insured equipment”.
- (c) If a “breakdown” occurs to Spare Insured Equipment that is in use for the sole purpose of avoiding or diminishing loss under “loss of income” or “extra expense”, such loss shall be considered as part of the original “breakdown” and any applicable deductible shall be continuous and only apply one time to the total “loss of income” or “extra expense” loss, if and only to the extent such coverage is provided by the Policy.

For the purpose of Special Provision 2(c) Spare Insured Equipment means: “Insured Equipment” acquired by the Insured prior to the initial “breakdown” and held specifically to spare existing operating equipment.

3. INSPECTION

The Insurer shall have the right, but not the obligation to make inspections of “insured equipment” at any reasonable time. Neither the Insurer’s right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such “insured equipment” is safe and not hazardous or injurious to health.

The Insurer may conduct inspections itself or retain a third party to conduct the inspection on its behalf.

4. SUSPENSION

Upon the discovery of any “insured equipment” in or exposed to a dangerous condition, any representative of the Insurer may immediately suspend the insurance against loss from a “breakdown” to that “insured equipment” by giving written notice to the Insured either by mail, by facsimile or in person at the mailing address shown in the Policy or at the “premises” of the “insured equipment”. Once this insurance has been suspended, it can only be reinstated by an endorsement to the Policy issued by the Insurer.

The Insured shall be allowed the unearned pro-rata portion of the premium for that “insured equipment” for the period that the insurance is suspended, such allowance to be paid at the expiration of the policy period.

SECTION IV - DEFINITIONS

The following Definitions only apply to this Form and if there is any conflict between these definitions and those found elsewhere in the Policy, then for the purpose of this Form these definitions will apply.

- 1. **“Actual Cash Value”** means replacement cost less any depreciation or the market value. In determining depreciation, consideration shall be given to the condition of the property immediately before the damage, the resale value, the normal life expectancy of the property and obsolescence.
- 2. **“Brand”** means brands, labels or trademarks, or other identifying characteristics.
- 3.1 **“Breakdown”** means a sudden and accidental failure of “insured equipment” or part of “insured equipment”, which manifests itself by physical damage at the time that it occurs and necessitates repair or replacement.

“Breakdown” does not mean or include any of the following:

- (a) the failure of any structure, foundation or setting supporting or housing “insured equipment” or part of “insured equipment”;
- (b) the functioning of any safety or protective device;
- (c) wear and tear; nor

(d) the depletion, deterioration, corrosion or erosion of material.

3.2 Other than as noted below, “breakdown” is extended to include the sudden and accidental failure of “electronic circuitry”, within or controlling “insured equipment”, which causes the “insured equipment” to lose its ability to function as it had been functioning immediately prior to the failure and necessitates repair or replacement.

The failure of “electronic circuitry” does not mean or include any failure:

- (a) that can be remedied by maintenance, including but not limited to replacing consumable parts, rebooting, upgrading or updating software or firmware or providing necessary power supply;
- (b) caused by or related to compatibility between hardware or software introduced within the 30 days prior to the “breakdown”;
- (c) caused by or related to insufficient capacity, size, capability of “insured equipment”;
- (d) caused by exposures to a change in temperature or environment, unless such condition results in a loss of functionality; nor
- (e) caused by non-compliance of any warranty condition or requirement which would null or void the warranty contract applicable to the “insured equipment”.

However, in no event, shall “breakdown” be extended to include the sudden and accidental failure of “electronic circuitry” for the following coverages:

- (i) 5. Cloud Computing Service Interruption extension of coverage; nor
- (ii) 18. Service Interruption extension of coverage.

- 4. **“Declarations”** means the new policy certificate, the offer to renew or the renewal certificate which specifies the coverage provided by the Policy.
- 5. **“Clean Up”** means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of “hazardous substance”, including testing which is integral to any of these processes.
- 6. **“Cloud Computing Services”** means professional, on-demand, self-service data storage or data processing services provided through the internet or over telecommunications lines. This includes services known as IaaS (Infrastructure as a Service), PaaS (Platform as a Service), SaaS (Software as a Service) and NaaS (Network as a Service). This includes business models known as public clouds, community clouds and hybrid clouds. Cloud Computing Services include private clouds if such services are owned and operated by a third party used by the Insured.
- 7. **“Coverage Territory”** means anywhere within Canada or the United States of America.
- 8. **“Data”** means representations of information or concepts in any form.
- 9. **“Electronic Circuitry”** means tangible microelectronic components, including but not limited to circuit boards, integrated circuits, computer chips and disk drives. “Electronic circuitry” does not include any software or other intangible components.
- 10. **“Extra Expense”** means insurance provided by the Policy to which this Form is attached. “Extra expense” does not mean any loss of income, or expense otherwise payable elsewhere in the Policy.
- 11. **“Flood”** means a general and temporary condition of partial or complete inundation of normally dry land areas or structures caused by:
 - (a) the breaking out or overflow of any natural or artificial body of water;

- (b) waves, tides, tidal waves, tsunamis; or
- (c) the unusual or rapid accumulation or runoff of water or natural precipitation temporarily diffused over the surface of the ground.

12. **“Hazardous Substance”** means:

- (a) any pollutant, contaminant or other substance declared by a government authority to be hazardous to health or the environment; or
- (b) any mould, yeast, fungus or mildew including any spores or toxins created or produced by or emanating from such mould, yeast, fungus or mildew, whether or not allergenic, pathogenic or toxigenic.

13. **“Insured Equipment”** means any equipment owned, leased, operated or controlled by the Insured as described below:

- (a) any boiler, any fired or unfired vessel normally subject to vacuum or internal pressure other than static pressure of contents, any refrigeration or air conditioning vessels and piping or any other piping and its accessory equipment, any heat exchanger that forms part of forced air heating equipment, but not including:
 - (i) any boiler setting, any refractory or insulating material;
 - (ii) any part of a boiler or fired pressure vessel that does not contain steam or water; nor
 - (iii) any buried piping, any draining piping, any sprinkler piping and its accessory equipment.
- (b) any mechanical or electrical equipment used for the generation, transmission or utilization of mechanical or electrical power, but not including:
 - (i) any vehicle or self-propelled mobile equipment;
 - (ii) any lifting or safety cables, anchorage, car buffers or counterweight buffers forming part of an elevator system; nor
 - (iii) 1) any complete production machine which processes, forms, cuts, shapes, grinds or conveys raw materials, materials in process or finished products; or
2) any equipment forming a part of the driving or controlling mechanism for such production machine.
- (c) any electronic machine device, or instrument or fibre optic cable used for research, diagnosis, treatment, communication, word processing, data processing, duplicating, monitoring or scanning.

14. **“Insured Property”** means:

- (a) property of the Insured; or
 - (b) property of others in the Insured’s care, custody or control and for which the Insured is legally liable;
- for which there is coverage under the Policy to which this Form is attached.

15. **“Loss of Income”** means insurance provided by the Loss of Income form(s) which may be attached to the same Policy as this Form.

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

17. **“One Breakdown”** means:
- (a) a “breakdown” of “insured equipment” that causes a “breakdown” of other “insured equipment”; or
 - (b) a series of “breakdowns” occurring at the same time as a result of the same cause;
- will be considered as “one breakdown”.
18. **“Premises”** means the entire area within the property lines and areas under adjoining sidewalks and driveways at each location described on the “Declarations”.
19. **“Recognized Environmental Standards Program”** means:
- (a) the ENERGY STAR® program;
 - (b) the Canada Green Building Council LEED® program; or
 - (c) any nationally or internationally recognized environmental standards program designed to achieve energy saving and related objectives of the type included in the programs listed above.
20. **“Terrorism”** means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

SECTION V - EXTENSIONS OF COVERAGE

The Limit of Insurance stated below is the maximum recovery for any extension of coverage provided by this Form in respect of any “one breakdown” taking place during the policy period.

The extensions of coverage:

- (a) do not apply if coverage is available, in whole or in part, elsewhere in the Policy;
- (b) are a part of and do not increase the Limit of Insurance applicable to this Form; and
- (c) are subject to the highest applicable deductible of the Equipment Breakdown Form. However, if a deductible is shown on the “Declarations” applicable to the extensions of coverage, this deductible will apply separately to any other deductible applicable to this Form.

1. AMMONIA CONTAMINATION

Where ammonia is used as a refrigerant, the Insurer will pay:

- (a) for loss or damage caused by ammonia contacting “insured property”; and
- (b) any resulting “loss of income” or “extra expense” loss if and only to the extent such coverage is provided by the Policy,

as a direct result of a “breakdown” to “insured equipment” at the “premises”.

In no event shall the Insurer be liable for an amount in excess of \$100,000 or the Limit of Insurance specified on the “Declarations” for part (a) of this Form’s Ammonia Contamination extension of coverage.

2. BRANDS AND LABELS

In the event of direct physical loss or damage arising out of a “breakdown” covered by this Form to “insured property” bearing a “brand”, the sale of which carries or implies the guarantee or the responsibility of the Insured

or the manufacturer, the Insurer will pay the cost of removing or re-identifying the “brand” from such damaged “insured property”.

Any salvage of such damaged “insured property” will not be disposed of by sale without the Insured’s consent. If removing or re-identifying of the “brand” is not possible or is impractical, the Insurer will pay the cost to dispose of the damaged “insured property”. The Insured shall have the right to dispose of the salvage in the manner it considers appropriate.

If the salvage of the damaged “insured property” is not disposed of by sale by the Insurer, the Insured will allow the Insurer to deduct the salvage value from the amount payable to the Insured. Salvage value will be determined as the value that could have been realized after removal or re-identifying of the “brand”.

In no event shall the Insurer be liable for an amount in excess of \$100,000 or the Limit of Insurance specified on the “Declarations” for this Form’s Brands and Labels extension of coverage.

3. **BUILDING BY-LAWS**

In the event of direct physical loss or damage arising out of a “breakdown” covered by this Form, coverage is extended to insure:

- (a) loss occasioned by the necessary demolition of any undamaged portion of the “insured property”;
- (b) the cost of the necessary demolishing and clearing of the site of any undamaged portion of the “insured property”;
- (c) any necessary increase in the cost of repairing, replacing, constructing, or reconstructing the “insured property” on the same site, or on an adjacent site, of like, capacity, size, height, floor area, quality, style and function for like occupancy;
- (d) any resulting “loss of income” or “extra expense” loss if and only to the extent such coverage is provided by the Policy, caused by the additional time required, with the exercise of due diligence and dispatch, to effect such repair or replacement;

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

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

This extension of coverage does not cover against:

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

4. **CLAIMS PREPARATION COSTS**

This Insurance is extended to cover:

- (a) reasonable costs incurred in the preparation of a proof of loss; and

(b) reasonable fees payable to external auditors, accountants, architects, or engineers, for producing and certifying particulars or details of the Insured's business in order to establish the quantum of a claim.

All such costs and fees must be:

- (i) incurred by the Insured at the request of the Insurer; and
- (ii) associated with a claim under this Form for which liability has been otherwise accepted by the Insurer, including any "loss of income" or "extra expense" loss if and only to the extent such coverage is provided by the Policy.

This extension of coverage does not apply to fees payable to lawyers, public adjusters, loss appraisers, loss consultants or professionals, other than external auditors, accountants, architects, engineers, engaged by the Insured without the prior written approval of the Insurer.

In no event shall the Insurer be liable for an amount in excess of \$100,000 or the Limit of Insurance specified on the "Declarations" for this Form's Claims Preparation Costs extension of coverage.

5. CLOUD COMPUTING SERVICE INTERRUPTION

This insurance is extended to cover "loss of income" or "extra expense" losses sustained by the Insured, if and only to the extent coverage is provided by the Policy, resulting from a "breakdown" of equipment not owned, operated, or controlled by the Insured which is used to supply "Cloud Computing Services" to a "premises" provided that the equipment is:

- (a) of a type described in the definition of "insured equipment"; and
- (b) located within the "coverage territory".

6. DATA COVERAGE

If, as a result of a "breakdown", "data" is lost or damaged, the Insurer will pay for the cost of gathering or reproducing the "data", including any resulting "loss of income" or "extra expense" loss if and only to the extent such coverage is provided by the Policy.

The Insurer will not pay for "data" which is lost or damaged as a result of programming errors.

The Insurer will also not pay for loss or damage to "data" caused by a "breakdown" to equipment not owned, operated, or controlled by the Insured resulting from a failure of "electronic circuitry".

In no event shall the Insurer be liable for an amount in excess of \$25,000 or the Limit of Insurance specified on the "Declarations" for this Form's Data Coverage extension of coverage.

7. DEBRIS REMOVAL

If there is a "breakdown" to "insured equipment", the Insurer will pay for the reasonable and necessary extra costs for debris removal expense as a direct result of such "breakdown".

In no event shall the Insurer be liable for an amount in excess of \$100,000 or the Limit of Insurance specified on the "Declarations" for this Form's Debris Removal extension of coverage.

8. DENIAL OF ACCESS

Other than as provided under 14. Interruption by Civil Authority extension of coverage; "loss of income" and "extra expense" if and only to the extent such coverage is provided by the Policy, is extended to cover loss sustained by the Insured due to the prevention of ingress to or egress from the "premises" as a result of a "breakdown" to equipment not owned, operated or controlled by the Insured provided that the equipment is:

- (a) of a type described in the definition of “insured equipment”; and
- (b) away from, but within 1,000 metres of the “premises”.

Denial of Access Coverage will commence 48 hours after the time ingress to or egress from the “premises” is first prevented and will apply for a maximum of 30 consecutive days or the time period specified on the “Declarations” for this Form’s Denial of Access extension of coverage.

9. ENVIRONMENTAL, SAFETY AND EFFICIENCY IMPROVEMENTS

If “insured equipment” requires replacement due to a “breakdown”, the Insurer will pay the Insured’s additional cost to replace with equipment that the Insurer agrees is better for the environment, safer for people or more energy efficient than the equipment being replaced, subject to the following conditions:

- (a) the Insurer will not pay more than 150% of what the cost would have been to replace with like kind and quality;
- (b) the Insurer will not pay to increase the size or capacity of the equipment;
- (c) this provision does not apply to any property valued on an “actual cash value” basis; and
- (d) this provision does not apply to the replacement of component parts.

The Insurer will not be liable for any additional “loss of income” or “extra expense” which may result from the Insured electing to replace damaged equipment with improved equipment for which this Environmental, Safety and Efficiency Improvements extension of coverage applies.

10. ERRORS AND OMISSIONS

This insurance is extended to cover direct physical loss of or damage to “insured property”, including any resulting “loss of income” or “extra expense” loss if and only to the extent such coverage is provided by the Policy, which is not payable under the Policy solely because of an unintentional error or omission by the Insured:

- (a) in the description or address of the “insured property”;
- (b) to include any location the Insured owns or occupies; or
- (c) in the deletion of any interest.

