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XN GLOBAL PROPERTY MANAGEMENT INSURANCE

Effected with certain Lloyd's Underwriters

(hereinafter called the "Insurer") through

XN FINANCIAL SERVICES (CANADA) INC.

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MONTREAL, QC H3A 3J2, CANADA

XN GLOBAL PROPERTY MANAGEMENT INSURANCE

WORDING CANADA

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Attaching to and forming part of Group Certificate Number

AGREEMENT

We provide the insurance described in this policy in return for payment of the premium as stated on the Cover Note and subject to the terms and conditions set out. All amounts of insurance, premiums and other amounts expressed in this policy are in Canadian currency.

The Coverage Summary page summarizes the coverages and amounts of insurance we have agreed to provide and the period for which they are provided. Only the person(s) named on the Coverage Summary page may take legal action against us.

SECTION I – PROPERTY COVERAGES

DEFINITIONS

Amount of Insurance means the maximum amount we will pay for any one occurrence or incident no matter how many people covered by this policy are involved. Different amounts apply to different coverages and these amounts are shown on the Coverage Summary page.

Annual Gross Rentals The “Gross rentals” during the twelve months immediately before the date of the destruction or damage by a peril insured against.

To which such adjustments shall be made as may be necessary to provide for the trends of, variations in or special circumstances affecting “Gross Rentals” either before or after the destruction or damage or which would have affected “Gross Rentals” had the destruction or damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the destruction or damage would have been obtained during the relative period after the destruction or damage.

Business means any continuous or regular pursuit undertaken for financial gain including a trade, profession, occupation or agricultural operations.

Business Premises means premises on which a business is conducted, premises rented in whole or in part to others, or held for rental.

Business Property means property pertaining to a business, trade, profession or occupation.

Civil Authority means any person acting under the authority of the Governor General in Council of Canada or the Lieutenant Governor in Council of a Province, and/or any person acting with authority under a Federal, Provincial or Territorial legislation with respect to the protection of persons and property in the event of an emergency.

Common Elements means collectively owned condominium property

Condominium Corporation means a condominium or strata corporation and in Quebec the meeting of co-proprietors, established under provincial legislation.

Covered Service Line means underground piping and wiring, including permanent connections, valves or attached devices, providing one of the following services to “your” premises.

- (1) Communications, including cable transmission, data transmission, internet access and telecommunications;
- (2) Compressed air;
- (3) Drainage;
- (4) Electrical power;
- (5) Heating, including geothermal, natural gas, propane and steam;
- (6) Waste disposal; or
- (7) Water

Covered service line must be owned by “you” or “you: must be responsible for its repair or replacement as required by law, regulation or service agreement. Should repair or replacement by “your” responsibility, a “covered service line” ends at the precise location where your responsibility for such repair or replacement ends. However, in no event will a “covered service line” extend beyond the point of connection to the main service or utility line.

Covered service line does not include:

- (a) that part of piping or wiring that runs through or under a body of water, including but not limited to a swimming pool, pond or lake;

- (b) that part of piping or wiring that runs through or under the "dwelling" or other structure; or
(c) piping or wiring that is not connected and ready for use.

Damage means the direct physical loss or direct physical damage to property at the "Premises" from an Insured Peril.

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

Data Problem means erasure, destruction, corruption, misappropriation or misinterpretation of data; error in creating, amending, entering, deleting, or using data or inability to receive, transmit or use data

Domestic water container means a device or apparatus for personal use on the "premises" for containing, heating, chilling or dispensing water.

Drain means a fixture or device located within or on the dwelling, connected to the wastewater and/or sewer drainage piping system, for the **purpose** of removing water or sewage from the dwelling. This does not include weeping tile or perimeter drainage system.

Dwelling means the building described on the Cover Note, wholly or partially occupied by you as a private residence.

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 with occur within 168 consecutive hours, commencing during the policy period on or after **the** effective date of this coverage. The expiration of this policy will not reduce the 168 hour period.

Earth Movement means:

- (1) earthquake, including land shock waves or tremors before during or after a volcanic eruption;
- (2) landslide, mudslide or mudflow;
- (3) subsidence or sinkhole collapse;
- (4) tsunami or volcanic action; or
- (5) any other naturally occurring earth movement including earth sinking, rising or shifting.

Electric Bicycle includes, a bicycle with an added battery powered electric motor that does not exceed 500 watts and can assist the cyclist up to a speed of 32 km/h, an electric powered children's toy vehicle, a personal transporter (commonly referred to as a "Segway"), that is a self-balancing, electric-powered transportation device able to turn in place and designed for one person, with a top speed of 20 km/h, and an electric powered scooter.

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

Flood occurrence means all flooding, which occurs within any 168 consecutive hours commencing during the policy period on or after the effective date of this policy. The expiration of this policy will not reduce the 168 hour period.

Fungi includes, but is not limited to, any form or type of mold, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapor or gas produced by, emitted from or arising out of any fungi or spore(s) or resultant mycotoxins, allergens, or pathogens.

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

Ground Water means water in the soil beneath the surface of the ground including but not limited to water in wells and in underground streams, and in percolating waters.

Indemnity Period the period beginning with the occurrence of the "Damage" and ending not later than twelve (12) consecutive calendar months (or such other period if so specified on the Cover Note as the maximum indemnity period) thereafter, during which the results of "Business" shall be affected in consequence of the "Damage". However, if media for, or programming records pertaining to, electronic data processing or electronically controlled equipment including data thereon be lost or damaged by a peril insured against, then the "Indemnity Period" in respect thereof shall not exceed beyond:

- (i) 30 consecutive days after the occurrence of such "Damage"; or

- (ii) the date upon which liability ceases under this Form for loss arising from other property lost or damaged by the same occurrence; whichever shall be the later.

Insured means the person(s) named as Insured on the Cover Note page and, while living in the same household:

- a. his or her spouse
- b. the relatives of either; and
- c. any person under twenty-one (21) in their care

Spouse means

a. either of a man and a woman who are married to each other or who have together entered into a marriage that is voidable or void, or
b. either of two (2) persons who are living together in a conjugal relationship outside of marriage and have so lived together continuously for a period of three (3) years or, if they are natural or adoptive parents of a child, for a period of one (1) year. In addition, a student who is enrolled in and actually attends a school, college or university and who is dependent on the Named Insured or his or her spouse for support and maintenance is also insured even if temporarily residing away from the principle residence stated on the Cover Note.

Insured Peril means a cause of loss or damage insured under the overage form stated on the Coverage Summary.

Maintenance Fees means the monthly charge for your share of the Condominium Corporation operating expenses such as utilities, regular upkeep and maintenance, management, administration and insurance for common elements.

Occupancy means the presence of you or your representative in the described seasonal dwelling. A seasonal dwelling will be considered occupied if a competent adult carries out an interior and exterior inspection at least once every sixty (60) days.

Occurrence means a loss to insured property caused by one or more of the insured perils

One Service Line Failure means if an initial "service line failure" causes other "service line failures", all will be considered one service line failure. All "service line failures" that are the result of the same event will be considered one service line failure.

Policy Limit is equal to the sum of the amounts shown on your Coverage Summary page for Dwelling Building, Additional Buildings, Personal Property and the Loss of Use of Your Dwelling.

Premises means the "dwelling" or "unit" and includes garages, storage lockers, outbuildings and private approaches reserved for your use or occupancy only.

Replacement includes repair, construction or reconstruction with new property of like kind and quality.

Replacement Cost means the cost of replacing, repairing, constructing or reconstructing (whichever is the least) the property with new property of like kind and quality and for like "occupancy" without deduction for depreciation.

Residence Employee means a person employed by you to perform duties in connection with the maintenance or use of the insured "premises". This includes persons who perform household or domestic services or duties of a similar nature for you. This does not include persons while performing duties in connection with your business.

Service Line Failure means a leak, break, tear rupture, collapse or arcing of a "covered service line" not otherwise excluded by this policy. A service line failure may be caused by, but is not limited to, the following perils:

- (1) Wear and tear, marring deterioration or hidden decay;
- (2) Rust or other corrosion;
- (3) Mechanical breakdown, latent defect or inherent vice;
- (4) Weight of vehicles, equipment, animals or people;
- (5) Vermin, insects, rodents or other animals;
- (6) Artificially generated electrical current;
- (7) Freezing or frost heave;
- (8) External force from a shovel, backhoe or other form of excavation; or
- (9) Tree or other root invasion.

Service line failure does not include blockage or low pressure of a "covered service line".

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

Standard Gross Rentals – 18 Months during the period in the twelve months immediately before the date of destruction or damage by a peril insured against which corresponds with the Indemnity Period, to which such adjustments shall be made as may be necessary to provide for the trends of, variations in or special circumstances affecting "Gross Rentals" either before or after the destruction or damage or which would have Gross Rentals Indemnity Period – 18 Months affected Gross Rentals had the destruction or damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the destruction or damage would have obtained during the relative period after the destruction or damage. It is further agreed that "Gross Rental" insurance is provided to all tenant locations (units) on the policy in so far as those units are occupied. If the unit(s) become unoccupied and/or vacant Gross Rental Coverage shall automatically cease ideally on the first day of vacancy. In the event the unit becomes occupied once again, coverage shall resume once more.

Sump means a sump pit, well or basin, lined with concrete or other liner, located within your dwelling, connected to a mechanical or gravity feed evacuation pump system, for the purpose of collecting and removing water. A sump pit, well or basin not equipped with a mechanical pump or gravity feed evacuation system is not a sump

Surface Waters means, but is not limited to, water on the surface of the ground where water does not usually accumulate in ordinary watercourses, lakes or ponds.

Tenant means one who rents property from another for "dwelling" purposes.

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 governments(s), for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

Tornado means a violently rotating column of air extending between a cloud base and the surface. It must be a confirmed finding from Environment Canada.

Unit means the condominium unit, strata lot or exclusive portion described in the Condominium Declaration or Co-ownership Declaration.