Coverage applies only to the extent that the Policy would have provided coverage had the unintentional error or omission not been made.

It is a condition of this extension of coverage that the Insured must report such error or omission to the Insurer as soon as practicable after its discovery and pay such additional premium as may be required by the Insurer.

In no event shall the Insurer be liable for an amount in excess of \$250,000 or the Limit of Insurance specified on the “Declarations” for this Form’s Errors or Omissions extension of coverage.

11. EXPEDITING EXPENSE

This insurance is extended to cover the reasonable additional costs incurred by the Insured to make temporary repairs and to expedite the permanent repair or replacement of “insured equipment” or other “insured property” that has been directly lost or damaged by “breakdown”, including overtime and the extra cost of express or other rapid means of transportation.

12. GREEN COVERAGE

If as a result of a “breakdown” “insured property” requires repair or replacement for which coverage is provided by this Form, the Insurer will pay the Insured’s additional cost:

- (a) to repair or replace such damaged “insured property”, whichever is the lesser of the cost at the time of the “breakdown”, using equipment, materials and service firms required or recommended by a “recognized environmental standards program”;
- (b) to dispose of such damaged “insured property” or “insured equipment, if practicable, through a recycling process; and
- (c) to flush out reconstructed space where such damaged “insured property” is ordinarily located with up to 100% outside air new filtration media.

With respect to any building that is “insured property” and was, at the time of the “breakdown”, certified by a “recognized environmental standards program”, this insurance is extended to include the additional costs arising from a “breakdown”:

- (i) to prevent lapse of such certification;
- (ii) to reinstate such certification or replace it with an equivalent certification by a “recognized environmental standards program” including costs for:
 - 1) an engineer authorized by a “recognized environmental standards program” to oversee the repair or replacement of the damaged “insured property”; and
 - 2) to commission or recommission the Insured’s damaged mechanical, electrical or electronic building systems;to support the reinstatement of the certification or replacement with an equivalent certification by a “recognized environmental standards program”.

In no event shall the Insurer be liable for an amount in excess of \$25,000 or the Limit of Insurance specified on the “Declarations” for this Form’s Green Coverage extension of coverage.

13. HAZARDOUS SUBSTANCE

If a “hazardous substance” is involved in or released by a “breakdown” the Insurer will pay the increase in cost to repair, replace, “clean up” or dispose of, affected “insured property” which exceeds that for which the Insurer would have been liable had no “hazardous substance” been present, including any resulting “loss of income” or “extra expense” loss if and only to the extent such coverage is provided by the Policy.

This Hazardous Substance extension of coverage shall not apply to the extent coverage could be provided by the Ammonia Contamination extension of coverage.

In no event shall the Insurer be liable for an amount in excess of \$100,000 or the Limit of Insurance specified on the “Declarations” for this Form’s Hazardous Substance extension of coverage.

14. INTERRUPTION BY CIVIL AUTHORITY

“Loss of income” and “extra expense” if and only to the extent such coverage is provided by the Policy, is extended to include loss sustained by the Insured while access to the “premises” is prohibited by order of civil authority, but only when such order is given as a direct result of damage to neighbouring premises by a “breakdown” to equipment not owned, operated or controlled by the Insured provided that the equipment is of a type described in the definition of “insured equipment”.

The coverage provided under this extension of coverage will commence at the time the order is issued by the civil authority and will apply for a maximum of 30 consecutive days or the time period specified on the “Declarations” for this Form’s Civil Authority extension of coverage.

15. NEWLY ACQUIRED LOCATION

This insurance is extended to cover a “breakdown” of “insured equipment”, including any resulting “loss of income” or “extra expense” loss if and only to the extent such coverage is provided by the Policy, at any newly acquired location within the “coverage territory” that is owned, rented or controlled by the Insured in whole or in part. This coverage commences from the time of the acquisition and extends for a period ending on the earliest of:

- (a) 60 days;
- (b) the date an endorsement adding coverage under this Form to such location is added to the Policy; or
- (c) the expiry date of the Policy.

There is no coverage under this extension of coverage for any building during the course of construction. Premium will be payable from the date of acquisition.

In no event shall the Insurer be liable for an amount in excess of \$1,000,000 or the Limit of Insurance specified on the “Declarations” for this Form’s Newly Acquired Location extension of coverage.

16. OFF PREMISES TRANSPORTABLE INSURED EQUIPMENT

The Insurer shall be liable for direct physical loss or damage, including any resulting “loss of income” or “extra expense” if and only to the extent coverage is provided by the Policy, from a “breakdown” to transportable “insured equipment” that at the time of the “breakdown” is not at a “premises” and provided that the transportable “insured equipment” is at a location which is within the “coverage territory”.

The Insurer’s liability for loss to any transportable “insured equipment” that is 3 years old or more from the date of purchase new, is its “actual cash value”.

The Insurer shall not be liable under this extension of coverage for loss to transportable “insured equipment”:

- (a) which are manufactured or distributed by the Insured for sale; or
- (b) resulting from collision, upset or external impact.

In no event shall the Insurer be liable for an amount in excess of \$10,000 or the Limit of Insurance specified on the “Declarations” for this Form’s Off Premises Transportable Insured Equipment extension of coverage.

17. PUB

If and only to LIC RELATIONS

the extent “loss of income” or “extra expense” coverage is provided by the Policy, this insurance is extended to cover reasonable costs incurred by the insured for professional public relations services to create and disseminate communications, when the need for such communication arises directly from interruption of the Insured’s business as a direct result of a “breakdown”.

These communications must be directed to one or more of the following:

- (a) the media;
- (b) the public; or
- (c) the customers, clients or members of the Insured.

Such costs must be incurred during the period that begins at the time of the “breakdown” and continues until:

- (i) 30 consecutive days after the date the “insured property” is repaired or replaced; or
- (ii) the length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such “insured property” as has been destroyed or damaged by the “breakdown”.

In no event shall the Insurer be liable for an amount in excess of \$10,000 or the Limit of Insurance specified on the “Declarations” for this Form’s Public Relations extension of coverage.

18. SERVICE INTERRUPTION

This insurance is extended to cover “loss of income” or “extra expense” losses sustained by the Insured, if and only to the extent coverage is provided by the Policy, resulting from a “breakdown” to equipment not owned, operated or controlled by the Insured provided that the equipment is:

- (a) of a type described in the definition of “insured equipment”;
- (b) located on or within 1,000 metres of the “premises”;
- (c) owned by the building owner at the “premises” or by a public or private utility company; and
- (d) used to supply steam, gas, air, water, refrigeration, electricity, air conditioning, heating or communication services to the “premises”.

19. SPOILAGE

- A. The Insurer shall pay for spoilage of perishable “insured property” that spoils solely as a result of a “breakdown” of “insured equipment” occurring at the “premises”. If the “insured property” is not replaced, the Insurer shall only pay for its “actual cash value”.
- B. The Insurer shall also be liable for spoilage of perishable “insured property” resulting directly from a “breakdown” of equipment not owned, operated or controlled by the Insured provided that the equipment is:
 - (a) of a type described in the definition of “insured equipment”;
 - (b) located on or within 1,000 metres of the “premises”;
 - (c) owned by the building owner at the “premises” or by a public or private utility company; and
 - (d) used to supply steam, gas, air, water, refrigeration, electricity, air conditioning, heating or communication services to the “premises”.

The Insurer will not pay under part B of this Spoilage extension of coverage for loss or damage caused by a “breakdown” resulting from a failure of “electronic circuitry”.

In no event shall the Insurer be liable for an amount in excess of \$25,000 or the Limit of Insurance specified on the “Declarations” for this Form’s Spoilage extension of coverage.

Federated Agencies Limited

Crime Standard Conditions Form

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN THE COMMON DEFINITIONS

All of the Crime Standard Conditions Form set forth hereunder apply with respect to all of the Insured Perils under Burglary and Robbery Forms and/or Endorsements attached to this policy except as these Crime Standard Conditions may be modified or supplemented by the Forms and/or Endorsements attached.

1. REPRESENTATIONS

By accepting this policy, the Insured agrees:

- a. that the statements in the “Declarations” are accurate and complete;
- b. those statements are based upon representations the Insured made to the Insurer; and
- c. the Insurer has issued this policy in reliance upon the Insured’s representations.

2. CANADIAN CURRENCY CLAUSE

All Limits of Insurance, premiums and other amounts expressed in the policy are in Canadian currency.

3. OWNERSHIP OF PROPERTY; INTEREST COVERED

The insured “Property” may be owned by the Insured or held by the Insured in any capacity. However, the insurance applies only to the Insured’s interest in such “Property”, or the Insured’s legal liability for such “Property” and does not apply to the interest of any other person or organization in any of the said “Property”, unless included in the Insured’s proof of loss.

4. INSPECTION

The Insurer shall be permitted to inspect the “Premises” at any reasonable time.

5. JOINT INSURED

- a. If more than one Named Insured is specified in the “Declarations”, the first Named Insured will act for itself and for every other Named Insured for all purposes for this insurance. If the first Named Insured ceases to be covered, then the next Named Insured becomes the first Named Insured.
- b. If any Named Insured or partner or officer of that Named Insured has knowledge of any information relative to this insurance, that knowledge is considered knowledge of every Named Insured.
- c. Any “Employee” of any Named Insured is considered to be an “Employee” of every Named Insured.

6. VALUATION OF PROPERTY INSURED

In no case shall the Insurer be liable in respect of loss or damage to:

- a. "Property", other than "Securities" and "Property" held by the Insured as a pledge or as collateral for an advance or loan, for more than the actual cash value determined after due allowance for depreciation at the time the loss or damage was discovered by the Insured;
- b. "Securities", if insured by this policy, for more than the cost of an equivalent amount of "Securities" of the same issue purchased by or at the insistence of the Insurer; provided, however, that if prior to such purchase by or at the insistence of the Insurer, the Insured shall be compelled, by the demands of a third party or by market rules, to assume the cost of an equivalent amount of "Securities" of the same issue, and shall notify the Insurer, in writing, of such compulsion, such cost shall be taken as the value of such "Securities". If the "Securities" cannot be replaced and the value cannot be established, it may be determined by agreement or by arbitration;
- c. "Property" held by the Insured as a pledge or as collateral for an advance or loan, for more than the value of the "Property" as determined and recorded by the Insured when making the advance or loan. In the absence of such record the Insurer's liability shall be limited to the unpaid portion of the advance or loan plus accrued interest at legal rates.

7. PROCEDURE IN THE EVENT OF CLAIMS FOR PROPERTY OF PERSONS OTHER THAN THE INSURED

In the event of a claim for loss involving "Property" not owned by the Insured, the Insurer may adjust such loss or damage either with the Insured or with the owner of such "Property" and payment of such loss or damage to the Insured or owner shall constitute full satisfaction of the claim. If legal proceedings are taken against the Insured to recover for such loss or damage, the Insured shall immediately notify the Insurer in writing and the Insurer may immediately notify the Insurer in writing and the Insurer may conduct and control the defence in the name and on behalf of the Insured.

8. PROVISION FOR INSURER TO REPAIR OR REPLACE

The Insurer may elect to repair any damaged "Property" or replace any lost or damaged "Property" with other of like quality and value or pay for the same in "Money".

9. OTHER INSURANCE

Where there is any other valid and collectible insurance which applies to any loss insured by this policy, the insurance under this policy shall apply only as excess insurance over such other insurance, except:

- a. in the Province of Quebec, where each of the Insurers under its policy is liable to the Insured for its rateable proportion of the loss, or
- b. if such other insurance is a bond or policy of fidelity insurance, any loss covered under both such fidelity insurance and Depositors Forgery shall first be paid under Depositors Forgery.

10. RECORDS

The Insured must keep records of all insured "Property" so the Insurer can verify the amount of any loss.

11. LOSS SUSTAINED DURING PRIOR INSURANCE

If the Insured had similar insurance, consisting of one or more policies providing continuous insurance, which terminated with the beginning of this Policy Period, loss to the extent that it is not insured by such prior insurance solely because of late discovery, shall be deemed to have occurred on the first day of this Policy Period.

12. SUBROGATION

The Insured must transfer to the Insurer all the Insured's rights of recovery against any person or organization for any loss sustained by the Insured and for which the Insurer has paid and settled. The Insured shall also do whatever is necessary to secure those rights and do nothing after loss to impair them.

13. CANCELLATION

- a.** The Insured may cancel this policy at any time on request by mailing or delivering to the Insurer advance written notice of cancellation.
- b.** The Insurer may cancel this policy by mailing or delivering to the Insured written notice of cancellation at least:
 - i.** 15 days before the effective date of cancellation if the Insurer cancels for non-payment of premium; or
 - ii.** 30 days before the effective date of cancellation if the Insurer cancels for any other reason.

Except in Quebec, if notice is mailed, cancellation takes effect in 15 or 30 days. The 15 or 30-day termination period starts to run on the day following the receipt of the registered letter or notification of it is delivered to the Insured's postal address, depending upon the reason for cancellation as shown in **b. i.** or **ii.** above. Proof of mailing will be sufficient proof of notice.

In Quebec, cancellation takes effect either 15 or 30 days after receipt of the notice at the Insured's last known address depending upon the reason for cancellation. Delivery by the Insurer shall be equivalent to mailing.

- c.** The Insurer will mail or deliver their notice to the Insured's last mailing address known to the Insurer.
- d.** The policy period will end on the date cancellation takes effect.
- e.** If this policy is cancelled, the Insurer will send the Insured any premium refund due. If the Insurer cancels, the refund will be pro rata. If the Insured cancels, the refund will be calculated in accordance with the short rate premium table attached to this policy, subject to the retention of the minimum premium, if any, shown in the "Declarations". The cancellation will be effective even if the Insurer has not made a refund.

14. CHANGE OF INTEREST

The Insurer will not be liable to anyone other than the Insured unless the Insurer has been advised of a change of interest and consented to it. However, if the Insured dies, or is declared insolvent or bankrupt, this policy will insure the Insured's legal representative.

15. CHANGES

This policy contains all the agreements between the Insured and the Insurer concerning the insurance provided by this policy. The Insured may request changes to this policy however, such changes will be effective only upon the Insurer's consent as evidenced by their issuing an Endorsement which will form part of this policy.