Unoccupied means the "dwelling" is uninhabited.

Vacant refers to the circumstance where, regardless of the presence of furnishings, all occupants have moved out with no intention of returning and no new occupant has taken up residence, or in the case of a newly constructed house, no occupant has yet taken up residence.

Water main means a pip forming a part of water distribution system, which conveys consumable water but not waste water.

We, us or our means the company providing this insurance.

You or your refers to the Insured

SINGLE AMOUNT OF INSURANCE

This policy provides a Single Amount of Insurance, which may be applied to any insured loss or damage to the property, insured in this section of your policy, except for personal property under "Personal Property with Special Limits of Insurance". The single amount of insurance is the sum of the amounts shown on the Coverage Summary page for Dwelling Building, additional Buildings, Personal Property and Loss of Use of Your Dwelling and this is the maximum amount we will pay for insured loss or damage in any one occurrence, unless stated otherwise.

COVERAGE A – DWELLING BUILDING

We insure:

- Your dwelling and attached structures;
- permanently installed outdoor equipment on the premises;
- outdoor domestic water containers, including swimming pools, hot tubs, saunas and attached equipment on the premises;
- materials and supplies located on or adjacent to the premises intended to use in construction, alteration or repair of your dwelling or additional buildings/structures on the premises.

We insure against theft only when your dwelling is completed and ready to be occupied.

Building Fixtures And Fittings

We also insure building fixtures and fittings temporarily removed from the premises for repair or seasonal storage.

Outdoor Trees, Shrubs, Plants and Lawns

You may apply up to 5% in all of the amount of insurance on your dwelling building as shown on the Coverage Summary Page to trees, plants, shrubs and lawns, on your premises, excluding cannabis plants.

We will not pay more than \$1,000 for any one tree, plant or shrub including debris removal expenses. We insure these items against loss caused by fire, lightning, explosion, impact by aircraft or land vehicles, riot, vandalism or malicious acts and theft including damage caused by theft.

We do not insure items grown for commercial purposes.

COVERAGE B – ADDITIONAL BUILDINGS

We insure private buildings or structures detached from the dwelling and which are on your premises, but not insured under the dwelling building. If they are connected to the dwelling by only a fence, utility line or similar connection, they are considered to be detached.

COVERAGE C – PERSONAL PROPERTY

Personal Property On Your Premises

We insure the contents of your "dwelling" or "unit" and other personal property you own, wear or use, while on your "premises", which is usual to the ownership or maintenance of a "dwelling".

If you wish, we will include uninsured personal property of others while it is on that portion of your "premises" which you occupy but we do not insure property of roomers, boarders or "tenants" who are not related to you.

If you are not the owner of the dwelling, we also insure dwelling improvements and betterments made by you or acquired at your expense, but only in the portion, you occupy as a private dwelling.

Personal Property Temporarily Away From Your Premises

Personal property normally kept at any other location you own, rent or occupy and personal property stored in a warehouse or storage facility is not insured.

Moving Your Personal Property To Another Home

We insure your personal property while in transit to and at another location within Canada which is to be occupied by you as your principal dwelling. Coverage applies for 30 consecutive days commencing on the date personal property is removed from your principal dwelling, but only beyond the date the policy expires or is terminated. The coverage does not increase the amounts of insurance.

Personal Property Not Insured

We do not insure:

1. Data
2. Cryptocurrencies
3. Business property, other than as shown under Personal Property with Special Limits of Insurance
4. Samples and goods held for sale
5. Evidences of debt or title
6. Sporting equipment where the loss is due to its use
7. Money, "cash cards", bullion, platinum or other precious metals or alloys, securities, stamps, tickets (except lottery tickets) or tokens, or evidence of debt or title;
8. Any property illegally acquired, kept, stored, or transported, or the proceeds of crime
9. Any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
10. Animals, birds or fish unless the loss or damage is caused by fire, lightning, explosion, riot, theft or attempted theft, vandalism and malicious acts or collision of an automobile or common carrier in which the animal is being transported
11. a) motorized vehicles or their equipment
b) camper units, truck caps, or their equipment
c) aircraft (including unmanned aerial vehicles (UAV) or drones) or their equipment
"Equipment" includes audio, visual, recording or transmitting equipment powered by the electrical system of a motor vehicle or aircraft. Equipment does not include spare automobile parts.
12. Identity theft

COVERAGE D – ADDITIONAL LIVING EXPENSES / LOSS OF USE OF YOUR DWELLING

The amount of insurance for Coverage D is the total amount payable for any one or a combination of the following coverages. The periods of time stated below are not limited by the expiration of the policy.

Additional Living Expenses

If, as a result of damage by an Insured Peril, your dwelling is unfit for occupancy or you have to move out while repairs of insured damage are being made, we insure any necessary increase in living expenses, including moving expenses, incurred by you so that your household can maintain its normal standard of living. Payment shall be for the reasonable time required to repair or rebuild your dwelling or, if permanently relocate, the reasonable time required your household to settle elsewhere.

Maintenance Fees

If, as a result of damage by an Insured Peril, your unit for occupancy or you have to move out while repairs of insured damage are being made, we will pay the maintenance fees for your unit. Payment shall be for the reasonable time required to repair or rebuild your dwelling or, if you permanently relocate, the reasonable time required for your household to settle elsewhere.

Fair Rental Value

If an Insured Peril makes that part of the dwelling rented to others or held for rental by you unfit for occupancy, we insure its Fair Rental Value. Payment shall be for the reasonable time required to repair or replace that part of the dwelling rented or held for rental. Fair Rental Value shall not include any expense that does not continue while that part of the dwelling rented or held for rental is unfit for occupancy.

Prohibited Access By Civil Authority

If a civil authority prohibits access to your dwelling as direct result of damage to neighboring premises by an Insured Peril under this policy we insure any resulting Additional Living Expense for a period not exceeding two weeks. We do not insure the cancellation of a lease or agreement.

ADDITIONAL COVERAGES CONDOMINIUM PROTECTION

Condominium Loss Assessment

We will pay up to the Amount of Insurance up to \$25,000 or as stated in the Cover Note for "your" share of any special assessment if:

- a) the assessment is valid under the governing rules of the "Condominium Corporation", and
- b) it is made necessary by a direct loss to the collectively owned condominium property caused by an insured peril "you" are covered

for in "your" Condominium policy.

Special assessment does not include a deductible in the "Condominium Corporations" property insurance policy.

Condominium Additional Coverage

"We" insure "your" unit up to the Amount of Insurance up to \$25,000 or as stated in the Cover Note, excluding "your" improvements to it if the "Condominium Corporation" has no insurance, its insurance is inadequate or is not effective.

Inadequate insurance does not include a deductible in the "Condominium Corporations" property insurance policy.

"You" are insured against all risks of direct physical loss or damage as outlined, subject to the exclusions, limitations and conditions of the policy.

Condominium Unit Owner Improvements

If "you" are a condominium unit owner, "we" will pay up to \$50,000 Amount of Insurance or as stated in the Cover Note against loss or damage by an insured peril for improvements to the "dwelling" made by "you" or acquired at "your" expense including"

- a) any private structure(s) or swimming pool on the "premises",
- b) materials and supplies located on or adjacent to the "premises" for use in such improvements.

Condominium Deductible Assessment

"We" will pay up to the Amount of Insurance stated in the Cover Note for:

a) that part of an assessment made necessary by a deductible in the "Condominiums Corporations" property insurance policy, but only where the "Condominium Corporations" governing rules specifically permit it to place the responsibility for any portion of the Group policy Deductible on an individual unit owner. This includes:

- (1) a deductible assessment for loss or damage to the collectively owned condominiums property by and insured peril; and
- (2) the damaged portion of "your" unit excluded under the "Condominiums Corporations" Group Policy Deductible Clause

b) we will pay up to \$2,500 if an assessment of a deductible is made necessary if loss or damage results from:

- (1) earthquake and only if EARTHQUAKE COVERAGE is indicated on the Cover Note or
- (2) fire that is caused directly or indirectly by earthquake.

No deductible applies to this coverage.

GROSS RENTALS

Indemnity Period-18 Months

Indemnity Agreement

This Form insures, up to the limit specified in the Cover Note against loss directly resulting from loss of "Gross Rentals" caused by "damage" by the perils insured against, to the buildings(s) on the "premises" specified in the Cover Note occurring during the term of the policy.

Measure of Recovery

The insurance, subject to the limit of the amounts of insurance stated on the Cover Note, is limited to the Insured's interest in Loss of "Gross Rentals" due to (a) REDUCTION IN GROSS RENTALS and (b) INCREASE IN COST OF WORKING and the amount payable as indemnity thereunder shall be:

- (b) IN RESPECT OF REDUCTION IN GROSS RENTALS: The amount by which the "Gross Rentals" during the "Indemnity Period" shall, in consequence of the destruction or damage, fall short of the "Standard Gross Rentals".
- (c) IN RESPECT OF INCREASE IN COST OF WORKING: The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in "Gross Rentals" which but for that expenditure would have taken place during the "Indemnity Period" in consequence of the destruction or damage, but not exceeding the loss of "Gross Rentals" thereby avoided;

less any sum saved during the Indemnity Period in respect of Costs as may cease or be reduced in consequence of the damage. PROVIDED that if the Sum insured be less than the amount of one and one-half times the "Annual Gross Rentals", the amount payable shall be proportionately reduced. The insurer will pay the Insured in respect of Auditors Fees the amount of reasonable fees incurred up to the amount stated on the Cover Note payable to the Insured's Auditors for producing and certifying particulars or details of the Insureds business required by the Insurer in order to arrive at the loss payable in the event of a claim. It is agreed that Clause 3 Definitions, (d) Indemnity Period is deleted and replaced with the following:

"Indemnity Period" The period beginning with the occurrence of the Damage and ending no later than eighteen (18) consecutive calendar months thereafter, during which the results of "Business" shall be affected in consequence of the damage. However, if media for, or

programming records pertaining to, electronic data processing or electronically

(i) 30 consecutive days after the occurrence of such "Damage" or

(ii) the date upon which liability ceases under this Form for loss arising from other property loss or damaged by the same occurrence; whichever shall be later.