16. DUTIES IN THE EVENT OF LOSS

After the Insured discovers a loss or a situation that may result in loss of or damage to insured "Property" the Insured must:

- a. notify the Insurer as soon as possible;
- b. submit to examination under oath at the Insurer's request and give the Insurer a signed statement of their answers;
- c. give the Insurer a detailed, sworn proof of loss within 120 days;
- d. co-operate with the Insurer in the investigation and settlement of any claim;
- e. give immediate notice to the public police, or other peace authorities having jurisdiction, of any loss due to violation of law;
- f. if "Securities" are insured under this policy, take all reasonable measures to prevent their negotiation, sale or conversion.

17. LEGAL ACTION AGAINST THE INSURER

The Insured may not bring any legal action against the Insurer:

- a. unless the Insured has complied with all the terms of this insurance; and
- b. until 90 days after the Insured has filed proof of loss with the Insurer; and
- c. unless brought within 2 years from the date the Insured discovers the loss.

18. RECOVERIES

- a. Any recoveries, less the cost of obtaining them, made after settlement of loss insured by this policy will be distributed as follows:
 - i. to the Insured, until the Insured is reimbursed for any loss that they have sustained that exceeds the Limit of Insurance and the deductible amount, if any;
 - ii. then to the Insurer, until they are reimbursed for the settlement made;
 - iii. then to the Insured, until they are reimbursed for that part of the loss equal to the deductible amount, if any.
- b. Recoveries do not include recovery:
 - i. from insurance, surety ship, reinsurance, security or indemnity taken for the Insurer's benefit; or
 - ii. of original "Securities" after duplicates of them have been issued.
- c. The Insured is entitled to the recovered "Property" upon reimbursing the Insurer for the amount of indemnity paid to the Insured for such "Property". Whoever recovers such "Property" will immediately notify the other party in writing.

19. COMMON DEFINITIONS

Wherever used in this Policy:

- a. **“Banking Premises”** means the interior of that portion of any building occupied by a banking institution or similar safe depository.
- b. **“Burglary”** means the unlawful taking of insured “Property” from within the “Premises” by a person unlawfully entering or leaving the “Premises” as evidenced by marks of forcible entry or exit.
- c. **“Declarations”** means the page(s) of your Policy which provides the specifics of your insured coverages and limits including any supplementary pages or schedule of coverages attached thereto applicable to this policy subject to the terms and conditions of this policy.
- d. **“Credit Card”** means any card issued by a financial institution that may be used repeatedly to borrow “Money”, buy products and services on credit.
- e. **“Custodian”** means the Insured or the Insured’s partner, or any “Employee” authorized by the Insured to have the care and custody of insured “Property”, excluding any person while acting as a “Guard”, janitor, porter, or “Watchman”.
- f. **“Debit Card”** or **“Automated Teller Card”** means an electronic card issued by a financial institution which allows clients access to their account to withdraw cash or pay for goods and services.
- g. **“Employee”** means any natural person (except a director or trustee of the Insured, if a corporation, who is not also an officer or employee thereof in some other capacity) while in the regular service of the Insured in the ordinary course of the Insured’s business during the Policy Period and whom the Insured compensates directly or indirectly by salary, wages or commissions and has the right to govern and direct in the performance of such service, including volunteer workers whether compensated or not, but does not mean any broker, factor, commission merchant, consignee, contractor or other agent or representative of the same general character. As applied to loss under a Commercial Blanket Bond or a Blanket Position Bond, the above words “while in the regular service of the Insured” shall include the first 30 days thereafter, unless insurance with regard to such employee has been otherwise cancelled.
- h. **“Equipment”** means:
 - i. all contents usual to the Insured’s business including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances, other than building or “Stock”;
 - ii. similar “Property” belonging to others which the Insured is under obligation to keep insured or for which the Insured is legally liable.
- i. **“Guard”** means any able-bodied person who accompanies a “Custodian” at the Insured’s direction, but who is not a driver of a public conveyance.
- j. **“Jewellery”** means jewellery, watches, gems, pearls, precious or semi-precious stones and articles containing one or more gems, pearls, or precious or semi-precious stones.
- k. **“Kidnapping”** means the compelling of a “Custodian” outside the “Premises”, by violence or threat of violence, to admit a person or to furnish such person with the means of entry into the “Premises” while closed for business, resulting in unlawful taking by such

person of insured "Property" from within the "Premises", provided such loss shall occur before the "Premises" are next open for business.

- l. "Money"** means currency and coins in current use and having a face value.
- m. "Occurrence"** means any act or series of related acts involving one or more persons which results in a loss insured by this policy.
- n. "Premises"** means the interior of that portion of any building which is occupied by the Insured in conducting its business at the address designated in the "Declarations". Coverage is extended to include the space immediately surrounding such building occupied by the Insured in conducting their business.
- o. "Property"** means any "Property" usual to the Insured's business other than "Money" and "Securities", that has intrinsic value but does not include the Insured's aircraft, watercraft, motor vehicles, trailers or semi-trailers or equipment and accessories attached to them or any "Property" that is excluded under any form.
- p. "Robbery"** means the taking of insured "Property" from a "Custodian" by a person or persons who have:
 - i.** caused or threatened to cause the "Custodian" bodily harm; or
 - ii.** committed an overt unlawful act witnessed by the "Custodian"; or
 - iii.** taken such "Property" from a "Custodian" who has been killed or rendered unconscious.
- q. "Robbery of a Watchman"** means the unlawful taking of insured "Property" by violence or threat of violence inflicted upon a "Watchman" and while such a "Watchman" is on duty within the "Premises".
- r. "Safe Burglary"** means:
 - i.** the unlawful taking of insured "Property" from a vault, safe or automated teller machine, which has a combination or time lock and is located within the "Premises", by a person making unlawful entry into the vault, automated teller machine or the safe and a vault which contains the safe or the automated teller machine, provided that:
 - 1) all doors of the vault, safe or automated teller machine, or vault, safe or automated teller machine are closed and locked by a combination or time lock; and
 - 2) the unlawful entry was forcible and is evidenced by visible marks on the exterior of the vault, automated teller machine or safe and any vault containing the safe or automated teller machine; or
 - ii.** the unlawful taking of the safe or automated teller machine from the "Premises".
- s. "Securities"** means all negotiable and non-negotiable instruments or contracts representing "Money" or other "Property", and includes revenue and other stamps in current use, tokens, and tickets but does not include "Money".
- t. "Stock"** means:
 - i.** merchandise of every description usual to the Insured's business but does not include motor vehicles, trailers or semi-trailers or equipment and accessories attached to them;
 - ii.** packing, wrapping and advertising materials; and
 - iii.** similar "Property" belonging to others which the Insured is under obligation to keep insured or for which the Insured is legally liable;

but does not include “Securities”.

- u. **“Terrorism”** means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.
- v. **“Watchman”** means any person employed exclusively by the Insured to have care and custody of insured “Property” inside the “Premises”, while the “Premises” are closed for business, and who has no other duties.

Federated Agencies Limited

Crime

Comprehensive Dishonesty, Disappearance and Destruction Form

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN THE CRIME STANDARD CONDITIONS FORM

The Insurer agrees, subject to the Crime Standard Conditions, and the Conditions and Limitations and other terms of this Form, and only when a Limit of Insurance is specified in the “Declarations” or Extension of Coverage Limits Summary for the specified Insuring Agreement of this form, to pay the Insured for:

1. INSURING AGREEMENTS

a. Employee Dishonesty Coverage

i. Commercial Blanket Bond

Loss of “Money”, “Securities” and “Property” which the Insured shall sustain resulting directly from one or more fraudulent or dishonest acts committed by an “Employee”, or “Employees”, acting alone or in collusion with others, to an amount not exceeding in the aggregate the amount specified in the “Declarations” applicable to this Commercial Blanket Bond.

ii. Blanket Position Bond

Loss of “Money”, “Securities” and “Property” which the Insured shall sustain resulting directly from one or more fraudulent or dishonest acts committed by an “Employee”, acting alone or in collusion with others, the amount of insurance on each of the “Employees” being the amount specified in the “Declarations” applicable to this Blanket Position Bond.

b. Money and Securities - Loss Inside the “Premises”

- i. Loss of “Money” and “Securities” by their actual destruction, disappearance, or unlawful removal from within the “Premises” or within any “Banking Premises”.
- ii. Loss of or damage to “Property” by actual or attempted “Safe Burglary” or “Robbery” within the “Premises” and for loss of a locked cash drawer, cash box or cash register by actual or attempted unlawful entry into such container within the “Premises” or by the unlawful taking of such container from inside the “Premises”.
- iii. Damage to the “Premises” by such “Safe Burglary”, “Robbery” or unlawful taking, or by or following actual or attempted unlawful entry into the “Premises”, provided the Insured is the owner or is liable for such damage to the “Premises”.

c. Money and Securities - Loss Outside the “Premises”

- i. Loss of “Money” and “Securities” by their actual destruction, disappearance, or unlawful removal from outside the “Premises” while being conveyed by a “Custodian” or any armoured motor vehicle company or while within the living quarters in the home of any “Custodian”.

- ii. Loss of or damage to “Property” by actual or attempted “Robbery” outside the “Premises” while such property is being conveyed by a “Custodian” or any armoured motor vehicle company or by theft while within the living quarters in the home of any “Custodian”.

d. Money Orders and Counterfeit Paper Currency

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

e. Depositors Forgery

Loss due to forgery or alteration of any cheque, draft, promissory note, bill of exchange, or similar written promise to pay a sum of money, made by or drawn upon the Insured or an agent of the Insured, including:

- i. any cheque or draft made or drawn in the name of the Insured, payable to a fictitious payee and endorsed in the name of such fictitious payee;
- ii. any cheque or draft procured in a face-to-face transaction with the Insured, or with one acting as agent of the insured, by anyone impersonating another and made or drawn payable to the one so impersonated and endorsed by anyone other than the one so impersonated; and
- iii. any payroll cheque, payroll draft or payroll order made or drawn by the Insured, payable to bearer as well as to a named payee and endorsed by anyone other than the named payee without authority from such payee;

whether or not any endorsement mentioned in **i.**, **ii.**, or **iii.** above be a forgery within the law of the place controlling the construction thereof. Mechanically reproduced facsimile signatures are treated the same as hand-written signatures.

f. “Credit Card”, “Debit Card” or “Automated Teller Card” Fraud

Any loss incurred by the Insured as a result of the falsification or alteration of any document required when using a “Credit Card”, “Debit Card” or “Automated Teller Card” issued in the name of the Insured, a partner, a manager or an “Employee”, a spouse or any child who is permanently living with the Insured, provided that the latter has fully complied with the conditions regarding the issuing of the “Credit Card”, “Debit Card” or “Automated Teller Card”. The “Credit Card”, “Debit Card” or “Automated Teller Card” must be used in conjunction with the business of the insured.

g. Professional Fees

The Insurer shall indemnify the Insured for all necessary and reasonable professional fees, excluding those pertaining to claims adjusters hired by the Insured, costs, fees and other expenses incurred by the Insured, provided the Insurer’s consent is obtained in advance, to establish loss as required by the terms of this form.

If the Insured shall refuse to honour any of the instruments made or drawn as shown above, alleging that such instruments are forged or altered, and such refusal shall result in suit being

brought against the Insured to enforce such payment, and if the Insurer agrees in writing to the defence of such suit, the Insurer will reimburse the Insured for any reasonable attorneys' fees, court costs, or similar legal expenses incurred and paid by the Insured in defence of the suit. The liability of the Insurer for such loss shall be in addition to any other liability under this Insuring Agreement.

2. GENERAL AGREEMENTS AND CONDITIONS (see also Crime Standard Conditions)

a. Deductible

The Insurer is liable in any one "Occurrence" only for that amount by which the loss or damage exceeds the applicable deductible amount specified in the "Declarations".

b. Consolidation – Merger

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

c. Policy Period, Territory, Discovery

Loss is covered under this Form only if discovered not later than 1 year from the end of the policy period shown in the "Declarations" except that under Insuring Agreements **1. a. ii.** loss is covered only if discovered not later than 2 years from the end of the policy period or as specified in the "Declarations".

Subject to Crime Standard Condition **11.** Loss sustained during prior insurance:

- i.** This Form, except under Insuring Agreements **1. a. i.**, **1. a. ii.** and **1. e.** applies only to loss which occurs during the policy period and within Canada, any of the States of the United States of America, its territories or possessions.
- ii.** Insuring Agreements **1. a. i.** and **1. a. ii.** apply only to loss sustained by the Insured through fraudulent or dishonest acts committed during the policy period by any of the "Employees" engaged in the regular service of the Insured within the territory designated above or while such "Employees" are elsewhere for a limited period;
- iii.** Insuring Agreement **1. e.** applies only to loss sustained during the policy period.

d. Loss Caused by Unidentifiable Employees

If a loss is alleged to have been caused by the fraudulent or dishonest acts of any one or more of the "Employees" and the Insured shall be unable to designate the specific "Employee" or "Employees" causing such loss, the Insured shall nevertheless have the benefit of Insuring Agreements **1. a. i.** or **1. a. ii.** subject to Exclusion **3. i.** of this Form, provided that the evidence submitted reasonably proves that the loss was in fact due to the fraudulent or dishonest acts of one or more of the said "Employees", and provided, further, that the aggregate liability of the Insurer for any such loss shall not exceed the Limit of Insurance applicable to Insuring Agreements **1. a. i.** or **1. a. ii.**

e. Prior Fraud, Dishonesty or Cancellation

Insuring Agreements **1. a. i.** and **1. a. ii.** shall not apply to any “Employee” from and after the time that the Insured or any partner or officer thereof not in collusion with such “Employee” shall have knowledge or information that such “Employee” has committed any fraudulent or dishonest act in the service of the Insured or otherwise, whether such act be committed before or after the date of employment by the Insured.

If, prior to the issuance of this Form, any fidelity insurance in favour of the Insured or any predecessor in interest of the Insured and covering one or more of the Insured’s “Employees” shall have been cancelled as to any of such “Employees” by the company issuing such fidelity insurance, and if such “Employees” shall not have been reinstated under the coverage of said fidelity insurance or superseding fidelity insurance, the Insurer shall not be liable on account of such “Employees”.

f. Limits of Insurance

Payment of loss under Insuring Agreements **1. a. i.**, **1. a. ii.** and **1. e.** shall not reduce the amount of insurance payable for other losses under the applicable Insuring Agreement whenever sustained.

Any loss covered under both Insuring Agreements **1. a. i.**, **1. a. ii.** or **1. e.** shall first be paid under Insuring Agreement **1. e.** and the excess, if any, shall be paid under Insuring Agreement **1. a. i.** or **1. a. ii.**

The Insurer’s total liability:

- i.** under Insuring Agreement **1. a. i.** for any loss caused by any “Employee” or in which such “Employee” is concerned or implicated or
- ii.** under Insuring Agreement **1. a. ii.** as to each “Employee” or
- iii.** under Insuring Agreement **1. e.** for any loss by forgery or alteration committed by any person or in which such person is concerned or implicated, whether such forgery or alteration involves one or more instruments;

is limited to the applicable Limit of Insurance specified in the “Declarations”. The liability of the Insurer for loss sustained by any or all of the Insureds shall not exceed the amount for which the Insurer would be liable had all such loss been sustained by any one of the Insureds.

Except under Insuring Agreements **1. a. i.**, **1. a. ii.** and **1. e.** the applicable Limit of Insurance specified in the “Declarations” is the most the Insurer will pay for any one “Occurrence”.

Regardless of the number of years this Form shall continue in force and the number of premiums which shall be payable or paid, the Limit of Insurance shall not be cumulative from year to year or period to period.

g. Limit of Liability Under This Form and Prior Insurance

Applicable only to Insuring Agreements **1. a. i.**, **1. a. ii.** and **1. e.**

With respect to loss which occurs partly during the policy period and partly during the period of other bonds or policies issued by the Insurer to the Insured or to any predecessor

in interest of the Insured and terminated or cancelled or allowed to expire and in which the period for discovery has not expired at the time any such loss is discovered, the total liability of the Insurer under this Form and under such other bonds or policies shall not exceed, in the aggregate, the amount carried under the applicable Insuring Agreement of this Form on such loss or the amount available to the Insured under such other bonds or policies, as limited by the terms and conditions thereof, for any such loss, if the latter amount be the larger.

h. Cancellation as To Any Employee

Insuring Agreements **1. a. i.** and **1. a. ii.** shall be deemed cancelled as to any “Employee”:

- i.** immediately upon discovery by the Insured, or by any partner or officer thereof not in collusion with such “Employee”, of any fraudulent or dishonest act on the part of such “Employee”; or
- ii.** except in the province of Quebec, at 12:01 a.m., standard time on the effective date specified in a written notice mailed to the Insured. Such date shall be not less than 15 days after the date of mailing. The mailing by the Insurer of notice to the Insured at the address shown in the “Declarations” shall be sufficient proof of notice. Delivery of such written notice by the Insurer shall be equivalent to mailing. In the province of Quebec, cancellation shall be made by Endorsement only.

3. EXCLUSIONS

This Form does not apply:

- a.** to loss due to any fraudulent, dishonest, or criminal act by any Insured or a partner therein, whether acting alone or collusion with others.
- b.** any loss unless the Insured’s records are kept in such a manner that the Insurer can accurately determine the amount of loss.
- c.** to loss, destruction or damage caused directly or indirectly by the following, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage:
 - i.** war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, or military power;
 - ii.** any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning, or explosion of natural, coal or manufactured gas;
 - iii.** contamination by radioactive material.
- d.** to loss or damage caused directly or indirectly, in whole or in part, by “Terrorism” or by any activity or decision of a government agency or other entity to prevent, respond to or terminate “Terrorism”. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.
- e.** to the defence of any legal proceeding brought against the Insured, or to fees, costs or expenses incurred or paid by the Insured in prosecuting or defending any legal proceeding

whether or not such proceeding results or would result in a loss to the Insured covered by this Form, except as may be specifically stated to the contrary in this Form.

- f.** to loss of potential income, including but not limited to interest and dividends, not realized by the Insured because of a loss covered under this Form.
- g.** to all damages of any type for which the Insured is legally liable, except direct compensatory damages arising from a loss covered under this Form.
- h.** to all costs, fees and other expenses incurred by the Insured in establishing the existence of, or amount of loss covered under this Form unless a Limit of Insurance is indicated in the “Declarations” for Insuring Agreement **1. g.**
- i.** under Insuring Agreements **1. a. i.** and **1. a. ii.** to loss or to that part of any loss, as the case may be, the proof of which, either as to its factual existence or as to its amount, is dependent upon an inventory computation or a profit and loss computation.
- j.** under Insuring Agreements **1. b.** and **1. c.:**
 - i.** to loss due to any fraudulent, dishonest, or criminal act by an “Employee”, director, trustee or authorized representative of any Insured, while working or otherwise and whether acting alone or in collusion with others; provided, this exclusion does not apply to actual or attempted “Safe Burglary” or “Robbery” except by the Insured or a partner therein;
 - ii.** to loss due to the giving or surrendering of “Money” or “Securities” in any exchange or purchase;
 - iii.** to loss due to accounting or arithmetical errors or omissions;
 - iv.** to loss of manuscripts, books of account or records except for blank value.
- k.** under Insuring Agreement **1. b.:**
 - i.** to loss of “Money” contained in coin operated Amusement Device(s) or Vending Machine(s), unless the amount of “Money” deposited within the device or machine is recorded by a continuous recording instrument therein;
 - ii.** to loss of “Money”, “Securities” or “Property” which has been electronically transferred to a person or to a place outside the “Premises” on the basis of unauthorized electronic instructions;
 - iii.** to loss or damage by fire, whether or not such fire is caused by an “Occurrence”, except to “Money”, “Securities”, a safe or vault.
- l.** under Insuring Agreement **1. c.:** to loss of or damage to “Money”, “Securities” or “Property” while in the custody of any armoured motor vehicle company, unless such loss is in excess of the amount recovered or received by the Insured under:
 - i.** the Insured’s contract with said armoured motor vehicle company;
 - ii.** insurance carried by said armoured motor vehicle company for the benefit of users of its service; and
 - iii.** all other insurance and indemnity in force in whatsoever form carried by or for the benefit of users of said armoured motor vehicle company’s service,and then this Form shall cover only such excess.

m. to loss due to the surrender of “Money”, “Securities” or “Property” away from the “Premises” as a result of the threat to do:

- i.** bodily harm to any person; or
- ii.** damage to the “Premises” or “Property” owned by the Insured or held by the Insured in any capacity;

provided, however, these exclusions do not apply to loss of “Money”, “Securities” or “Property” while being conveyed by a “Custodian” when there was no knowledge by the Insured of any such threat at the time the conveyance was initiated.

The conditions, limitations, and other terms expressed in the Insuring Agreements, Exclusions, and General Agreements and Conditions of this form shall prevail whenever they conflict with the Crime Standard Conditions contained in the policy.

Federated Agencies Limited

Crime

Computer Fraud or Funds Transfer Fraud Endorsement

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN EITHER THIS FORM OR IN THE CRIME STANDARD CONDITIONS FORM

This Endorsement modifies the coverage provided under the Comprehensive Dishonesty, Disappearance and Destruction Form to which it is attached.

The following coverage is added to the INSURING AGREEMENTS of the Comprehensive Dishonesty, Disappearance and Destruction Form subject to the Limit of Insurance and deductible amount specified in the "Declarations" for this Endorsement:

h. Computer Fraud or Funds Transfer Fraud

Loss resulting from "Computer Fraud" or "Funds Transfer Fraud" as defined below.

i. "Computer Fraud" means the wrongful abstraction of "Money", "Securities" or "Property" resulting from the use of any computer to fraudulently cause the transfer of such property from inside the "Premises" or a "Banking Premises" or similar recognized places of safe deposit to a person (other than a "Custodian") or to a place outside those "Premises".

ii. "Funds Transfer Fraud" means:

- 1) fraudulent electronic, telegraphic, cable, teletype or telephone instructions issued to a "Financial Institution" directing such Institution to debit a "Transfer Account" and to transfer, pay or deliver "Money" or "Securities" from such "Transfer Account" which instructions purport to have been transmitted by the Insured but were in fact fraudulently transmitted by someone other than the Insured without the Insured's knowledge or consent; or
- 2) fraudulent written instructions issued to a "Financial Institution" directing such Institution to debit a "Transfer Account" and to transfer, pay or deliver "Money" or "Securities" from such "Transfer Account" by use of an electronic funds transfer system at specified intervals or under specified conditions which instructions purport to have been issued by the Insured but were in fact fraudulently issued, forged or altered by someone other than the Insured without the Insured's knowledge or consent.

iii. "Transfer Account" means an account maintained by the Insured at a "Financial Institution" from which the Insured can initiate the transfer, payment or delivery of "Money" or "Securities":

- 1) by means of electronic, telegraphic, cable, teletype, facsimile or telephone instructions communicated directly or through an electronic funds transfer system; or
- 2) by means of written instructions establishing the conditions under which the transfers are to be initiated by such "Financial Institution" through an electronic funds transfer system.

iv. "Financial Institution" means:

- 1) a banking, savings or thrift institution; or
- 2) a stock broker, mutual fund, liquid assets fund or similar investment institution at which the Insured maintains a "Transfer Account".

Section 3. EXCLUSIONS, Clause **j.** of the Comprehensive Dishonesty, Disappearance and Destruction Form is deleted in its entirety and replaced by the following:

j. under Insuring Agreements **1. b.**, **1. c.** and **1. h.**:

- a.** to loss due to any fraudulent, dishonest or criminal act by an “Employee”, director, trustee or authorized representative of any Insured, while working or otherwise and whether acting alone or in collusion with others; provided, this exclusion does not apply to actual or attempted “Safe Burglary” or “Robbery” except by the Insured or a partner therein;
- b.** to loss due to the giving or surrendering of “Money” or “Securities” in any exchange or purchase;
- c.** to loss due to accounting or arithmetical errors or omissions;
- d.** to loss of manuscripts, books of account or records except for blank value.

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

Federated Agencies Limited

Crime

Money and Securities -Loss Outside the Premises Extension Endorsement

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS
DEFINED IN THE CRIME STANDARD CONDITIONS FORM

This Endorsement modifies insurance provided by the Comprehensive Dishonest, Disappearance
and Destruction Form.

The Comprehensive Dishonesty, Disappearance and Destruction Form, Section **3**. Exclusions
Clause **k.ii.** is deleted in its entirety.

Except as otherwise provided in this Endorsement, all terms, provisions and conditions, of the
Policy shall have full force and **effect**.

COMMERCIAL GENERAL LIABILITY POLICY - OCCURRENCE BASIS

Throughout this Policy the words “you” and “your” refer to the Named Insured shown in the “Declarations”, and any other person or organization qualifying as a Named Insured under Paragraph 3. of **Section II - Who is an Insured**. The words “we”, “us” and “our” refer to Sovereign General Insurance Company providing this insurance.

The word “insured” means any person or organization qualifying as such under **Section II - Who is an Insured**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **Section V - Definitions**.

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Section I - Coverages

Coverage A. Bodily Injury and Property Damage Liability

This Insuring Agreement only applies when an Each Occurrence Limit is shown in the “Declarations”.

1. Insuring Agreement

- a. We will pay those sums that the Insured becomes legally obligated to pay as “compensatory damages” because of “bodily injury” or “property damage” to which this insurance applies. We will have the right and duty to defend the insured against any “action” seeking those “compensatory damages”. However, we will have no duty to defend the insured against any “action” seeking “compensatory damages” for “bodily injury” or “property damage” to which this insurance does not apply. We may, at our sole discretion, investigate any “occurrence” and settle any claim or “action” that may result. But:
 - i. The amount we will pay for “compensatory damages” is limited as described in **Section III - Limits of Insurance**; and
 - ii. Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Supplementary Payments - Coverages A, B and D**.

- b. This insurance applies to “bodily injury” and “property damage” only if:
 - i. The “bodily injury” or “property damage” is caused by an “occurrence” that takes place in the “coverage territory”; and
 - ii. The “bodily injury” or “property damage” occurs during the policy period; and
 - iii. Prior to the policy period, no insured listed under Paragraph 1. of **Section II - Who is an Insured** and no “employee” authorized by you to give or receive notice of an “occurrence” or claim, knew that the “bodily injury” or “property damage” had occurred, in whole or in part. If such a listed insured or authorized “employee” knew, prior to the policy period, that the “bodily injury” or “property damage” occurred, then any continuation, change or resumption of such “bodily injury” or “property damage” during or after the policy period will be deemed to have been known prior to the policy period.
- c. “Bodily injury” or “property damage” which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1 of **Section II - Who Is An Insured** or any “employee” authorized by you to give or receive notice of an “occurrence” or claim, includes any continuation, change or resumption of that “bodily injury” or “property damage” after the end of the policy period.

FEDERATED AGENCIES LIMITED

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. **Section II - Who is an Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
 - i. Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
 - ii. Receives a written or verbal demand or claim for "compensatory damages" because of the "bodily injury" or "property damage"; or
 - iii. Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- e. "Compensatory damages" because of "bodily injury" include "compensatory damages" claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected or Intended Injury

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

b. Contractual Liability

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

- i. That the insured would have in the absence of the contract or agreement; or
- ii. Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable legal fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be "compensatory damages" because of "bodily injury" or "property damage", provided:
 - 1. Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - 2. Such legal fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which "compensatory damages" to which this insurance applies are alleged.

c. Workers' Compensation and Similar Laws

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

d. Employer's Liability

"Bodily injury" to:

- i. An "employee" of the insured arising out of and in the course of:
 - 1. Employment by the insured; or
 - 2. Performing duties related to the conduct of the insured's business.
- ii. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph 2.d. i. above

This exclusion applies:

- a. Whether the insured may be liable as an employer or in any other capacity; and

- b. To any obligation to share “compensatory damages” with or repay someone else who must pay “compensatory damages” because of the injury.

This exclusion does not apply to:

- i. Liability assumed by the insured under an “insured contract”; or
- ii. A claim made or an “action” brought by an “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.

e. Aircraft and Airport

“Bodily injury” or “property damage” arising out of the ownership, maintenance, operation, use or entrustment to others by or on behalf of any insured of:

- i. Any aircraft or air cushion vehicle that is owned or operated by or rented or loaned to any insured; or
- ii. Any premises for the purpose of an airport or aircraft landing area and all operations necessary or incidental thereto, but this exclusion does not apply to operations within Canada that are conducted solely within an area that is not designated by Transport Canada or any other airport regulatory authority as a restricted area.

For the purpose of this exclusion, use includes “loading or unloading”.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the “occurrence” which caused the “bodily injury” or “property damage” involved the ownership, maintenance, operation, use or entrustment to others of any aircraft that is owned or operated by or rented or loaned to any insured.

f. Watercraft

“Bodily injury” or “property damage” arising out of the ownership, maintenance, operation, use or entrustment to others by or on behalf of any insured of watercraft that is owned or operated by or rented or loaned to any insured.