Provisions

If during the Indemnity Period services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on behalf of the Insured the money paid or payable in respect of such services shall be brought into account in arriving at the "Gross Rentals" during the "Indemnity Period".

The Liability of the Insurer shall in no case exceed the total sum insured.

On the happening of any destruction or damage by a peril insured against in consequence of which a claim is or may be made under this Form, the Insured shall with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimize or check any interruption of or interference with "Gross Rentals" or to avoid or diminish the loss.

If, on the happening of any loss, there is in force more than one policy covering the same interest, irrespective of whether by any term in such contract the insurance granted thereby shall not cover, come into force, attach or become insurance until after full or partial payment of any loss under any other policy, it is a condition of this Form that the claim hereunder shall be adjusted with the Insured on the basis that such policy or policies will contribute a ratable proportion of the loss unless it is otherwise expressly agreed in writing.

Special Exclusions

The Insurer shall not be liable for:

- a) any increase of loss caused by delays or loss of time due to the presence of strikers or other persons or to labour disturbances on or about the "premises" interfering with the rebuilding, repairing, or replacing the property damaged or destroyed or the resumption or continuation of business or free access to or control of the "premises" or due to the action of sympathetic strikers elsewhere;
- b) loss due to fines or damages for breach of contract for late or non-completion of orders or for any penalties of whatever nature;
- c) loss due to the suspension, lapse or cancellation of any lease or license, contract or order, which may affect the Insured's "gross rent and rental value" after the period following any loss during which indemnity is payable.

Permission

Permission is hereby granted:

- (d) for other insurance concurrent with this Form;
- (e) to make additions, alterations or repairs;
- (f) to do such work and to keep and use such articles, materials and supplies in such quantities as are usual or necessary to the business of the Insured.

Interruption by Civil Authority

This Form is extended to include the actual loss as insured hereunder during the period of time, not exceeding two weeks, while access to the "premises" described in the Cover Note is prohibited by order of civil authority, but only when such order is given as a direct result of direct physical loss or direct physical damage to neighbouring premises by a peril insured against under this policy.

Service Line Coverage

"We" will pay for the following subject to the Amount of Insurance state in the Cover Note:

- (1) Damages to "Covered Service Line" "We" will pay for direct physical damage to "your" "covered service line" that is the direct result of the "service line failure".
- (2) Excavation Costs With respect to "your" "covered service line" that is damaged as a result of a "service line failure", "we" will pay the necessary and reasonable excavation costs required to repair or replace the damaged "covered service line".
- (3) Loss of use If a covered loss under this coverage makes "your" premises uninhabitable, coverage is extend to ADDITIONAL LIVING EXPENSE and FAIR RENTAL VALUE, under COVERAGE D – ADDITIONAL LIVING EXPENSES.
- (4) Expediting Expenses With respect to "your" "covered service line" that is damaged as the result of a "service line failure", we will pay the reasonable extra cost to: (a) make temporary repairs; and (b) expedite permanent repairs or permanent replacement.

(5) Outdoor Property We will pay for your outdoor property, including but not limited to trees, shrubs, plants, lawns, walkways and driveways that are damaged as a result of a "service line failure" or that is damaged during the excavation of your covered service line following a service line failure.

(6) Environmental, Safety and Efficiency Improvements If a "covered service line" requires replacement due to a service line failure, we will pay your additional cost or replace with materials that are better for the environment, safer or more energy or water efficient than the materials being replaced. However, we will not pay to increase the size or capacity of the materials and we will not pay more than 150% of what the cost would have been to replace with like, kind and quality. This coverage does not increase the limit that applies to this coverage.

Flood Coverage

this extends coverage to include loss or damage caused by the peril **flood**.

The Insurer's liability for the amount by which the loss or damage caused by flood exceeds the amount of the deductible specified on the Cover Note for this coverage in any one flood occurrence. This deductible clause applies separately to each premises or site to which this coverage applies.

This coverage does NOT COVER loss or damage caused directly or indirectly by any of the following perils whether or not caused by or attributable to flood:

- a) the backing up or overflow, within the area bounded by the bearing walls and foundations of the building described on the Cover Note of water from within sewers, sumps, septic tanks or drains;
- b) water below the surface of the ground including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveways, foundations, walls basement or other floors or through doors, windows or other openings in such sidewalks, driveways, foundations, walls or floors;
- c) fire, explosion, smoke, leakage from Fire protective equipment, theft riot vandalism or malicious acts;
- d) leakage from a watermain.

IMPORTANT: it is agreed that if a location(s) on schedule with the Insured are located in a flood restricted zone flood coverage will not be provided. It is further understood that if the area has a high flood exposure a \$50,000 deductible will apply and will be subject to the appropriate generated premium.

Sewer Back Up

this extends coverage to include loss or damage caused by **sewer back up**.

The insurer is liability for the amount by which the loss or damage caused by sewer back up exceeds the amount of deductible specified on the Cover Note for this coverage in any occurrence. This deductible applies separately to each premises to which this coverage applies.

If an amount of insurance is specified on the Cover Note for this coverage, the Insurer shall not be liable for more than that amount.

Earthquake Shock

this extends coverage to include loss or damaged due to **earthquake**.

The Insurer is liable for the amount by which the loss or damage caused by earthquake exceeds the amount of the deductible specified on the Cover Note for this coverage in any earthquake occurrence. If a percentage deductible is specified, the amount of the deductible shall be that percentage of the amount of insurance for each item of insured property separately, as each such item is specified on the Cover Note or on a statement of values. If any such item shall insured two or more buildings and/or contents, this percentage deductible clause shall be applied separately to each building and/or contents. If both a dollar amount deductible and a percentage deductible are specified on the Cover Note whichever deductible is greater shall apply. The dollar amount deductible shall apply separately to each building and/or contents, unless they are located on the same premises.

This coverage does not cover loss or damaged 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 fire protective equipment;
- c) theft, vandalism, or malicious acts;
- d) flood including surface water, waves, tides, tidal waves, tsunamis, or the breaking out of overflow of any natural or artificial body of water, waterborne objects or ice

The Insurer shall be liable for loss of 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 earthquake.

Vandalism and Malicious Acts Damage by Occupants

We will pay any loss of, or damage to, insured property caused by the willful and malicious acts of occupants on the insured premises or such occupants "invited guests. Each claim for loss of shall be adjusted separately and from the amount of each such adjusted claim, the sum specified on the Cover Note under deductible shall be deducted.

Doors and Glass

We will reimburse you for the charges incurred if a fire department charges for attending your home because of an Insured Peril. This coverage is not subject to a deductible

Expediting Expenses This is extended to cover expediting expense, including overtime, incurred as a result of loss or damage to insured property by an insured peril, for such cost incurred to:

- a) make reasonable temporary repairs;
- b) expedite reasonable permanent repairs;
- c) expedite permanent replacement of the insured property that has been lost or damaged by an insured peril.

This extension does not apply to additional costs incurred for the rental or borrowing of property while the damaged property is being repaired or replaced.

Fire Department Charges

We will pay for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect your property from an Insured Peril.

NOTE: Any deductible specified in the policy does not apply to this coverage.

Automatic Fire Suppression System Recharge Expense

We will pay up to \$10,000 for charges occurred due to the 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 form. Coverage under this form may also be applied to the cost incurred during the policy period of upgrading any fire suppression system following loss or damage arising out of a fire to which this coverage applies, and that caused such fire suppression system to discharge.

Roadways, Walkways and Parking Lots

this is extended to cover loss or damage to roadways, walkways, parking lots, other exterior paved surfaces, retaining walls or permanently installed landscape structures on the premises outside the building.

Lock Repair or Replacement

We will pay up to \$1,000 in all to replace or rekey, at our option, the locks on your dwelling or your private passenger automobile(s) including the ignition, if your keys are stolen, provided the theft is reported to the police or law enforcement agency having jurisdiction at the location of the theft.

NOTE: Any deductible specified in the policy does not apply to this coverage

Change of Temperature

While your personal property is in your dwelling, it is covered up the amount of insurance on your personal property for loss damage due to a change in temperature resulting from damage to your dwelling or equipment caused by an Insured

Permission to Remove Property

If you must remove insured property from your premises to protect it from loss or damage covered by this policy, it is insured by this policy for 90 days or until your policy ends, whichever occurs first. The amount of insurance will be divided in the proportions that the value of the property-removed bears to the value of all property insured at the time of the loss.

Tear Out

If any walls, ceilings or other parts of insured buildings or structures must be torn apart before water damage covered by this form can be repaired, we will pay the cost of such work and its restoration. The cost of tearing out the replacing property to repair damage related to outdoor domestic water containers or public water mains is not insured.

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. Coverage is also

extended for expenses incurred in the removal from the "premises" of debris of others occasioned by loss of or damage to such property, for which loss or damage insurance would have been afforded under this form had such property been insured hereunder, subject to written documentation produced by the insured as proof of authorization for removal and disposal of such property.

Management Fees

will pay reasonable expenses payable to the insureds property manager for assisting in the settlement of losses not including adjustment expenses. The maximum liability of the insurer in any one loss or occurrence is limited to 5% and not to exceed \$5,000 (five thousand dollars).

Vacancy Permit

will grant permission for the building(s), unit(s) to remain vacant or unoccupied for a period of 365 days. This permit will not extend beyond the expiry date of this policy.

It is a condition precedent to this permit that the building(s), unit(s) shall

- 1) Be checked a minimum of every (168) one hundred and sixty eight hours when the building(s) is vacant or unoccupied;
- 2) Have the doors and windows securely closed and locked;
- 3) Be clear of all rubbish within and around the building(s) and premises
- 4) Water must be shut off

Failure of above said conditions will render this Vacancy Permit null and void.