For the purpose of this exclusion, use includes “loading or unloading”.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the “occurrence” which caused the “bodily injury” or “property damage” involved the ownership, maintenance, operation, use or entrustment to others of any watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- i. A watercraft while ashore on premises you own or rent;
- ii. A watercraft you do not own that is less than 12 metres long; or
- iii. “Bodily injury” to an employee of the insured on whose behalf contributions are made by or required to be made by the insured under the provisions of any Canadian provincial or territorial workers’ compensation law.

g. Automobile

“Bodily injury” or “property damage” arising directly or indirectly, in whole or in part, out of the ownership, maintenance, operation, use or entrustment to others of:

- i. any “automobile” that is owned or operated by or on behalf of or rented or loaned to any insured.
- ii. any motorized snow vehicle or its trailers, and
- iii. any vehicle while being used in any speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity.

For the purpose of this exclusion, use includes “loading and unloading”.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the “occurrence” which caused the “bodily injury” or “property damage” involved the ownership, maintenance, operation, use or entrustment to others of any “automobile” that is owned or operated by or on behalf of, or rented or loaned to any insured.

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

This exclusion does not apply to:

1. “Bodily injury” to an “employee” of the insured on whose behalf contributions are made by or required to be made by the insured under the provisions of any Canadian provincial or territorial workers’ compensation law.
2. “Bodily injury” or “property damage” arising out of a defective condition in, or improper maintenance of, any “automobile” that is owned by the insured while leased to others for a period of 30 days or more provided the lessee is obligated under contract to ensure that the “automobile” is insured.
3. “Bodily injury” or “property damage” arising out of the ownership, use or operation of machinery, apparatus or equipment mounted on or attached to any “automobile” while at the site of the use or operation of such machinery, apparatus or equipment.
4. “Bodily injury” or “property damage” arising out of “loading or unloading” if such operations are precluded from coverage under the motor vehicle section of any provincial or territorial act or regulation.

h. Damage to Property

“Property damage” to:

- i. Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another’s property;
- ii. Premises you sell, give away or abandon, if the “property damage” arises out of any part of those premises;
- iii. Property loaned to you;
- iv. Personal property in your care, custody or control;
- v. That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the “property damage” arises out of those operations; or
- vi. That particular part of any property that must be restored, repaired or replaced because “your work” was incorrectly performed on it.

Paragraph ii. of this exclusion does not apply if the premises are “your work” and were never occupied, rented or held for rental by you.

Paragraphs iii., iv., v., and vi. of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph vi. of this exclusion does not apply to “property damage” included in the “products-completed operations hazard”.

i. Damage to your Product

“Property damage” to “your product” arising out of “your product” or any part of it.

Only in respect to your operations related to the business of selling, repairing, servicing, parking or storing automobiles, this exclusion is amended to read as follows:

“Property damage” to “your product” arising out of “your product” or any part of it if caused by a defect existing at the time it was sold or transferred to another.

j. Damage to your Work

“Property damage” to that particular part of “your work” out of which an “occurrence” arises due to “your work” having been incorrectly performed on it and included in the “products-completed operations hazard”.

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

k. Damage to Impaired Property or Property Not Physically Injured

“Property damage” to “impaired property” or property that has not been physically injured, arising out of:

- i. A defect, deficiency, inadequacy or dangerous condition in “your product” or “your work”; or
- ii. A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to “your product” or “your work” after it has been put to its intended use.

l. Recall of Products, Work or Impaired Property

“Compensatory damages” claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- i. “Your product”;
- ii. “Your work”; or
- iii. “Impaired property”;

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

m. Personal and Advertising Injury

“Bodily injury” arising out of “personal and advertising injury”.

n. Professional Services

“Bodily injury” (other than “incidental medical malpractice injury”), or “property damage” due to the rendering of or failure to render by you or on your behalf of any “professional services” for others, or any error or omission, malpractice or mistake in providing those services.

o. Abuse

Claims or “actions”:

- i. Arising directly or indirectly from “abuse” committed or alleged to have been committed by an insured, including the transmission of disease arising out of any act of “abuse”; or
- ii. Based on your practices of “employee” hiring, acceptance of “volunteer workers” or supervision or retention of any person alleged to have committed “abuse”; or
- iii. Alleging knowledge by an insured of, or failure to report, the alleged “abuse” to the appropriate authority(ies).

p. Access or Disclosure of Confidential or Personal Information and Data-Related Liability

“Bodily injury” or “property damage” arising directly or indirectly, in whole or in part, out of:

- i. Any access to or disclosure of any person’s or organization’s “confidential or personal information”, or
- ii. The loss of, loss of use of, damage to, corruption of, inability to manipulate “electronic data”.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by the Named Insured or others arising out of that which is described in Paragraph i. or ii. above.

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

q. Employment Practices

“Bodily injury” to:

- i. A person arising out of any:
 1. Refusal to employ that person; or
 2. Termination of that person's employment; or
 3. Employment related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, or discrimination directed at that person; or
- ii. The spouse, child, parent, brother or sister of that person as a consequence of “bodily injury” sustained by the person referred to in Paragraph i. above at whom any of the employment related practices described in Paragraph 1., 2. or 3. is directed.

This exclusion applies:

1. Whether the injury-causing event described in Paragraphs 1., 2. or 3. above occurs before employment, during employment or after employment of that person;
2. Whether the insured may be liable as an employer or in any other capacity; and
3. To any obligation to share “compensatory damage” with or repay someone else who must pay “compensatory damages” because of the “bodily injury”.

- r. **Asbestos** - see Common Exclusions.
- s. **Fungi or Spores** - see Common Exclusions.
- t. **Information Laws, Including Unauthorized or Unsolicited Communications** - see Common Exclusions.
- u. **Nuclear** - see Common Exclusions.
- v. **Pollution** - see Common Exclusions.
- w. **Terrorism** - see Common Exclusions.
- x. **War Risks** - see Common Exclusions.

Coverage B. Personal and Advertising Injury Liability

This Insuring Agreement only applies when a Personal and Advertising Injury Limit is shown in the “Declarations”.

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as “compensatory damages” because of “personal and advertising injury” to which this insurance applies. We will have the right and duty to defend the insured against any “action” seeking those “compensatory damages”. However, we will have no duty to defend the insured against any “action” seeking “compensatory damages” for “personal and advertising injury” to which this insurance does not apply. We may, at our sole discretion, investigate any offense and settle any claim or “action” that may result. But:
 - i. The amount we will pay for “compensatory damages” is limited as described in **Section III - Limits of Insurance**; and

- ii. Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Supplementary Payments - Coverages A, B and D**.

- b. This insurance applies to “personal and advertising injury” caused by an offense arising out of your business but only if the offense was committed in the “coverage territory” during the policy period.

2. Exclusions

This insurance does not apply to:

a. **Knowing Violation of Rights of Another**

“Personal and advertising injury” caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict “personal and advertising injury”.

b. **Material Published with Knowledge of Falsity**

“Personal and advertising injury” arising out of oral or written publication in any form of material, if done by or at the direction of the insured with knowledge of its falsity.

c. **Material Published Prior to Policy Period**

“Personal and advertising injury” arising out of oral or written publication in any form of material whose first publication took place before the beginning of the policy period.

d. **Criminal Acts**

“Personal and advertising injury” arising out of a criminal act committed by or at the direction of the insured.

e. **Contractual Liability**

“Personal and advertising injury” for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for “compensatory damages” that the insured would have in the absence of the contract or agreement.

f. **Breach of Contract**

“Personal and advertising injury” arising out of a breach of contract, except an implied contract to use another’s advertising idea in your “advertisement”.

g. **Quality or Performance of Goods - Failure to Conform to Statements**

“Personal and advertising injury” arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your “advertisement”.

h. **Wrong Description of Prices**

“Personal and advertising injury” arising out of the wrong description of the price of goods, products or services stated in your “advertisement”.

i. **Infringement of Copyright, Patent, Trademark or Trade Secret**

“Personal and advertising injury” arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. However, this exclusion does not apply to infringement, in your “advertisement”, of copyright, trade dress or slogan.

j. **Insureds in Media and Internet Type Businesses**

“Personal and advertising injury” committed by an insured whose business is:

- i. Advertising, broadcasting, publishing or telecasting.
- ii. Designing or determining content of websites for others; or
- iii. An internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 25. a., b. and c. of “personal and advertising injury” under **Section V - Definitions**.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Interactive Websites, Electronic Chatrooms, Interactive Forums or Bulletin Boards

“Personal and advertising injury” arising out of an electronic interactive website, chatroom, interactive forum or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use of Another’s Name or Product

“Personal and advertising injury” arising out of the unauthorized use of another’s name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another’s potential customers.

m. Employment Practices

“Personal and advertising injury” to:

- i. A person arising out of any:
 1. Refusal to employ that person; or
 2. Termination of that person’s employment; or
 3. Employment related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, or discrimination directed at that person; or
- ii. The spouse, child, parent, brother or sister of that person as a consequence of “personal and advertising injury” sustained by the person referred to in Paragraph i. above at whom any of the employment related practices described in Paragraph 1., 2. or 3. is directed.

This exclusion applies:

1. Whether the injury-causing event described in Paragraphs 1., 2. or 3. above occurs before employment, during employment or after employment of that person;
2. Whether the insured may be liable as an employer or in any other capacity; and
3. To any obligation to share “compensatory damages” with or repay someone else who must pay “compensatory damages” because of the “personal and advertising injury”.

n. Access or Disclosure of Confidential or Personal Information and Data Related Liability

“Personal and advertising injury” arising directly or indirectly, in whole or in part, out of:

- i. Any access to or disclosure of any person’s or organization’s “confidential or personal information”; or
- ii. The loss of, loss of use of, damage to, corruption of, inability to manipulate any person’s or organization’s “confidential or personal information”.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by the Named Insured or others arising out of that which is described in Paragraph i. or ii. above.

This exclusion applies even if claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the “occurrence” which caused the “personal and advertising injury” involved the:

- i. Access or disclosure of a person’s or organizations “confidential or personal information”; or
- ii. The loss of, loss of use of, damage to, corruption of, inability to manipulate any person’s or organization’s “confidential or personal information”.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the “personal and advertising injury”.

- o. **Asbestos** - see Common Exclusions.
- p. **Fungi or Spores** - see Common Exclusions.
- q. **Information Laws, Including Unauthorized or Unsolicited Communications** - see Common Exclusions.
- r. **Nuclear** - see Common Exclusions.
- s. **Pollution** - see Common Exclusions.
- t. **Terrorism** - see Common Exclusions.
- u. **War Risks** - see Common Exclusions.

Coverage C. Medical Payments

This Insuring Agreement only applies when a Medical Expense Limit is shown in the “Declarations”.

1. Insuring Agreement

- a. We will pay reasonable "medical expenses" for “bodily injury” caused by an accident:
 - i. On premises you own or rent;
 - ii. On ways next to premises you own or rent; or
 - iii. Because of your operations;provided that:
 - 1. The accident takes place in the “coverage territory” and during the policy period;
 - 2. The expenses are incurred and reported to us within one year of the date of the accident; and
 - 3. The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance as described in **Section III - Limits of Insurance**.

2. Exclusions

We will not pay expenses for “bodily injury”:

- a. **Any Insured**
To any insured, except “volunteer workers”.
- b. **Hired Person**
To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. **Injury on Normally Occupied Premises**
To a person injured on that part of premises you own or rent that the person normally occupies.
- d. **Workers’ Compensation and Similar Laws**
To a person, whether or not an “employee” of any insured, if benefits for the “bodily injury” are payable or must be provided under a workers’ compensation or disability benefits law or similar law.
- e. **Products-Completed Operations Hazard**
Included within the “products-completed operations hazard”.
- f. **Coverage A Exclusions**
Excluded under Coverage A.

Coverage D. Tenants’ Legal Liability

This Insuring Agreement only applies when a Tenants’ Legal Liability Limit is shown in the “Declarations”.

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as “compensatory damages” because of “property damage” to which this insurance applies. This insurance applies only to “property damage” to premises of others rented to you or occupied by you. We will have the right and duty to defend the insured against any “action” seeking those “compensatory damages”. However, we will have no duty to defend the insured against any “action” seeking “compensatory damages” for “property damage” to which this insurance does not apply. We may, at our sole discretion, investigate any “occurrence” and settle any claim or “action” that may result.

But:

- i. The amount we will pay for “compensatory damages” is limited as described in **Section III - Limits of Insurance**; and
- ii. Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Supplementary Payments - Coverages A, B and D**.

- b. This insurance applies to “property damage” only if:
- i. The “property damage” is caused by an “occurrence” that takes place in the “coverage territory”;
 - ii. The “property damage” occurs during the policy period; and
 - iii. Prior to the policy period, no insured listed under Paragraph 1. of **Section II - Who is an Insured** and no “employee” authorized by you to give or receive notice of an “occurrence” or claim, knew that the “property damage” had occurred, in whole or in part. If such a listed insured or authorized “employee” knew, prior to the policy period, that the “property damage” occurred, then any continuation, change or resumption of such “property damage” during or after the policy period will be deemed to have been known prior to the policy period.
- c. “Property damage” which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of **Section II - Who is an Insured** or any “employee” authorized by you to give or receive notice of an “occurrence” or claim, includes any continuation, change or resumption of that “property damage” after the end of the policy period.
- d. “Property damage” will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of **Section II - Who is an Insured** or any “employee” authorized by you to give or receive notice of an “occurrence” or claim:
- i. Reports all, or any part, of the “property damage” to us or any other insurer;
 - ii. Receives a written or verbal demand or claim for “compensatory damages” because of the “property damage”; or
 - iii. Becomes aware by any other means that “property damage” has occurred or has begun to occur.

2. Exclusions

This insurance does not apply to:

a. Expected or Intended Injury

“Property damage” expected or intended from the standpoint of the insured.

b. Contractual Liability

“Property damage” for which the insured is obligated to pay “compensatory damages” by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for “compensatory damages”:

- i. That the insured would have in the absence of the contract or agreement; or
- ii. Assumed in a contract or agreement that is an “insured contract” provided the “property damage” occurs subsequent to the execution of the contract or agreement. Solely for the purpose of liability assumed in an “insured contract”, reasonable legal fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be “compensatory damages” because of “property damage” provided:
 - 1. Liability to such party for, or for the cost of, that party’s defense has also been assumed in the same “insured contract”; and
 - 2. Such legal fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which “compensatory damages” to which this insurance applies are alleged.
- c. **Asbestos** - see Common Exclusions.
- d. **Fungi or Spores** - see Common Exclusions.
- e. **Information Laws, Including Unauthorized or Unsolicited Communications** - see Common Exclusions.
- f. **Nuclear** - see Common Exclusions.
- g. **Pollution** - see Common Exclusions.
- h. **Terrorism** - see Common Exclusions.
- i. **War Risks** - see Common Exclusions.

Common Exclusions - Coverages A, B C and D

This insurance does not apply to:

1. Asbestos

“Bodily injury”, “property damage” or “personal and advertising injury” related to or arising from any actual or alleged liability for any legal remedy of any kind whatsoever (including but not limited to damages, interest, mandatory or other injunctive relief, statutory orders or penalties, legal or other costs, or expenses of any kind) in respect of actual or threatened loss, damage, cost or expense directly or indirectly caused by, resulting from, in consequence of or in any way involving asbestos or any materials containing asbestos in whatever form or quantity, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of asbestos or any materials containing asbestos in whatever form or quantity.

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

2. Fungi or Spores

- a. “Bodily injury”, “property damage”, “personal and advertising injury” or medical expenses under Coverage C or any other cost, loss or expense incurred by others, arising directly or indirectly, from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any “fungi” or “spore(s)” however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of “fungi” or “spore(s)”; or
- b. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with a. above; or
- c. Any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in a. or b. above.

FEDERATED AGENCIES LIMITED

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

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

Each Occurrence: \$250,000

Fungi Liability Aggregate Limit: \$250,000

The Fungi Liability Aggregate Limit is the most we will pay for “compensatory damages” because of “bodily injury” and “property damage” included in the “products-completed operations hazard” in each consecutive annual period and any remaining period less than 12 months, starting with beginning of the policy period shown in the “Declarations”, unless the policy is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the limit of insurance that applies.

This exclusion does not apply to any “fungi” or “spores” that are, are on or are contained in “your product”, if “your product” is intended for ingestion by humans or animals and included in the “products-completed operations hazard”.

3. Information Laws, Including Unauthorized or Unsolicited Communications

“Bodily injury”, “property damage” or “personal and advertising injury” imposed by or arising from any action or omission that violates:

- i. The United States of America CAN-SPAM Act of 2003 (or any law amendatory thereof) or any similar regulatory or statutory law in any other jurisdiction;
- ii. The United States of America Telephone Consumer Protection Act (TCPA) of 1991 (or any law amendatory thereof) or any similar regulatory or statutory law in any other jurisdiction;
- iii. The United States of America Fair Credit Reporting Act (FCRA) (or any law amendatory thereof including the Fair and Accurate Credit Transactions Act (FACTA)) or any similar regulatory or statutory law in any other jurisdiction; or
- iv. Any other regulatory or statutory law in any jurisdiction that addresses, limits or prohibits the collecting, communicating, disposal, dissemination, distribution, monitoring, printing, publication, recording, sending or transmitting of content, information or material.

4. Nuclear Energy Liability

- a. Liability imposed by or arising from any nuclear liability act, law, statute or any law amendatory thereof;
- b. “Bodily injury”, “property damage” or “personal and advertising injury” with respect to which an insured under this policy is also insured under a contract of nuclear energy liability insurance (whether the insured is unnamed in such contract and whether or not it is legally enforceable by the insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability;
- c. “Bodily injury”, “property damage” or “personal and advertising injury” resulting directly or indirectly from the “nuclear energy hazard” arising from:
 - i. The ownership, maintenance, operation or use of a “nuclear facility” by or on behalf of an insured;
 - ii. The furnishings by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any “nuclear facility”;
 - iii. The possession, consumption, use, handling, disposal or transportation of “fissionable substances”, or of other “radioactive material” (except radioactive isotopes, away from a nuclear facility, which have reached

the final stage of fabrication so as to be useable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an insured.

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

5. Pollution

- a. “Bodily injury”, “property damage” or “personal and advertising injury” arising out of the actual, alleged, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants”:
- i. At or from any premises, site or location which is or was at any time owned, managed, rented to others or occupied by any insured, or rented or loaned to any insured. However, this subparagraph does not apply to:
 1. “Bodily injury” if sustained within a building and caused by smoke, fumes, vapour or soot from equipment used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building’s occupants or their guests;
 2. “Bodily injury” or “property damage” for which you 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; or
 3. “Bodily injury” or “property damage” arising out of heat, smoke or fumes from a “hostile fire”;
 - ii. 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;
 - iii. Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 1. Any insured; or
 2. Any person or organization for whom you may be legally responsible; or
 - iv. 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:
 1. “Bodily injury” or “property damage” arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment or its parts, if such fuels, lubricants or other operating fluids escape from a permanent and integral mobile equipment part designed to hold, store or receive them. This exception does not apply if the “bodily injury” or “property damage” arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 2. “Bodily injury” or “property damage” sustained within a building and caused by the release of gases, fumes or vapours from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 3. “Bodily injury” or “property damage” arising out of heat, smoke or fumes from a “hostile fire”.

FEDERATED AGENCIES LIMITED

- v. 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";
- b. Any loss, cost or expense arising of any:
 - i. 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
 - ii. 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 b. does not apply to liability for "compensatory damages" because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "action" by or on behalf of a governmental authority.

6. Terrorism

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

7. War Risks

"Bodily injury", "property damage", "personal and advertising injury" or any other loss, cost or expense arising directly or indirectly, in whole or in part, out of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

Supplementary Payments - Coverages A, B, and D

1. We will pay, with respect to any claim we investigate or settle, or any "action" against an insured we defend:
 - a. All expenses we incur.
 - b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - c. All reasonable expenses you incur at our request to assist us in the investigation or defense of the claim or "action", including actual loss of earnings because of time off from work.
 - d. All costs assessed or awarded against you in the "action".
 - e. Any interest accruing after entry of judgment upon that part of the judgment which is within the applicable limit of insurance and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.These payments will not reduce the limits of insurance.
2. If we defend an insured against an "action" and an indemnitee of the insured is also named as a party to the "action", we will defend that indemnitee if all of the following conditions are met:
 - a. The "action" against the indemnitee seeks "compensatory damages" for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";

- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same “insured contract”;
- d. The allegations in the “action” and the information we know about the “occurrence” are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such “action” and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
 - i. Agrees in writing to:
 - 1. Cooperate with us in the investigation, settlement or defense of the “action”;
 - 2. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the “action”;
 - 3. Notify any other insurer whose coverage is available to the indemnitee; and
 - 4. Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - ii. Provides us with written authorization to:
 - 1. Obtain records and other information related to the “action”; and
 - 2. Conduct and control the defense of the indemnitee in such “action”.

So long as the above conditions are met, legal fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.ii. of **Section I - Coverage A - Bodily Injury and Property Damage Liability** or Paragraph 2. b. ii. of **Section I - Coverage D - Tenants’ Legal Liability**, such payments will not be deemed to be “compensatory damages” for “bodily injury” and “property damage” and will not reduce the limits of insurance.

Our obligation to defend an insured’s indemnitee and to pay for legal fees and necessary litigation expenses as Supplementary Payments ends when:

- 1. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- 2. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

Section II - Who is an Insured

- 1. If you are designated in the “Declarations” as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership, limited liability partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, limited liability partnership, joint venture or limited liability company, you are an insured. Your “executive officers” and directors are insureds, but only with respect to their duties as your officers or directors. Your shareholders are also insureds, but only with respect to their liability as shareholders.

FEDERATED AGENCIES LIMITED

- e. A condominium corporation constituted under provincial or territorial legislation relating to condominiums or co-ownership by declaration, a strata corporation in the province of British Columbia or a syndicate of co-owners in the province of Quebec:
 - i. The condominium corporation, strata corporation or syndicate of co-owners;
 - ii. Any “executive officer” or director of such condominium corporation, strata corporation or syndicate of co-owners, but only with respect to duties as such; and
 - iii. Any unit owner of such condominium corporation, any strata lot owner of such strata corporation or any private portion owner of such syndicate of co-owners, or any tenant of such owner, but only with respect to the conduct of the corporation or the syndicate for liability arising out of the common property, excluding liability arising out of the owner’s or tenants possession, occupation or use of the property designated.
- f. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
- 2. Each of the following is also an insured:
 - a. Your “volunteer workers” only while performing duties related to the conduct of your business, or your “employees”, other than either your “executive officers” (if you are an organization other than a partnership, limited liability partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these “employees” are insureds for:
 - i. “Bodily injury” or “personal and advertising injury”:
 - 1. To you, to your partners or members (if you are a partnership, limited liability partnership or joint venture), to your members (if you are a limited liability company) or to a co-“employee” while in the course of his or her employment or performing duties related to the conduct of your business;
 - 2. To the spouse, child, parent, brother or sister of that co-“employee” as a consequence of Paragraph i.1. above;
 - 3. For which there is any obligation to share “compensatory damages” with or repay someone else who must pay “compensatory damages” because of the injury described in Paragraphs i.1. or 2. above;
 - 4. Arising out of his or her providing or failing to provide professional health care services; or
 - 5. To any person who at the time of injury is entitled to benefits under any workers’ compensation or disability benefits law or similar law.
 - ii. “Property damage” to property that is:
 - 1. Owned, occupied or used by,
 - 2. Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your “employees”, any partner or member (if you are a partnership, limited liability partnership or joint venture), or any member (if you are a limited liability company).
 - b. Any person (other than your “employee” or “volunteer worker”), or any organization while acting as your real estate manager.
 - c. Any person or organization having proper temporary custody of your property if you die, but only:
 - i. With respect to liability arising out of the maintenance or use of that property; and
 - ii. Until your legal representative has been appointed.
 - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.
- 3. Any organization you newly acquire or form, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. Coverages A and D does not apply to “bodily injury” or “property damage” that occurred before you acquired or formed the organization; and
 - c. Coverage B does not apply to “personal and advertising injury” arising out of an offense committed before you acquired or formed the organization.
4. Each person, firm, or organization for which you have contracted to provide insurance, but only with respect to tort liability that arises out of your operations, and only to the extent required by such “insured contract”.

No person or organization is an insured with respect to the conduct of any current or past partnership, limited liability partnership, joint venture or limited liability company that is not shown as a Named Insured in the “Declarations” or added by endorsement hereon.

Section III - Limits of Insurance

1. The Limits of Insurance shown in the “Declarations” and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or “actions” brought; or
 - c. Persons or organizations making claims or bringing “actions”.
2. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for “compensatory damages” because of “bodily injury” and “property damage” included in the “products-completed operations hazard”.
3. Subject to 2. above, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. “Compensatory damages” under Coverage A; and
 - b. Medical expenses under Coverage C
 because of all "bodily injury" and "property damage" arising out of any one "occurrence".
4. The Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all “compensatory damages” because of all "personal and advertising injury" sustained by any one person or organization.
5. The Tenants’ Legal Liability Limit is the most we will pay under Coverage D for “compensatory damages” because of “property damage” to any one premises as a result of any one “occurrence”.
6. Subject to 3. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

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

7. Deductible

- a. Our obligation under Coverage A and Coverage D to pay “compensatory damages” on your behalf applies only to the amount of “compensatory damages” in excess of any deductible amounts stated in the “Declarations” as applicable to such coverages, and the limits of insurance applicable to each “occurrence” for Coverage A and any one premises for Coverage D will be reduced by the amount of such deductible. The Products-Completed Operations Aggregate Limit under Coverage A shall not be reduced by the application of such deductible amounts.

FEDERATED AGENCIES LIMITED

- b. The deductible amount applies as follows:
 - i. Under Coverage A: To all “compensatory damages” because of “property damage” as the result of any one "occurrence", regardless of the number of persons or organizations who sustain “compensatory damages” because of that "occurrence".
 - ii. Under Coverage D, Tenants' Legal Liability, to all “compensatory damages” because of “property damage” as the result of any one "occurrence", regardless of the number of persons or organizations who sustain “compensatory damages” because of that "occurrence".
- c. The terms of this insurance, including those in respect to:
 - i. Our right and duty to defend any “action” seeking those “compensatory damages”; and
 - ii. Your duties in the event of an “occurrence”, claim or “action” apply irrespective of the application of the deductible amount.
- d. We may pay any part or all of the deductible amount to effect settlement of any claim or “action” and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.
- e. Should any one “occurrence” give rise to the application of more than one deductible amount, only the highest deductible will be applied.

Section IV - Commercial General Liability Conditions

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this policy.

2. Canadian Currency Clause

All limits of insurance, premiums and other amounts as expressed in this policy are in Canadian currency.

3. Changes

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

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

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - i. How, when and where the "occurrence" or offense took place;
 - ii. The names and addresses of any injured persons and witnesses; and
 - iii. The nature and location of any injury or damage arising out of the “occurrence” or offense.
- b. If a claim is made or "action" is brought against any insured, you must:
 - i. Immediately record the specifics of the claim or “action” and the date received; and
 - ii. Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "action" as soon as practicable.
- c. You and any other involved insured must:
 - i. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "action";
 - ii. Authorize us to obtain records and other information;
 - iii. Cooperate with us in the investigation or settlement of the claim or defense against the “action”; and

- iv. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

5. Economic or Trade Sanctions

This insurance does not apply to the extent that economic or trade sanctions or embargoes imposed or authorized by Canadian law or regulation prohibit the Insurer from providing insurance.

6. Examination of your Books and Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

7. Inspections and Surveys

- a. We have the right to:
 - i. Make inspections and surveys at any time;
 - ii. Give you reports on the conditions we find; and
 - iii. Recommend changes.
- b. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. We do not warrant that conditions:
 - i. Are safe or healthful; or
 - ii. Comply with laws, regulations, codes or standards.
- c. Paragraphs a. and b. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
- d. Paragraph b. of this condition does not apply to any inspections, surveys, reports or recommendations as we may make relative to certification, under provincial or municipal statutes ordinances, bylaws or regulations, of boilers, pressure vessels or elevators.

8. Legal Action Against Us

No person or organization has a right under this policy:

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

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for "compensatory damages" that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

Every "action" or proceeding against an insurer for the recovery of insurance money payable under contract is absolutely barred unless commenced within the time set out in the Insurance Act or other applicable legislation in any Canadian province or territory. The sole venue for coverage legal action related to this form will be a Court in Canada.

9. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A, B or D, of this policy our obligations are limited as follows:

FEDERATED AGENCIES LIMITED

a. **Primary Insurance**

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

b. **Excess Insurance**

This insurance is excess over:

- i. Any of the other insurance, whether primary, excess, contingent or on any other basis:
 1. That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 2. That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 3. If the loss arises out of the maintenance or use of watercraft or "automobile" to the extent not subject to Exclusion f. or g. of **Section I - Coverage A. Bodily Injury and Property Damage Liability**.
- ii. Any other primary insurance available to you covering liability for "compensatory damages" arising out of the premises or operations or products-completed operations for which you have been added as an additional insured.