In the event premises become occupied, this permit shall automatically lapse.

Warning! Please read your policy as certain perils may not apply during vacancy or unoccupancy.

Inflation Protection

If there is a loss insured under Section I, we will automatically increase the amounts of insurance shown on the Coverage Summary page, under Section I, by amounts which are solely attributable to the inflation increase:

- since the inception date of this policy; or

-the latest renewal date; or

-from the date of the most recent change to the amounts of insurance shown on the Coverage Summary page; whichever is the latest.

On the renewal date of your policy, if required, we will automatically increase the amounts of insurance shown on the coverage Summary page, under Section I, by amounts which are solely attributable to the inflation increase since the inception date of this policy or the latest renewal date.

Employee Dishonesty Coverage

"Loss" of "money", "securities" and other property which the Insured shall sustain, resulting directly from one or more "fraudulent or dishonest acts" committed by an "employee", acting alone or in collusion with others, the amount of insurance on each of the "employees" being the amount stated in the Cover Note applicable to the Insuring Agreement.

It is agreed that "employee" as defined is amended to include the following:

1. Any elected officer of the Insured any successor of such officer including officers, directors, non-compensated employees, and employees of the Condominium.
2. Any employee who performs the duties of building manager, caretaker, superintendent or janitor, his or her spouse and their children over 18 years of age who reside with such employee provided, however, that:
 - (a) such employee, spouse and children shall be regarded collectively as one employee
 - (b) the provisions of the policy relating to fraudulent or dishonest acts of any employee shall likewise apply to such acts of is or her spouse and children or any of them;
 - (c) cancellation effected as to any such employee shall be simultaneously effective as to his or her spouse and children under the provisions for the policy and the discovery limitations of the policy.
3. Those employees of the management company performing work at various locations managed by said company as per the schedule location stated within the policy.

Declaration of Emergency Endorsement- Extension of Termination or Expiry Date

The effective date of termination of this policy by the Insurer or the expiry date of this policy is extended, subject to the conditions and definitions set out below, as follows when an "emergency" is declared by Canadian public authority designated by statute for the purpose of issuing such an order.

1. The "emergency" must have a direct effect or impact on:

- i) the Insured, the insured site or insured property located in the declared emergency area; or
- ii) the operations of the insurer or its agent/broker located in the declared emergency area.

2. A. Any time limitations described in the Termination condition of this policy, with respect to termination of this policy by the Insurer,

will not continue to run until the "emergency" is terminated plus the lesser of:

i) 30 days; or

ii) the number of days equal to the total time the "emergency" order was in effect.

2.B. if this policy is due to expire during an "emergency" it will continue in force until the "emergency" is terminated plus the lesser of:

i) 30 days; or

ii) the number of days equal to the total time the "emergency" order was in effect.

3. In no event shall the total term of this extension exceed 120 consecutive days.

The Insured agrees to pay the pro-rated premium earned for the additional time the Insurer remains on risk as the result for the above.

Emergency means the first statutory declaration of an emergency;

a) with respect 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 the forces of nature, a disease or other health risk, an accident or an act whether intentional or otherwise; or

b) as provided for by the relevant governing legislation if different from a); but does not include any subsequent statutory declaration(s) that may be issued relating to the same event.

All other terms and conditions of the Policy to which this endorsement applies remain unchanged.

BY-LAWS COVERAGE

Insuring Agreement

1. We will pay the additional cost of demolition, construction or repairs of the buildings for insured loss or damage, up to \$30,000, unless a specific amount for this coverage is shown on your Coverage Summary page.

2. This includes:

-loss resulting from the demolition of any undamaged portion of the building or structure; or cost of demolishing and clearing the site of any undamaged portion of the building or structure; or

-any increase in the cost of repairing, replacing, or constructing the buildings or structures on the same site and the same use or occupancy.

3. We will not pay:

(a) more than \$30,000, unless a specific amount for this coverage is shown on your Coverage Summary page;

(b) more than minimum amount required to comply with any law.

(c) the additional cost, unless your property is actually repaired, rebuild or replaced on the same, site, even if the by-law regulation, ordinance or law prohibits rebuilding on the same site.

INSURED PERILS

You are insured against **All Risks** of direct physical loss or damage subject to the exclusions and conditions of this policy.

LOSS OR DAMAGE NOT INSURED

1. buildings, units or detached private structures used in whole or in part for business or farming purposes unless declared on the Coverage Summary Page;
2. to personal property undergoing any process or while being worked on, where the damage results from such process or work, but resulting damage to other property is insured;
3. sporting equipment where the loss or damage is due to its use;
4. loss or damage caused by animals owned by you or in your care, custody or control
5. resulting from any intentional or criminal act or failure to act, by any person insured by this policy or at the direction of any person insured by this policy.
However, this exclusion does not apply to any person insured by this policy, but only to the extent of their proportional interest in the lost or damaged property, who:
 - a) as not committed and was not a party to the intentional or criminal act or failure to act; or
 - b) has not abetted or colluded in the international or criminal failure to act; or
 - c) has not consented to the intentional or criminal act or failure to act and neither knew nor ought to have known that the intentional or criminal act or failure to act would cause loss or damage.
6. property at any fairground, exhibition or exposition for the purpose of exhibition;
7. any property illegally imported, acquired, kept, stored or transported, or property subject to forfeiture;
8. books of account and evidences of debt or title;
9. resulting from a change in ownership of property that is agreed to, even if that change was brought about by trickery or fraud;
10. any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
11. losses or increased costs of repair due to operation of any law regulating the zoning, demolition, repair or construction of buildings and their

- related services;
12. wear and tear, deterioration, defect or mechanical breakdown, rust or corrosion, extremes of temperature, wet or dry rot, fungi or spores, and contamination;
 13. the cost of making good, faulty material or workmanship;
 14. caused directly or indirectly by:
 - (a) 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;
 - (b) by contamination by radioactive material;
 15. caused by war, invasion, act of a foreign enemy, declared or undeclared hostilities, civil war, rebellion, revolution, insurrection or military power;
 16. to personal property undergoing any process or while being worked on, where the damage results from such process or work, but resulting damage to or other property is insured;
 17. caused directly or indirectly by birds, vermin, rodents, insects, groundhogs, skunks, bats, raccoons or termites except loss or damage to building glass;
 18. caused by smoke from agricultural smudging or industrial operations;
 19. caused by snow slide, earthquake, landslide or any other earth movement. If any of these results in fire or explosion, we will pay only for the resulting loss or damage;
 20. caused by vandalism or malicious acts or glass breakage occurring while your "dwelling" is under construction or vacant
 21. caused by water unless the loss or damage resulted from:
 - (a) the sudden and accidental escape of water from a water main;
 - (b) the sudden and accidental escape of water or steam from within a plumbing, heating, sprinkler or air conditioning system or "domestic water container", which is located inside your "dwelling";
 - (c) the sudden and accidental escape of water from a "domestic water container" or equipment attached, located outside your "dwelling". However, such damage is not covered when the escape of water is caused by freezing;
 - (d) water which enters through an opening which has been created suddenly and accidentally by a "Specified Peril" other than water damage; but we do not insure loss or damage;
 - (e) caused by freezing during the usual heating season, of any part of a plumbing, heating, sprinkler or air conditioning system or "domestic water container";
 - (i) within a heated portion of your "dwelling" if you have been away from your "premises" for more than four (4) consecutive days; however, you would still be insured if you:
 - arranged for a competent person to enter your "dwelling" each day you were away to ensure that heating was being maintained; or
 - shut off the water supply and had drained all the pipes and "domestic water containers"; or
 - if your heating system is connected by a monitored heating alarm to a station providing twenty-four (24) hour service;
 - (ii) within an unheated portion of your "dwelling";
 - (f) caused by continuous or repeated seepage or leakage of water;
 - (g) caused by the backing up or escape of water from a sewer, sump, septic tank, eaves trough or downspout;
 - (h) caused by "ground water" or rising of the water table;
 - (i) caused by "surface waters", unless the water escapes from a water main or from a "domestic water container" located outside your "dwelling";
 - (j) caused by seepage or leakage of water below the surface of the ground including through sidewalks, driveways, foundations, walls, basement, or other floors, through doors, windows or any other openings, unless the loss or damage resulted from the escape of water from a public water main, "domestic water container" or equipment attached;
 - (k) to a water main;
 - (l) caused by "flood", ice or waterborne objects, all whether driven by wind or not, unless the loss or damage resulted from the escape of water from a public water main, "domestic water container" or equipment attached;
 - (m) to a system or "domestic water container" and its equipment attached, from which the water escaped;
 - (n) occurring while the building is under construction or "vacant" even if we have given permission for construction or vacancy;
 - (o) caused by shoreline ice build-up or by waterborne ice or other objects, all whether driven by wind or not.;
 22. due to vandalism or malicious acts caused by you
 23. loss or damage to personal property contained in a building or structure used in whole or in part for the cultivation, harvesting, processing, manufacture, distribution or sale of cannabis or any product derived from or containing cannabis, except as allowed by law
 24. 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 regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but you are still insured for ensuing loss or damage which results directly from fire or explosion.
 25. nor do we insure:
 - (a) data, or
 - (b) loss or damage caused directly or indirectly by a data problem. However, if loss or damage caused by a data problem results in the occurrence of further loss of or damage to property insured that is directly caused by fire, explosion, smoke, water damage, leakage from fire protective equipment, this exclusion shall not apply to such resulting in loss or damage
 26. loss or damage caused directly or indirectly by any of the following perils, whether or not caused by or attributable to earthquake: flood of any nature, waves, tidal waves, tsunami, high water, waterborne objects or ice.