When this insurance is excess, we will have no duty under Coverages A, B or D to defend the insured against any "action" if any other insurer has a duty to defend the insured against that "action". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

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

1. The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
2. The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the "Declarations" of this policy.

c. **Method of Sharing**

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

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

d. **Primary and Non-Contributory**

If, in a written contract with an additional insured added under Section II- Who is an Insured clause 4, you have agreed that this insurance is primary and non-contributory, then this insurance is primary to other insurance available to that additional insured which covers that person or organization as a named insured and we will not seek contribution from that other insurance.

10. **Premium Audit**

- a. We will compute all premiums for this policy in accordance with our rules and rates.
- b. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to

the first Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured subject to the retention of the minimum retained premium shown in the "Declarations" of this policy.

- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

11. Premiums

The first Named Insured shown in the "Declarations":

- a. Is responsible for the payment of all premiums; and
- b. Will be the payee for any return premiums we pay.

12. Representations

By accepting this policy, you agree:

- a. The statements in the "Declarations" are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

13. Separation of Insureds, Cross Liability

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

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

14. Termination

- a. The first Named Insured shown in the "Declarations" may terminate this policy by mailing or delivering to us advance written notice of termination.
- b. Subject to c. below, we may terminate this policy by mailing or delivering to the first Named Insured written termination of notice at least:

- i. 15 days notice of termination by registered mail if termination is for non-payment of premium; or
- ii. 30 days notice of termination by registered mail if termination is for any other reason.

Registered mail termination takes effect 15 or 30 days after the registered letter or notification of it is delivered to the first Named Insured's postal address. Proof of mailing will be sufficient proof of notice.

- c. To the extent that the Civil Code of the Province of Quebec is applicable to this policy, the notice provisions in the General Conditions and Provisions as set out in the Civil Code apply. Accordingly, we may terminate this policy by giving written notice sent by registered mail to the first Named Insured at the last known address of the first Named Insured, which termination shall take effect as follows:
 - i. For non-payment of premium, 15 days following the receipt of the notice;
 - ii. For all other reasons, 30 days following receipt of the notice.
- d. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- e. The policy period will end on the date termination takes effect.
- f. If this policy is terminated, we will send the first Named Insured any premium refund due. If we terminate, the refund will be pro rata. If the first Named Insured terminates, the refund may be less than pro rata. The termination will be effective even if we have not made or offered a refund.

15. Transfer of Rights of Recovery Against Others to Us

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

16. Transfer of your Rights and Duties Under this Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

Section V - Definitions

1. **"Abuse"** means any act or threat involving molestation, harassment, corporal punishment or any other form of physical, sexual or mental abuse.
2. **"Action"** means a civil proceeding in which "compensatory damages" because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Action" includes:
 - a. An arbitration proceeding in which such "compensatory 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 "compensatory damages" are claimed and to which the insured submits with our consent.
3. **"Advertisement"** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
4. **"Automobile"** means a land motor vehicle, trailer or semi trailer that is required by law to be insured under a contract evidenced by a motor vehicle liability policy, or any vehicle insured under such a contract, including any attached machinery or equipment.
5. **"Bodily Injury"** means bodily injury, disability, sickness, mental anguish, mental injury, mental shock or disease sustained by a person, including death resulting from any of these at any time.
6. **"Declarations"** means the page(s) of your policy which provides the specifics of your insured coverages and limits, including any supplementary pages or schedule of coverages attached thereto applicable to this policy subject to the terms and conditions of this policy.
7. **"Compensatory damages"** means damages due or awarded in payment for actual injury or economic loss. "Compensatory damages" does not include punitive or exemplary damages or the multiple portion of any multiplied damage award.
8. **"Confidential or personal information"** means any information reasonably considered confidential or personal based upon its nature and includes, but is not limited to patents, trade secrets, processing methods, records, personnel information, customer lists, financial information, credit card information, health information and any other information relating to a person which is not generally known to the public.
9. **"Coverage territory"** means anywhere in the world, provided the insured's responsibility to pay "compensatory damages" is determined in an "action" on the merits, in Canada or the United States of America (including its territories and possessions) or in a settlement we agree to in writing.

10. **“Electronic Data”** means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including but not limited to systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
11. **“Employee”** includes a “leased worker” and a “temporary worker”.
12. **“Executive Officer”** means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
13. **“Fissionable substance”** means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
14. **“Fungi”** includes, but is not limited to, any form or type of mould, yeast, mushroom, mildew, wet or dry rot, or bacteria whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any “fungi” or “spores” or resultant mycotoxins, allergens or pathogens.
15. **“Hostile fire”** means a fire which becomes uncontrollable or breaks out from where it was intended to be.
16. **“Impaired property”** means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;
if such property can be restored to use by:
 - i. The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - ii. Your fulfilling the terms of the contract or agreement.
17. **“Incidental medical malpractice injury”** means “bodily injury” arising out of the rendering of or failure to render, during the Policy Period, the following services:
 - a. Medical, surgical, dental, x-ray or nursing services or treatment or the furnishing of food or beverages in connection therewith; or
 - b. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;by any insured or any indemnitee causing the “incidental medical malpractice injury” who is not engaged in the business or occupation of providing any of the services described in a. and b. above.
18. **“Insured contract”** means:
 - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage to premises while rented to you or temporarily occupied by you with permission of the owner is not an “insured contract”;
 - b. A sidetrack agreement;
 - c. An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
 - d. Any other easement agreement;
 - e. An obligation, as required by ordinance or bylaw, to indemnify a municipality, except in connection with work for a municipality;
 - f. An elevator maintenance agreement; or
 - g. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for “compensatory damages” because of "bodily injury" or "property damage" to a third person or organization, provided the “bodily injury” or “property damage” is caused, in whole or in part, by you

FEDERATED AGENCIES LIMITED

or by those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph g. does not include that part of any contract or agreement:

- i. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 1. Preparing, approving or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 2. Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- ii. Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failing to render "professional services", including those listed in 1. above and supervisory, inspection, architectural or engineering activities.

19. **"Leased worker"** means a person leased to you by a labour leasing firm under an agreement between you and the labour leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

20. **"Loading or unloading"** means the handling of property:

- a. After it is moved from the place it is accepted for movement into or onto an aircraft, watercraft or "automobile"; or
- b. While it is in or on an aircraft, watercraft or "automobile"; or
- c. While it is being moved from an aircraft, watercraft or "automobile" to the place where it is finally delivered; but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "automobile".

21. **"Medical Expenses"** means:

- a. First aid administered at the time of an accident;
- b. Necessary medical, surgical, x-ray and dental services, including prosthetic devices and medical equipment;
- c. Necessary ambulance, hospital, professional nursing and funeral services; and
- d. Travel and babysitting expenses.

22. **"Nuclear energy hazard"** means the radioactive toxic, explosive or other hazardous properties of "radioactive material".

23. **"Nuclear facility"** means:

- a. Any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
- b. Any equipment or device designed or used for:
 - i. Separating the isotopes of plutonium, thorium and uranium or any one or more of them,
 - ii. Processing or utilizing spent fuel, or
 - iii. Handling, processing or packaging waste.
- c. Any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- d. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste radioactive material;

and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.

24. **"Occurrence"** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
25. **"Personal and advertising injury"** means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
- a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - f. The use of another's advertising idea in your "advertisement"; or
 - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
26. **"Pollutants"** mean any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, odour, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
27. **"Products-completed operations hazard"**:
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - i. Products that are still in your physical possession; or
 - ii. Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of all the following times:
 1. When all of the work called for in your contract has been completed.
 2. When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 3. When that part of work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
 - b. Does not include "bodily injury" or "property damage" arising out of:
 - i. The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle that is not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
 - ii. The existence of tools, uninstalled equipment or abandoned or unused materials.
28. **"Professional services"** shall include but not be limited to:
- a. Medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection therewith; however the furnishing of food or beverages as the sole function of the insured is not "professional services";
 - b. Any professional service or treatment conducive to health;
 - c. Professional services of a pharmacist;

FEDERATED AGENCIES LIMITED

- d. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
- e. The handling or treatment of deceased human bodies including autopsies, organ donations or other procedures;
- f. Any cosmetic, body piercing, tonsorial, massage, physiotherapy, chiropody, hearing aid, optical or optometrical services or treatments;
- g. Engineering, designing, architectural, draftsperson or surveying services, including:
 - i. The preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - ii. Supervisor and inspection activities;
- h. Accountant's, advertiser's, notary's (Quebec), public notary's, paralegal's, lawyer's, real estate broker's or agent's, insurance broker's or agent's, travel agent's, financial institution's, or consultant's professional advices or activities;
- i. Any computer programming or re-programming, consulting, advisory or related services; or
- j. Claim investigation, adjustment, appraisal, survey or audit services; or
- k. Professional services of a veterinarian.

29. "Property damage" means:

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

For the purpose of this instance, "electronic data" is not tangible property.

- 30. "Radioactive material" means** uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances which may be designated by any nuclear liability act, law or statute, or any law amendatory thereof, as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy.
- 31. "Spores" includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".**
- 32. "Temporary worker" means** a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- 33. "Terrorism" means** any ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.
- 34. "Volunteer worker" means** a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you. Reasonable reimbursement for expenses or mileage will not be considered compensation for the purposes of this clause.
- 35. "Your product":**
- a. Means
 - i. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - 1. You;
 - 2. Others trading under your name; or

3. A person or organization whose business or assets you have acquired; and
4. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

- i. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- ii. The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

36. "Your work":

a. Means:

- i. Work or operations performed by you or on your behalf; and
- ii. Materials, parts or equipment furnished in connection with such work or operations

b. Includes:

- i. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- ii. The providing of or failure to provide warnings or instructions.

Federated Agencies Limited

Liability

Abuse Limited Liability Coverage Endorsement

This Endorsement modifies coverage provided under the Commercial General Liability Form FAL D-1.

The Abuse exclusion, exclusion o. of SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY is deleted and replaced with the following:

This insurance does not apply to, nor shall we have any duty to defend any “action” made against any insured directly or indirectly arising out of, or on account of, resulting from or relating to any actual or threatened “abuse” except as otherwise provided in the Abuse Limited Liability Coverage Endorsement.

INSURING AGREEMENT

We will pay all sums which you shall be legally obligated to pay for “compensatory damages” and Supplementary Payments because of “bodily injury” to which this insurance applies. This insurance applies only to “bodily injury” arising out of or on account of, resulting from or relating to any actual or threatened “abuse”.

For the purpose of determining whether coverage applies under this endorsement, continuous or repeated, actual or threatened “abuse” of the same person by the same insured(s) will be deemed to be a single “occurrence” and to have taken place on the date that “abuse” first occurred.

SUPPLEMENTARY PAYMENTS provisions of the policy includes the following:

Payments under this section will reduce the Limit of Liability and our right and duty to defend ends when we have used up the applicable Limit of Liability in the payment of judgements of settlements.

LIMIT OF LIABILITY

The Limit of Liability stated in the “Declarations” is the most we will pay as “compensatory damages” arising out of “abuse” for all claims made or “actions” brought against the insured during any one policy period, regardless of the number of insureds or the number of claimants.

The Limit of Liability will apply separately to each policy period.

The Limit of Liability will be reduced by payments made under Supplementary Payments.

EXCLUSIONS

This insurance does not apply to:

1. Any person who committed, who is alleged to have committed or who has threatened to commit “abuse”

2. Liability arising out of the insured's hiring practices relating to hiring of "employees" and "volunteer workers" when there is prior knowledge by the insured of alleged "abuse" by any person at the time of hire or acceptance.
3. Liability arising out of the failure to take reasonable steps to guard against "abuse" through
 - a. employment or continuing employment
 - b. investigation
 - c. supervision, or
 - d. reporting the misconduct of the person to the appropriate individual in the insured's organization, or if appropriate, civil or law enforcement authority(ies).
4. Any "action" made against any insured, brought or maintained by or on behalf of any other insured except for a cross claim, third party claim or similar claim seeking contribution and indemnity from an insured in respect of any claim or "action" made against such insured and which is not otherwise excluded by the terms of this policy.
5. For liability arising out of "abuse" by or involving any person or entity before that person or entity became an insured under this policy or after that person or entity ceased to be an insured under this policy.
6. For liability arising out of "abuse" by any insured to any other insured.
7. For liability of others assumed by an insured under any oral, written, express or implied contract or agreement except to the extent that an insured would have been liable in the absence of the contract or agreement.
8. For liability arising out of knowledge by an insured of the "abuse" or failure to report the "abuse" to the appropriate individual in the insured's organization, or if appropriate, civil or law enforcement authority(ies).
9. Liability arising out of the failure of any insured person to guard against "abuse" through
 - a. reasonable steps to secure their personal physical environment during a gathering and/or meeting conducted on any virtual platform against background activity or materials that could be considered offensive, either sexually, socially or otherwise;
 - b. reasonable steps to lead virtual gatherings and/or meetings in such a way as to control the video and/or audio stream of invited participants.
10. Liability arising from the actions of an uninsured person occurring during a gathering and/or meeting lead by an insured person on any virtual platform.

Except as otherwise provided in this Endorsement, all terms, provisions and conditions of the policy shall have full force and effect.

Federated Agencies Limited

Liability

Forest Fire Fighting Expenses Endorsement

This Endorsement modifies coverage provided under the Commercial General Liability Form FAL D-1.

1. INSURING AGREEMENT

We will pay all sums which the Insured shall become obligated to pay by reason of liability imposed upon the Insured by law or statute entitling the government, or a person acting on the government's behalf, to recover its cost and expenses of fighting or suppressing a fire from the Insured by reason of an "occurrence" during the policy period arising out of the Insured's operations.

2. EXCLUSIONS

Coverage granted herein shall not extend to cover:

- a. Any fire fighting expense of the Insured, its employees, or agents;
- b. Any fire fighting expense of a contractor or subcontractor engaged by the Insured at the time the loss first occurs;
- c. Any expenses, fines, or penalties for which the Insured is liable by reason of failure to comply with any statute, permit, rule, or regulation;
- d. Liability assumed by the Insured under any contract or agreement, except the Insured's liability that would have existed in the absence of such contract or agreement;
- e. Any action brought against any of the Insured's by any other Insured or Insured's under this Policy in respect to the recovery of fire fighting expenses;
- f. Any fire fighting expenses of others on behalf of the Insured where more specific coverage has been purchased and is available to the Insured.

3. LIMITS OF LIABILITY

The Limit of Liability for this endorsement as shown in the "Declarations" as applicable to each "occurrence" is the limit of our liability hereunder for all sums on account of one "occurrence" and in the aggregate for all sums in any one Policy period.

The Limit of Liability for this coverage shall be part of and not in addition to the Limit of Liability for Coverage A. Bodily Injury and Property Damage Liability stated in the "Declarations".

4. DEDUCTIBLE

The deductible amount stated in the "Declarations" for this endorsement shall apply to all losses covered by this endorsement as a result of any one "occurrence" regardless of the

number of persons or organizations making claims or bringing “actions”. We shall be liable for loss only in excess of the amount deducted.

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

Federated Agencies Limited

Liability

Fungi and Fungi Derivatives limited Liability Endorsement Products and Completed Operations and Premises

This Endorsement modifies coverage provided under the Commercial General Liability Form FAL D-1

Exclusion 2. Fungi or Spores in Section I – Coverages – Common Exclusions – Coverages A., B., C. and D. is deleted in its entirety and replaced with the following:

2. Fungi or Spores

- a. “Bodily injury”, “property damage”, “personal and advertising injury” or any other cost, loss or expense incurred by others, arising directly or indirectly, from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any “fungi” or “spore(s)” however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, clean up, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of “fungi” or “spore(s)”; or
- b. Any supervision, instructions, recommendations, warnings or advice given, or which should have been given in connection with a. above; or
- c. Any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in a. or b. above.

This exclusion shall not apply to “compensatory damages” because of “bodily injury” or “property damage” which results directly from:

- i) A “products-completed operations hazard” not otherwise excluded by this policy;
- ii) Work or operations performed by you or on your behalf to premises you own, rent or occupy and not otherwise excluded by this policy.

The Limit of Liability with respect to this coverage is as stated in the “Declarations”. The Limit of Liability stated in the “Declarations” for this coverage is part of not in addition to the Section I – Coverage A. and D. limits stated in the “Declarations”.

The Limit of Liability stated in the “Declarations” for this coverage is also the Aggregate Limit, which is the most we will pay for the sum of “compensatory damages” under this coverage.

The deductible amount stated in the “Declarations” for this coverage shall apply to all “compensatory damages” because of “property damage” as a result of any one “occurrence” regardless of the number of persons or organizations who sustain “compensatory damages” because of that “occurrence”. We shall be liable for loss only in excess of the amount deducted.

This exclusion shall not apply to any “fungi” or “spore(s)” that are, are on or are contained in “your product”, if “your product” is intended for ingestion by humans or animals and included in the “products-completed operations hazard”.

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

Federated Agencies Limited

Liability

Employers' Bodily Injury Liability Endorsement

This Endorsement modifies coverage provided under the Commercial General Liability Form FAL D-1

The following changes are made in your Policy but only with respect to claims or "actions" because of "bodily injury" to an "employee" of the Insured arising out of and in the course of employment by the Insured in the business described in the "Declarations".

1. Exclusions **d.**, **e.**, **f.** and **g.** of **2.** Exclusions in Section **I**, Coverages, Coverage **A**. Bodily Injury and Property Damage Liability are deleted;
2. This endorsement does not apply to "bodily injury" to an "employee" while employed in violation of the law with your actual knowledge or the actual knowledge of any of your executive officers.

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

Federated Agencies Limited

Liability

Employee Benefits Errors and Omissions Liability Endorsement

This Endorsement modifies insurance provided under Commercial General Liability Form D-1.

1. INSURING AGREEMENT

We will pay on behalf of the “Insured” all sums which the “Insured” shall become legally obligated to pay on account of any claim made against the “Insured” by any “employee” or former “employee” or their heirs, beneficiaries or legal representatives thereof and caused by any negligent act, error, mistake or omission of the “Insured”, or any other person for whose acts the “Insured” is legally liable in the “administration” of the “Insured’s” “Employee Benefits Programs” as defined herein.

2. PERSONS INSURED

The word “Insured” whenever used in this endorsement includes not only the Named Insured, but also any partner, executive officer, director, stockholder or “employee”, provided such “employee” is authorized to act in the “administration” of the “Insured’s” “Employee Benefits Programs”.

3. DEDUCTIBLE

The Deductible amount stated in the “Declarations” for this endorsement shall be deducted for each person or organization making claims or bringing “actions”. We shall be liable for the loss only in excess of the amount deducted.

In the event of any claim, irrespective of the amount, notice thereof shall be given by or on behalf of the “Insured” to us, or our authorized agents, in accordance with the terms of this endorsement and we may at our option, investigate such claim or negotiate or settle any such claim and if we undertake to negotiate or settle any such claim, to join us in such negotiation or settlement to the extent of the amount to be deducted as herein provided, or to reimburse us for such deductible amount, if and when such claim is paid by us.

4. EXCLUSIONS

This endorsement does not apply to:

- a. Any libel, slander, discrimination, humiliation or dishonest, fraudulent, criminal or malicious act;
- b. “Bodily injury” to or sickness, or death of any person or injury to or destruction of any tangible property, including loss of use thereof;
- c. Any claim for failure of performance of contract by any insurer, or any other party, including the “Insured”, obligated to afford benefits;
- d. Any claim based upon the “Insured’s” failure to comply with any law concerning Workers’ Compensation, Unemployment or Employment Insurance, Social Security or Disability Benefits.
- e. Any claim based upon:

- i. Failure of stock, bonds or other securities to perform as represented by an “Insured” including but not limited to their failure to produce gain, profit or growth;
- ii. Advice given by an “Insured” to an “employee” to participate or not participate in stock subscription plans;
- f. Any claims resulting from circumstances known to the Insured prior to the inception date of the policy;
- g. any claims arising out of an insufficiency of funds to meet any obligation under any “Employment Benefit Program”.

5. LIMITS OF LIABILITY

The Limit of Liability stated in the “Declarations” for this endorsement is the limit of our liability for all damages incurred as the result of any one claim insured hereunder.

The Limit of Liability stated in the “Declarations” for this coverage is, subject to the above provision respecting each claim, also the Annual Aggregate Limit that is the most we will pay for the sum of all claims under this coverage occurring during the policy period.

The inclusion herein of more than one “Insured” shall not operate to increase the limits of our liability.

6. POLICY PERIOD

This endorsement applies only to claims resulting from negligent acts, errors, mistakes or omissions of the “Insured”, or any other person for whose acts the “Insured” is legally liable in the “administration” of “Employee Benefits Programs” provided such claim is brought against you during the policy period and you, at the effective date of this endorsement, had no knowledge of or could not have reasonably foreseen any circumstances which might result in a claim or suit.

7. DEFINITIONS

When used in this endorsement:

- a. “Administration” means:
 - i. Giving counsel to “employees” with respect to the “Employee Benefits Programs”;
 - ii. Interpreting the “Employee Benefits Programs”;
 - iii. Handling records in connection with the “Employee Benefits Programs”;
 - iv. Effecting enrolment, termination or cancellation of “employees” under the “Employee Benefits Programs”;

Provided all such acts are authorized by you.

- b. “Employee Benefits Programs” means Group Life Insurance, Group Accident or Group Health Insurance, Profit Sharing Plans, Pension Plans, Employee Stock Subscription Plans, Workers’ Compensation, Unemployment or Employment Insurance, Social Security, and Disability Benefits Programs.

8. ADDITIONAL CONDITION

As soon as practicable the injured person or someone on their behalf shall give us written proof of claim, under oath if required and shall, after each request from us, execute authorization to enable us to obtain medical reports and copies of records. The injured person shall submit to physical examination by physicians selected by us when and as often as we

may reasonably require. We may pay the injured person or any person or organization rendering the services and the payment shall reduce the amount payable hereunder for such injury. Payment hereunder shall not constitute an admission of liability of any person nor us.

Except as otherwise provided in this Endorsement, all terms, provisions and conditions, of the policy shall have full force and effect.

Federated Agencies Limited

Liability

Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) Exclusion

1. The following exclusion is added to **Common Exclusions – Coverages A., B., C. and D.** under **Section I – Coverages**:

This insurance does not apply to:

Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS)

- (a) **Bodily injury, property damage, personal and advertising injury** or any other loss, cost or expense arising directly or indirectly, in whole or in part, out of the actual, alleged, threatened or suspected inhalation, ingestion, absorption, consumption, spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of, contact with, exposure to, existence of, or presence of, any **PFAS** at any time or place; or
- (b) Any loss, cost or expense arising directly or indirectly, in whole or in part, out of abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or taking any other action regarding, **PFAS**, by any Insured or by any other person or entity.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the **bodily injury, property damage, personal and advertising injury**, loss, cost or expense.

In the event that this exclusion conflicts with any other terms, conditions, limitations, provisions or exclusions in the Policy, this exclusion will supersede and control the application of this insurance.

2. For the purpose of this endorsement, the following definition is added to **Section V – Definitions**:

PFAS means any perfluoroalkyl or polyfluoroalkyl substances, including but not limited to:

- (a) Any fluorinated chemical or substance that contains at least one fully fluorinated methyl or methylene carbon atom, including but not limited to:
 - (i) Any non-polymer chemical or substance, including but not limited to perfluoroalkyl acid (PFAA), perfluoroalkyl carboxylic acid (PFCA), perfluoroalkane sulfonic acid (PFSA), perfluorooctanoic acid (PFOA), perfluorooctane sulfonic acid (PFOS), or fluorotelomer-based substances; or
 - (ii) Any polymer chemical or substance, including but not limited to fluorinated polymers, fluoropolymers, perfluoropolyethers (PFPE), or side-chain fluorinated polymers; or

Federated Agencies Limited

Liability

Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) Exclusion

- (b) Any salts, precursor chemicals, derivatives, homologues, isomers, telomers, esters, alcohols, acids, and related degradation products or by-products of any such chemical or substance described in (a) above; or
- (c) Any good or product that consists of or contains any chemical or substance described in (a) or (b) above, including any containers, materials, parts or equipment furnished in connection with such good or product.

Federated Agencies Limited

Liability

Non-Owned Automobile Liability Insurance

INSURING AGREEMENT

Now therefore, in consideration of the payment of premium specified and subject to the limits, terms, conditions, provisions, definitions and exclusions herein stated:

SECTION A – THIRD PARTY LIABILITY

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

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

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

1. 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
2. *for any liability imposed upon any person insured by this Policy:
 - a. by any workers' compensation law; or
 - b. 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
3. for liability assumed by any person insured by this policy voluntarily under any contract or agreement; or
4. for loss or damage to property carried in or upon an automobile personally driven by any person insured by this Policy to any property owned or rented by, or in the care, custody or control of any such person; or
5. for any amount in excess of the limit stated in the Declarations and expenditures provided for in the Additional Agreements of this Policy; subject always to the provisions of the section of the Insurance Act (Automobile Insurance Part) relating to the nuclear energy hazard.

* Not applicable in the Province of Ontario.

ADDITIONAL AGREEMENTS OF INSURER

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

1. upon receipt of notice of loss or damage caused to persons or property, to serve any person insured by this Policy by such investigation thereof, or by such negotiations with the claimant, or by such settlement of any resulting claims, as may be deemed expedient by the Insurer; and

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

AGREEMENTS OF INSURED

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

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

GENERAL PROVISIONS AND DEFINITIONS

1. ADDITIONAL INSUREDS

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

- a. in the business of the Insured stated in the Declarations, any automobile not owned in whole or in part by or licensed in the name of:
 - i. the Insured; or
 - ii. such additional insured person; or
 - iii. any person or persons residing in the same dwelling premises as the Insured or such additional insured person; or
- b. any automobile hired or leased in the name of the Insured except an automobile owned in whole or in part or licensed in the name of such additional insured person.

2. TERRITORY

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

3. HIRED AUTOMOBILES DEFINED

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

4. AUTOMOBILES OPERATED UNDER CONTRACT DEFINED

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

5. TWO OR MORE AUTOMOBILES

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

STATUTORY CONDITIONS

The Statutory Conditions of the Non-Owned Automobile Policy as set out in the Insurance Act of the Province in which this Policy is issued shall form part of this Policy.

Federated Agencies Limited

LEGAL LIABILITY FOR DAMAGE TO HIRED VEHICLES ENDORSEMENT (for attachment only to a Non-Owned Automobile Policy)

THIS ENDORSEMENT CONTAINS A PARTIAL PAYMENT OF LOSS CLAUSE

It is understood and agreed that the insurance provided by the Non-Owned Automobile Liability Insurance is extended as follows:

Insuring Agreement

The Insurer agrees to indemnify the Insured against liability imposed by law upon the Insured or assumed by him under any contract or agreement for loss or damage arising from the care, custody or control of "Hired Automobiles" as defined in this Endorsement and resulting from loss or damage thereto, caused solely by **All Perils** unless otherwise excluded.

Limit of Liability

The Insurer's maximum Limit of Liability (exclusive of interests and costs) for any one accident shall be limited to the amount as stated in the Certificate of Insurance.

Deductible Clause

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

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 of the Insured 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.

Two or More Automobiles

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

Exclusions

The Insurer shall not be liable:

1. for loss or damage to any automobile while personally driven by the Insured if the Insured is an individual; or
2. for loss or damage
 - a. to tires or consisting of or caused by mechanical fracture or breakdown of any part of an automobile or by rusting, corrosion, wear and tear, freezing or explosion within the combustion chamber, unless the loss or damage is coincident with other loss or damage covered by such subsection or is caused by fire, theft or malicious mischief covered by such subsection; or

- b. to any automobile while being used without the consent of the owner thereof; or
- c. caused directly or indirectly by contamination by radioactive material; or
- d. to contents of trailers or to rugs or robes; or
- e. to tapes and equipment for use with a tape recorder when detached therefrom; or
- f. caused directly or indirectly by bombardment, invasion, civil war, insurrection, rebellion, revolution, military or usurped power, or by the operation of armed forces while engaged in hostilities whether war be declared or not; or
- g. for any amount in excess of the limit stated in the Certificate of Insurance and expenditures provided for in the Additional Agreements of the Policy to which this Endorsement is attached.

Additional Agreement

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

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

Federated Agencies Limited

Contractual Liability Endorsement (For attachment only to a Non-Owned Automobile Policy)

In consideration of the premium for which this Policy is issued, it is understood and agreed that exclusion 3. of Section A - Third Party Liability, Bodily Injury to or Death of Any Person or Damage to Property of Others Not in the Care, Custody or Control of the Insured, of the Policy to which this Endorsement is attached is amended to read as follows:

1. For any liability assumed by any person insured by this policy voluntarily under any contract or agreement other than those stated below:

Date(s) of Contract(s) Name(s) of other contracting party or parties:

BLANKET WRITTEN CONTRACTS

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

Federated Agencies Limited

Excluding Long Term Leased Vehicle Endorsement

(for attachment only to a Non-Owned Automobile Policy)

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

The term "Hired Automobiles" as used in this policy means:

- a.** automobiles hired or leased from others with drivers; or
- b.** hired or leased by the Named Insured from others without driver for periods not exceeding 30 days, used under the control of the Insured in the business in Item 3 of the application but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

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