BASIS OF CLAIM SETTLEMENT

When Coverage Applies

We will pay claims for insured loss or damage:

to personal property and unit improvements and betterments;

to your unit less any amount recoverable from any insurance covering the collective interest of the unit owners; as described below, up to your financial interest in the property, but not more than the applicable amount(s) of insurance for any loss or damage arising out of one occurrence.

Any payment for loss or damage will not reduce the amounts of insurance provided under Section I.

Insurance cannot be a source of profit.

It is only designed to indemnify you against actual losses or expenses incurred by you for which you are liable.

Deductible

All coverages under Section I are subject to a deductible, unless otherwise stated. The deductible amount is shown on the Coverage Summary page.

We pay only the amount by which the insured loss or damage exceeds the applicable deductible amount in any one occurrence when the loss is \$30,000 or less. If the loss is more than \$30,000, we pay the full amount. Loss or damage occurring due to a fire resulting directly or indirectly from an earthquake is subject to the deductible, regardless of the amount of the loss.

Coverage A- Dwelling Building And Coverage B- Additional Buildings

If you repair or replace the damaged or destroyed building(s), on the same site, with a building of the same occupancy, constructed with materials of similar quality, within a reasonable time after the damage, we will pay the cost of repairs or replacement (whichever is less) without deduction for depreciation.

We provide **Guaranteed Replacement Cost** on Coverage A - Dwelling Building which means:

we will pay the cost of repairs or replacement, on the same site, even if it is more than the principal dwelling replacement cost amount shown on the Coverage Summary page, provided:

- the principal dwelling replacement cost amount, shown on the Coverage Summary page on the inception date of the policy, or the most recent renewal date, or the increased amount under the inflation protection coverage on the date the increase took effect, was not less than 100% of the cost to replace the dwelling building, as determined by a valuation guide acceptable to us;
- the principal dwelling replacement cost amount has not been reduced below the amount determined by the valuation guide; and
- you notified us, within 90 days of the start of the work, if any improvement, extension or addition has been made to your dwelling that will increase the replacement value by more than \$10,000.

When this guarantee is applied on any principal dwelling claim, the total amount of insurance available for other insured coverages is the single amount minus the principal dwelling replacement cost amount shown on the Coverage Summary page.

* If you decide not to repair or replace the damaged or destroyed building, we will pay the actual cash value of the damage at the date of the occurrence.

Coverage C – Personal Property

For electronic media we will pay the cost of reproduction from duplicates or from originals of the previous generation of the media. We will not pay the cost of gathering or assembling information or data for reproduction.

For other records including books of account, drawings or card index systems, we will pay the cost of blank books, pages, cards or other materials plus the cost of actually transcribing or copying the records.

We will pay on the basis of **Replacement cost** for all other personal property except:

- a. articles that cannot be replaced with new articles because of their inherent nature, including antiques, fine arts, paintings and statuary
- b. articles for which their age or history substantially contributes to their value, such is memorabilia, souvenirs, and collectors items
- c. property that has not been maintained in good or workable condition

- d. property that is no longer used for its original purpose for which we will pay only on the basis of actual cash value

Replacement cost means the cost, on the date of loss or damage, of the lesser of:

- a) repairing the personal property with materials of similar kind and quality
- b) new articles of similar kind, quality and usefulness with any deduction for depreciation

We will pay on the basis of replacement cost only if the property lost or damaged is repaired or replaced as soon as reasonably possible, but in no case more than 1 year after the date of loss. Otherwise, we will pay on the basis of actual cash value.

You may choose payment on the basis of actual cash value initially. If you later decide to replace any destroyed or stolen property, you make an additional claim for the difference between the actual cash value initially. If you later decide to replace any destroyed or stolen property, you may make an additional claim for the difference between the actual cash value and the replacement cost.

Unit Improvements And Betterments And Unit Additional Protection

If you repair or replace the damaged or destroyed unit or unit improvements and betterments, on the same site, with a unit of the same occupancy, constructed with materials of similar quality, within a reasonable time after the damage, we will pay the cost of repairs or replacement (whichever is less) without deduction for depreciation.

If you decide not to repair or replace the damaged or destroyed unit, we will pay the actual cash value of the damage at the date of the occurrence.

Actual Cash Value

The Actual Cash Value is what the property is worth and takes into account such things as the cost of replacement less any depreciation and obsolescence. In determining depreciation, we will consider the condition of the property immediately before the damage occurred, the resale value and the normal life expectancy.

Pair and Set

In the case of loss of or damage to any article(s) whether scheduled or unscheduled, which is (are) a part of a set, the measure of loss of or damage to such article(s) 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 the set.

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, we will not pay more than the insured value of the part lost or damaged, including the cost of installation.

Insurance Under More Than One Policy

If you have insurance on specifically described property, our policy will be excess insurance and we will not pay any loss or claims insured by this policy until the amount of such other insurance is used up. In other cases our policy will pay its ratable proportion of the loss or claim.

Notice To Authorities

Where loss or damage is, or is suspected to be, due to malicious acts, burglary, robbery theft or attempted theft, you must give immediate notice of such loss to the police or law enforcement agency having jurisdiction.

Duties After Loss

After submission of the Proof of Loss in respect of a loss which may be insured under Section I each of you may be required separately to:

- (a) Submit to examination under oath
- (b) Produce for examination all documents in your possession or control that relate to the application for insurance and Proof of Loss,
- (c) Permit extracts and copies of such documents to be made, all at a reasonable place and time designated by us

Subrogation

We will entitle to assume all your rights of recovery against others and bring action in your name to enforce these rights when we make payment or assume liability under this policy. Your right to recover from us is not affected by any release from liability entered into by you prior to loss.

COMMERCIAL GENERAL LIABILITY – Occurrence Basis (B700)

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 the 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 discretion, investigate any "occurrence" and settle any claim or "action" that may result. But:

- (1) The amount we will pay for "compensatory damages" is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical expenses under Coverage C.

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:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
- (2) The "bodily injury" or "property damage" occurs during the policy period; and
- (3) 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.

(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. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for "compensatory damages" because of the "bodily injury" or "property damage"; or
- (3) 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".

Coverage A - 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":

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) 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:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) 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 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. This exclusion applies:
 - (i) Whether the insured may be liable as an employer or in any other capacity; and
 - (ii) 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:
 - (a) Liability assumed by the insured under an "insured contract"; or
 - (b) A claim made or an "action" brought by a Canadian resident "employee" on whose behalf contributions are made by or required to be made by you under the provisions of any Canadian provincial or territorial workers' compensation law, if cover or benefits have been denied by any Canadian Workers' Compensation Authority.

(e) Aircraft

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

- (i) Any aircraft or air cushion vehicle 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. Use includes operation and "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, 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, use or entrustment to others by or on behalf of any insured of any watercraft. Use includes operation and "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, use or entrustment to others of any watercraft.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 12 metres long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) "Bodily injury" to an "employee" of the insured on whose behalf contributions are made by or required to be made by the insured under the provisions of any 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, use or entrustment to others of any "automobile" owned or operated by or rented or loaned to any insured. Use includes operation. 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 applies to any motorized snow vehicle or its trailers and 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.

Subject to paragraph (4) below, 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, use or entrustment to others of any "automobile" that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply:

- (1) To "bodily injury" to an "employee" of the insured on whose behalf contributions are made by or required to be made by the insured under the provisions of any Canadian provincial or territorial workers' compensation law.
- (2) To "bodily injury" or "property damage" arising out of a defective condition in, or improper maintenance of, any "automobile" 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) To 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 equipment. However, this exception does not apply when such machinery, apparatus or equipment mounted or attached to any "automobile" or motorized snow vehicle and such machinery, apparatus or equipment is used for the purpose of "loading and unloading".
- (4) If your operations are related to the business of selling, repairing, servicing, parking or storing "automobiles", to liability arising out of a defective condition in or improper maintenance of any "automobile" owned by you while rented, leased or loaned to others, provided, however, coverage shall apply only to "bodily injury" sustained by any person while driving the "automobile", or the son, daughter or spouse of such person while being carried in or upon or entering, getting on to or alighting from such "automobile".
- (5) To "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:

- (1) 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;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in your care, custody or control;
- (5) 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
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it. Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you. Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

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

(i) Damage To Your Product

"Property damage" to "your product" arising out of "your product" or any part of it. 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:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
 - (2) 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:

- (1) "Your product"; "Your work"; or
- (2) "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) Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability "Compensatory damages" arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or 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 you or others arising out of that which is described in Paragraph (1) or (2) above.

(n) Personal and Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

(o) 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.

(p) Abuse

- (1) Claims or "actions" 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".
- (2) Claims or "actions" based on your practices of "employee" hiring, acceptance of "volunteer workers" or supervision or retention of any person alleged to have committed "abuse".
- (3) Claims or "actions" alleging knowledge by an insured of, or failure to report, the alleged "abuse" to the appropriate authority(ies).

(q) Asbestos – see Common Exclusions.

(r) Fungi or Spores – see Common Exclusions.

(s) Nuclear – see Common Exclusions.

(t) Pollution – see Common Exclusions.

(u) Terrorism – see Common Exclusions.

(v) 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 discretion, investigate any offense and settle any claim or "action" that may result. But:

- (1) The amount we will pay for "compensatory damages" is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical expenses under Coverage C.

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.

Coverage B - 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 manner 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 manner 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:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web-sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **22. a.**, **b.** and **c.** of "personal and advertising injury" under the Definitions Section.

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) Electronic Chatrooms or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

(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:

- (1) A person arising out of any:
 - (i) Refusal to employ that person;
 - (ii) Termination of that person's employment; or
 - (iii) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or

- (2) 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 (1) above at whom any of the employment-related practices described in Paragraphs (i), (ii), or (iii) above is directed.

This exclusion applies whether the insured may be liable as an employer or in any other capacity, and 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 out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non public 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 you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

(o) Asbestos – see Common Exclusions.

(p) Fungi or Spores – see Common Exclusions.

(q) Nuclear – see Common Exclusions.

(r) Pollution – see Common Exclusions.

(s) Terrorism – see Common Exclusions.

(t) 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 medical expenses as described below for "bodily injury" caused by an accident:

(1) On premises you own or rent;

(2) On ways next to premises you own or rent; or

(3) Because of your operations; provided that:

(i) The accident takes place in the "coverage territory" and during the policy period;

(ii) The expenses are incurred and reported to us within one year of the date of the accident; and

(iii) 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. We will pay reasonable expenses for:

(1) First aid administered at the time of an accident;

(2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and

(3) Necessary ambulance, hospital, professional nursing and funeral services.

Coverage C -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 a similar law.

(e) Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.

(f) Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

(g) 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 discretion, investigate any "occurrence" and settle any claim or "action" that may result. But:

(1) The amount we will pay for "compensatory damages" is limited as described in Section III – Limits Of Insurance; and

(2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical expenses under Coverage C.

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:

(1) The "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

(2) The "property damage" occurs during the policy period; and

(3) 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:

(1) Reports all, or any part, of the "property damage" to us or any other insurer;

(2) Receives a written or verbal demand or claim for "compensatory damages" because of the "property damage"; or

(3) Becomes aware by any other means that "property damage" has occurred or has begun to occur.

Coverage D – 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":

(1) That the insured would have in the absence of the contract or agreement; or

(2) 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 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 "property damage", provided:

- (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) 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) **Nuclear** – see Common Exclusions.
(f) **Pollution** – see Common Exclusions.
(g) **Terrorism** – see Common Exclusions.
(h) **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", "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.

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.

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" arising out of Fungi Liability in each consecutive annual period and 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 limit of insurance that applies.

For the purpose of the following exception:

(i) "Property damage" means physical injury to animals.

(ii) "Products-completed operations hazard" means all "bodily injury" and "property damage" that arises out of "your product" provided the "bodily injury" or "property damage" occurs after you have relinquished physical possession of "your product".

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 by you to be applied topically to, or ingested by humans or animals and is included in the "products-completed

operations hazard”.

3. Nuclear Energy Liability

- (a) Liability imposed by or arising from any nuclear liability act, law, statute, or regulation, 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:
 - (1) The ownership, maintenance, operation or use of a "nuclear facility" by or on behalf of an insured;
 - (2) The furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility";
 - (3) The possession, consumption, use, handling, disposal or transportation of "fissionable substances", or of other "radioactive material" (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be 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".

4. Pollution

- (1) "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":
 - (a) 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:
 - (i) "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;
 - (ii) "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
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
 - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible; or
 - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "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 vehicle 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;
 - (ii) "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
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
 - (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or "action" by or on behalf of a governmental authority for "compensatory damages" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this Section (2) does not apply to liability for "compensatory damages" because of "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.

5. Terrorism

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

6. War Risks

"Bodily injury", "property damage" or "personal and advertising injury" 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 incurred by the insured at our request to assist us in the investigation or defense of the claim or "action", including actual loss of earnings up to \$250 a day 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:

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- (1)** Agrees in writing to:
 - (a)** Cooperate with us in the investigation, settlement or defense of the "action";
 - (b)** Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "action";
 - (c)** Notify any other insurer whose coverage is available to the indemnitee; and
 - (d)** Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2)** Provides us with written authorization to:
 - (a)** Obtain records and other information related to the "action"; and
 - (b)** 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. (2)** of Section **I – Coverage A – Bodily Injury and Property Damage 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:

- (i)** We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- (ii)** 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.
 - (e) 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" or "volunteer workers" are insureds for:
 - (1) "Bodily injury" or "personal and advertising injury":
 - (a) 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), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
 - (b) 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 Paragraph (1)(a) above;
 - (c) Arising out of his or her providing or failing to provide professional health care services; or
 - (d) To any person who at the time of injury is entitled to benefits under any workers' compensation or disability benefits law or a similar law.
 - (2) "Property damage" to property:
 - (a) Owned, occupied or used by,
 - (b) 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", "volunteer workers", 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:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) 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, other than a partnership, limited liability partnership or joint venture or limited liability company, 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) Coverage **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.

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 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.
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 Aggregate Limit under Coverage **A** shall not be reduced by the application of such deductible amounts.
- (b) The deductible amount applies as follows:
 - (1) Under Coverage **A**: To all "compensatory damages" because of "property damage" or "bodily injury" as the result of any one "occurrence", regardless of the number of persons or organizations who sustain "compensatory damages" because of that "occurrence".
 - (2) 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 deductible amount in the Declarations specifies a deductible on a "per claim" or "per occurrence" basis. In the event of a "per claim" deductible, if more than one claim arises out of the same "occurrence", then the deductible amount shall be applied to each claim separately. In the event of a "per occurrence" deductible, then the deductible amount shall be applied once to each "occurrence" regardless of the number of claimants involved.
- (d) If a reimbursement amount is shown for the deductible in the Declarations, then subject to 3. above, our obligation under Coverage **A** to pay as "compensatory damages" because of "bodily injury" or "property damage" and as Supplementary Payments applies only to the amount of "compensatory damages" and Supplementary Payments in excess of the Reimbursement amount stated in the Declarations. The limits of insurance applicable to each "occurrence" for "bodily injury" and "property damage" liability will be reduced by the amount of such deductible. The Aggregate Limit for such coverages shall not be reduced by the application of such deductible amounts.
- (e) You shall reimburse us up to the Reimbursement amount shown for the deductible in the Declarations with respect to all "compensatory damages" because of "bodily injury" or "property damage" and Supplementary Payments combined in any one "occurrence," and we shall be liable only for loss, damage or expense in excess of that amount.
- (f) The terms of this insurance, including those in respect to:
 - (1) Our right and duty to defend any "action" seeking those "compensatory damages"; and
 - (2) Your duties in the event of an "occurrence", claim or "action": apply irrespective of the application of the deductible amount.
- (g) 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.

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, Offense, 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:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) 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:

- (1) Immediately record the specifics of the claim or "action" and the date received; and
- (2) 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:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "action";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "action"; and
- (4) 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. 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.

6. Inspections and Surveys

(1) We have the right to:

- (a) Make inspections and surveys at any time;
- (b) Give you reports on the conditions we find; and
- (c) Recommend changes.

(2) 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. And we do not warrant that conditions:

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

(3) Paragraphs 1. and 2. 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.

(4) Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under provincial or municipal statutes, ordinances, bylaws or regulations, of boilers, pressure vessels or elevators.

7. 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.

8. 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:

(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 either share with all that other insurance by the method described in **c.** below, or, if applicable, method **d.** below will apply.

(b) Excess Insurance

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (c) If the loss arises out of the maintenance or use of watercraft or "automobiles" to the extent not subject to Exclusions **f.** or **g.** of Section **I** – Coverage **A** – Bodily Injury and Property Damage Liability.
- (2) 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) Additional Insured - Primary and Non-Contributory – by Contract

If you have agreed in a written contract or written agreement with an additional insured that this insurance is primary and non-contributory, then this insurance is primary to other insurance available to the additional insured which covers that person or organization as a named insured and we will not seek contribution from that other

insurance.

9. Premium Audit

This clause is applicable only when premium audit adjustment terms are shown in the Declarations.

- (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 period 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.

10. 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.

11. 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.

12. 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.

13. 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:
 - (1) 15 days notice of termination by registered mail if termination is for non-payment of premium, or
 - (2) 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 (the "Civil Code") 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:
 - (1) For non-payment of premium, 15 days following receipt of the notice;
 - (2) 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.

14. 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.

15. 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. **"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.
7. **"Coverage territory"** means:
 - (a) Canada and the United States of America (including its territories and possessions);
 - (b) International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or
 - (c) All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in a. above;
 - (2) The activities of an insured person whose home is in the territory described in a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;provided the insured's responsibility to pay "compensatory damages" is determined in an "action" on the merits, in the territory described in a. above or in a settlement we agree to.
8. **"Electronic data"** means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
9. **"Employee"** includes a "leased worker" and a "temporary worker".
10. **"Executive officer"** means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

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11. **"Fissionable substance"** means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
12. **"Fungi"** includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "fungi" or "spores" or resultant mycotoxins, allergens or pathogens.
13. **"Hostile fire"** means one which becomes uncontrollable or breaks out from where it was intended to be.
14. **"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 fulfil 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.
15. **"Incidental medical malpractice injury"** means "bodily injury" arising out of the rendering of or failure to render, during the Policy Period, the following services:
- (i) Medical, surgical, dental, x-ray or nursing services or treatment or the furnishing of food or beverages in connection therewith; or
 - (ii) 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 i) and ii) above.
16. **"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;
 - (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. 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:
 - (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - (2) 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 failure to render "professional services", including those listed in (1) above and supervisory, inspection, architectural or engineering activities.
17. **"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".
18. **"Loading or unloading"** means the handling of property:
- (a) After it is moved from the place where it is accepted for movement into or onto an aircraft or watercraft;
 - (b) While it is in or on an aircraft or watercraft; or
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- (c) While it is being moved from an aircraft or watercraft 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 or watercraft.
19. **"Nuclear energy hazard"** means the radioactive, toxic, explosive, or other hazardous properties of radioactive material.
20. **"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.
21. **"Occurrence"** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
22. **"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".
23. **"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.
24. **"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:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) 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.
 - (c) When that part of the 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:
- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.
25. **"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;
 - (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:
 - (1) The preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (2) Supervisory, inspection, architectural, design or engineering 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.
26. **"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 caused it; or
 - (b) Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.
- For the purposes of this insurance, "electronic data" is not tangible property.
27. **"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.
28. **"Spores"** includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".
29. **"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.
30. **"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.
31. **"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.
32. **"Your product"**:
- (a) Means:
 - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;

- (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
 - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
 - (b) Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - (2) 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.
- 33. "Your work":**
- (a) Means:
 - (1) Work or operations performed by you or on your behalf; and
 - (2) Materials, parts or equipment furnished in connection with such work or operations.
 - (b) Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
 - (2) The providing of or failure to provide warnings or instructions.

SECTION VI – DESCRIPTION OF TERMS USED FOR PREMIUM BASES

1. "Area" means the total number of square metres of floor space at the insured premises, excluding that portion of the basement used exclusively for storage or that portion of the premises used for heating or air conditioning plant purposes.
Rates apply per 100 square metres of area.
2. "Cost of work" means the total cost of all operations performed for you during the policy period by independent contractors, including the cost of materials furnished, used or delivered for use in the execution of the work. This does not include maintenance or ordinary alterations and repairs on premises owned or rented by you. Rates apply per \$1,000. of cost of work.
3. "Flat" means the rate charged for exposure is not related to other criteria.
4. "Gross Revenue" means the gross amount of money charged for all work or services performed by you or on your behalf or goods and products sold and distributed by you or by others trading under your name.
Rates apply per \$1,000. of revenue.
5. "Payroll" means the total earnings for each owner, partner, executive officer and employee. Rates apply per \$1,000. of payroll.

SECTION VII - CONDITIONS

Conditions Applicable To The Various Coverages Provided Herein. All of the Conditions set out under STATUTORY CONDITIONS in the Policy apply with respect to insurance provided under ALL OTHER FORMS except as they are modified or supplemented by the Forms or Endorsements attached. No term or Condition of this Policy shall be deemed to have been waived by us in whole or in part unless the waiver is clearly stated in writing, signed by a person authorized for that purpose. Neither we nor you shall be deemed to have waived any term or condition of this Policy by any act relating to the appraisal of the amount of loss or to the delivery and completion of proofs, or into the investigation or adjustment of any claim under this Policy.

STANDARD MORTGAGE CLAUSE

(approved by the Insurance Bureau of Canada)
(All provinces except Quebec)

IT IS HEREBY PROVIDED AND AGREED THAT:

1. **BREACH OF CONDITIONS by MORTGAGOR, OWNER or OCCUPANT** –This insurance and every

For purposes of the Insurance Companies Act (Canada), this document was issued in the course of Lloyd's Underwriters' insurance business in Canada.

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 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 continuance of this insurance.

2. **RIGHT OF SUBROGATION** – Whenever the Insurer pays the Mortgagee any loss awarded under this policy and claims that-as 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 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 a all securities held as collateral to the mortgage debt.
3. **OTHER INSURANCE** – If there by other valid and collectible insurance upon the property with loss payable to Mortgagee- at low or in equity-then any amount payable thereunder shall be taken into account in determining the mount payable to the Mortgagee.
4. **WHO MAY GIVE PROOF OF LOSS**- In the absence of the Insured, or the inability, refusal or neglect of the Insured to give notice of loss or deliver the required Proof of Loss under the policy, then the Mortgagee may give the notice upon becoming aware of the loss and deliver as soon as practicable the Proof of Loss.
5. **TERMINATION** – The term of this Mortgage Clause coincides with the term of the policy; PROVIDED ALWAYS that the Insurer reserves the right to cancel the policy as provided by the 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 to 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 MORGAGEE), loss under this policy is made payable to the Mortgagee.

BFL CANADA Group Policy Conditions

Agency Trustee Clause

It is understood and agreed that the Property Manager named in the Cover Note who obtained this Group policy and paid the premium therefor did so on behalf of and as agent or trustee for each landlord/owner who has elected to purchase insurance for his/her Property and Liability.

It is further acknowledged and agreed by the Insurer as evidenced by their acceptance of the premium paid that any tenant who has completed and signed an "Agreement to Purchase Insurance" under this Group policy may ratify such agency or trusteeship at any time subsequent to the issuance of this Group Policy for the purpose of entitlement to coverage granted by its terms for good consideration.

Severity Of Interest

Coverage provided by this policy applies individually to the interest of each Insured landlord/owner covered by this policy and coverage shall apply in the same manner and to the same extent as though a separate policy had

been issued to each Insured landlord/owner. Any action by any Insured landlord/owner that would void coverage shall not affect the coverage provided to any other Insured landlord/owner.

Termination of Insurance

This Group Policy may be terminated in its entirety:

(a) by the Insurer giving to the Property Manager named in the Cover Note one hundred and eighty (180) days' notice of termination by registered mail, or in the event of cancellation for non-payment of premium, fifteen (15) days' notice by registered mail. The 15 days commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

(b) by the Property Manager named in the Cover Note giving the Insurer thirty (30) days' notice by registered mail.

In the event that the Group Policy is not replaced with another Insurer before the termination of this Group policy takes effect, or in the event of cancellation by the Insurer for non-payment of premium, the Insurer shall give each Insured tenant fifteen

(15) days' written notice of termination by registered mail.

The insurance coverage afforded to each Insured tenant may be terminated:

(a) By the insurer giving to each Insured landlord/owner fifteen (15) days' written notice of termination by registered mail;

(b) Upon request of the Insured landlord/owner communicated in writing to the Property Manager; or

The insurance coverage afforded to each Insured landlord/owner shall automatically expire and cease when the Insured landlord/owner has cancelled their service agreement with the Property Manager.

The monthly premiums paid in advance by each Insured landlord/owner up to the date of termination shall be considered a minimum retained premium

STATUTORY CONDITIONS (British Columbia, Alberta, and Manitoba)

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.

Property of others

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

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

Change of interest

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

Material change in risk

The insured must promptly give notice in writing to the insurer or its agent of a change that is

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

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.

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

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

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

Termination of Insurance

The contract may be terminated

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 by the insured at any time on request.

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.

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.

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

Requirements after loss

On the happening of any loss or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,

- a. immediately give notice in writing to the insurer,
- b. deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration
 - i. giving a complete inventory of that property and showing in detail quantities and costs of that property and particulars of the amount of loss claimed,
 - ii. stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
 - iii. stating that the loss did not occur through any willful 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.

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

Fraud

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

Who may give notice and proof

Notice of loss under Statutory Condition 6 (1) (a) may be given and the proof of loss under of Statutory Condition 6 (1) (b) may be made by the agent of the insured if

- iv. the insured is absent or unable to give the notice or make the proof, and
- v. the absence or inability is satisfactorily accounted for, or

by a person to whom any part of the insurance money is payable, if the insured refuses to do so, or in the circumstances described in clause (a) of this condition.

Salvage

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.

The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

Entry, control, abandonment

After loss or damage to insured property, the insurer has

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

In case of disagreement

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.

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.
- c.

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 6 and delivered to the insurer.

Replacement

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.

If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss and must proceed with all due diligence to complete the work within a reasonable time.

Notice

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.

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 insurer.

FORMS ATTACHED

Lloyd's Clauses

- Jurisdiction Clause
- Sanction Limitation and Exclusion Clause LMA3100
- Microorganism Exclusion Absolute LMA5018
- War and Terrorism Exclusion NMA 2918 & NMA 2920
- Radioactive Contamination exclusion Clause LMA 5198
- Seepage & Pollution, Land, Air Water Exclusion & Debris Removal Endorsement NMA2340
- Electronic Date Recognition Exclusion (EDRE) NMA 2802
- Biological or Chemical Materials Exclusion NMA2962
- Several Liability Notice LSW1001 INS
- Property Cyber & Data Exclusion LMA 5401
- Communicable Disease Endorsement LMA5393
- Lloyd's Underwriters' Policyholders Complaint Protocol LSW1542F
- Notice Concerning Personal Information LSW1543C
- Statutory Conditions Alberta LSW1814
- Statutory Conditions BC LSW1815
- Statutory Conditions Manitoba LSW1851
- Statutory Conditions (Canadian Fire) LSW1193A



JURISDICTION CLAUSE

In respect of Canadian Insured's all insurances bound hereunder shall be subject to the law and jurisdiction of a Canadian province and territory as determined by the relevant Insurance Act(s)

SANCTION LIMITATION AND EXCLUSION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

LMA3100
15 September 2010

MICROORGANISM EXCLUSION (Absolute)

This Policy does not insure any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to:

mold, mildew, fungus, spores or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This Exclusion applies regardless whether there is (i) any physical loss or damage to insured property; (ii) any insured peril or cause, whether or not contributing concurrently or in any sequence; (iii) any loss of use, occupancy, or functionality; or (iv) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

This Exclusion replaces and supersedes any provision in the Policy that provides insurance, in whole or in part, for these matters.

LMA5018
14/09/2005

WAR AND TERRORISM EXCLUSION ENDORSEMENT

If "Political Risk Coverage" is elected and identified on the Declaration or Coverage Summary page, this Endorsement is not applicable.

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

- (1) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (2) any act of terrorism.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (1) and/or (2) above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

NMA2918 & NMA2920
08/10/2001

RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE

1. Notwithstanding any provision to the contrary within this reinsurance agreement or any endorsement thereto, this reinsurance agreement excludes any loss, liability, cost or expense, or any other amount incurred by or accruing to the reinsured, whether as insurer or reinsurer, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with:
 - 1.1. irradiation or contamination by Nuclear Material; or
 - 1.2. the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter; or
 - 1.3. any device or weapon employing atomic or nuclear fission and / or fusion or other like reaction or radioactive force or matter.

Definitions

2. Nuclear Material means:
 - 2.1. Nuclear Fuel; or
 - 2.2. where the United States Atomic Energy Act of 1954 as amended applies:
 - 2.2.1. special nuclear material; or
 - 2.2.2. source material; or
 - 2.2.3. by-product material;
 - 2.2.4. as defined in the Atomic Energy Act of 1954 as amended; or
 - 2.3. where the Canadian Nuclear Liability Act R.S.C., 1985, c. N-28 or any law amendatory thereof applies:



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- 2.3.1. any material, other than thorium or natural or depleted uranium uncontaminated by significant quantities of fission products, that is capable of releasing energy by a self-sustaining chain process of nuclear fission;
 - 2.3.2. radioactive material produced in the production or utilization of material referred to in paragraph 2.3.1; and
 - 2.3.3. material made radioactive by exposure to radiation consequential on or incidental to the production or utilization of material referred to in paragraph 2.3.1; or
- 2.4. in respect of any territory where the United States Atomic Energy Act of 1954 as amended and the Canadian Nuclear Liability Act R.S.C., 1985, c. N-28 or any law amendatory thereof do not apply, any other radioactive material (including but not limited to radioactive products and waste).
3. Nuclear Fuel means any material, other than natural uranium or depleted uranium, capable of releasing nuclear energy by nuclear fission or otherwise, either alone or in conjunction with any other material.

LMA5198
27 September 2012

SEEPAGE & POLLUTION, LAND, AIR WATER EXCLUSION & DEBRIS REMOVAL ENDORSEMENT

LAND, WATER AND AIR EXCLUSION

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure land (including but not limited to land on which the insured property is located), water or air, howsoever and wherever occurring, or any interest or right therein.

SEEPAGE AND/OR POLLUTION AND/OR CONTAMINATION EXCLUSION

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure:

- (a) any loss, damage, cost or expense, or
- (b) any increase in insured loss, damage, cost or expense, or
- (c) any loss, damage, cost, expense, fine or penalty, which is incurred, sustained or imposed by order, direction, instruction or request of, or by any agreement with, any court, government agency or any public, civil or military authority, or threat thereof, (and whether or not as a result of public or private litigation),

which arises from any kind of seepage or any kind of pollution and/or contamination, or threat thereof, whether or not caused by or resulting from a peril insured, or from steps or measures taken in connection with the avoidance, prevention, abatement, mitigation, remediation, clean-up or removal of such seepage or pollution and/or contamination or threat thereof.

The term "any kind of seepage or any kind of pollution and/or contamination" as used in this Endorsement includes (but is not limited to):

- (a) seepage of, or pollution and/or contamination by, anything, including but not limited to, any material designated as a "hazardous substance" by the United States Environmental Protection Agency or as a "hazardous material" by the United States Department of Transportation, or defined as a "toxic substance" by the Canadian Environmental Protection Act for the purposes of Part II of that Act, or any substance designated or defined as toxic, dangerous,



hazardous or deleterious to persons or the environment under any other Federal, State, Provincial, Municipal or other law, ordinance or regulation; and

- (b) the presence, existence, or release of anything which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

DEBRIS REMOVAL ENDORSEMENT

THIS ENDORSEMENT CONTAINS PROVISIONS WHICH MAY LIMIT OR PREVENT RECOVERY UNDER THIS POLICY FOR LOSS WHERE COSTS OR EXPENSES FOR DEBRIS REMOVAL ARE INCURRED.

Nothing contained in this Endorsement shall override any Seepage and/or Pollution and/or Contamination Exclusion or any Radioactive Contamination Exclusion or any other Exclusion applicable to this Policy.

Any provision within this Policy (or within any other Endorsement which forms part of this Policy) which insures debris removal is cancelled and replaced by the following:

1. In the event of direct physical damage to or destruction of property, for which Underwriters hereon agree to pay, or which but for the application of a deductible or underlying amount they would agree to pay (hereinafter referred to as "Damage or Destruction"), this Policy also insures, within the Sum Insured, subject to the limitations and method of calculation below, and to all the other terms and conditions of the Policy, costs or expenses;
 - (a) which are reasonably and necessarily incurred by the Assured in the removal, from the premises of the Assured at which the Damage or Destruction occurred, of debris which results from the Damage or Destruction; and
 - (b) of which the Assured becomes aware and advises the amount thereof to Underwriters hereon within one year of the commencement of such Damage or Destruction.
2. In calculating the amount, if any, payable under this Policy for loss where costs or expenses for removal of debris are incurred by the Assured (subject to the limitations in paragraph 1 above):
 - (a) the maximum amount of such costs or expenses that can be included in the method of calculation set out in (b) below shall be the greater of CAD \$25,000 (twenty-five thousand dollars) or 10% (ten percent) of the amount of the Damage or Destruction from which such costs or expenses result; and
 - (b) the amount of such costs or expenses as limited in (a) above shall be added to:
 - (i) the amount of the Damage or Destruction; and
 - (ii) all other amounts of loss, which arise as a result of the same occurrence, and for which Underwriters hereon also agree to pay, or which but for the application of a deductible or underlying amount they would agree to pay; and

the resulting sum shall be the amount to which any deductible or underlying amount to which this Policy is subject and the limit (or applicable sub-limit) of this Policy, shall be applied.

NMA2340
24/11/1988



ELECTRONIC DATE RECOGNITION EXCLUSION (EDRE)

This policy does not cover any loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

- a) the calculation, comparison, differentiation, sequencing or processing of data involving the date change to the year 2000, or any other date change, including leap year calculations, by any computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the insured or not; or
- b) any change, alteration, or modification involving the date change to the year 2000, or any other date change, including leap year calculations, to any such computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the insured or not.

This clause applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

EDRE
NMA2802
17/12/1997

BIOLOGICAL OR CHEMICAL MATERIALS EXCLUSION

It is agreed that this Insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

NMA2962
06/02/2003

SEVERAL LIABILITY NOTICE

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

LSW1001 (Insurance)
(08/94)



PROPERTY CYBER AND DATA EXCLUSION

- 1 Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:
 - 1.1 Cyber Loss;
 - 1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with 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;

regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- 2 In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- 3 This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss or Data, replaces that wording.

Definitions

- 4 Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
- 5 Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
- 6 Cyber Incident means:
 - 6.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
 - 6.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- 7 Computer System means:
 - 7.1 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,

owned or operated by the Insured or any other party.
- 8 Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

LMA5401
11 November 2019

COMMUNICABLE DISEASE ENDORSEMENT

(For use on property policies)

1. This policy, subject to all applicable terms, conditions and exclusions, covers losses attributable to direct physical loss or physical damage occurring during the period of insurance. Consequently and notwithstanding any other provision of this policy to the contrary, this policy does not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
 - 2.1. for a Communicable Disease, or
 - 2.2. any property insured hereunder that is affected by such Communicable Disease.
3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - 3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - 3.2. 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
 - 3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.
4. This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

All other terms, conditions and exclusions of the policy remain the same.

LMA5393

25 March 2020

LLOYD'S UNDERWRITERS' POLICYHOLDERS' COMPLAINT PROTOCOL

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

We have developed a formal complaint handling protocol in accordance with the Insurance Companies Act of Canada to ensure your concerns as our valued customer are addressed expeditiously by our representatives. This protocol will assist you in understanding the steps we will undertake to help resolve any dispute which may arise with our product or service. All complaints will be handled in a professional manner. All complaints will be investigated, acted upon, and responded to in writing or by telephone by a Lloyd's representative promptly after the receipt of the complaint. If you are not satisfied with our products or services, you can take the following steps to address the issue:

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

Please forward your complaint to:

Lloyd's Underwriters

Attention: Complaints Officer:

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

Tel: 1-877-455-6937 - Fax: (514) 861-0470

E-mail: info@lloyds.ca

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

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

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

Toll free number: 1-877-225-0446

www.giocanada.org

For Quebec clients:

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

Toll Free: 1-877-525-0337

Québec: (418) 525-0337

Montréal: (514) 395-0311

www.lautorite.qc.ca

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

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

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

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

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

www.fcac-acfc.gc.ca

09/14

LSW1542F



NOTICE CONCERNING PERSONAL INFORMATION

How we use your information

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

Information is collected and stored for the following purposes:

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

What personal information we collect about you

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

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

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

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

Who we disclose your information to

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

Disclosure without consent

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

- Detecting or suppressing fraud
- Investigating or preventing financial abuse
- For communication with the next to kin or authorized representative of an injured, ill or deceased individual

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- Investigating a breach of an agreement or a contravention of the laws of Canada or a foreign jurisdiction
 - Witness statement necessary to assess, process or settle insurance claims
 - Information produced in the course of employment and the disclosure is consistent with the purpose it was produced for

How to access your information and/or contact us

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

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

10/15
LSW1543C

STATUTORY CONDITIONS

(Alberta)

Misrepresentation

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

Property of others

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

Change of interest

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

Material change in risk

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

Termination of insurance

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

Requirements after loss

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

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

Fraud

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

Who may give notice and proof

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

Salvage

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

Entry, control, abandonment

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

In case of disagreement

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

When loss payable

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

Repair or replacement

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

Notice

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

01/07/12
LSW1814

STATUTORY CONDITIONS (British Columbia)

Misrepresentation

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

Property of others

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

Change of interest

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

Material change in risk

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

Termination of insurance

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

Requirements after loss

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

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

Fraud

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

Who may give notice and proof

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

Salvage

9. (1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.

- (2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

Entry, control, abandonment

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

In case of disagreement

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

When loss payable

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

Repair or replacement

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

Notice

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

01/07/12
LSW1815

STATUTORY CONDITIONS (Manitoba)

Misrepresentation

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

Property of others

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

Change of interest

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

Material change in risk

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

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

Termination of contract

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

Requirements after loss

6. (1) On the happening of any loss or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,
- (a) immediately give notice in writing to the insurer,
 - (b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration
 - (i) giving a complete inventory of that property and showing in detail quantities and costs of that property and particulars of the amount of loss claimed,
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,

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

Fraud

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

Who may give notice and proof

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

Salvage

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

Entry, control, abandonment

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

In case of disagreement

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

When loss payable

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

Replacement

13. (1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.

- (2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss and must proceed with all due diligence to complete the work within a reasonable time.

Notice

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

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CONDITIONS

The conditions as set out below apply to all of the perils insured by this policy either as STATUTORY CONDITIONS or as contractual conditions as the law may require.

STATUTORY CONDITIONS/CONDITIONS

Misrepresentation

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

Property of Others

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

Change of Interest

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

Material Change

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

Termination

5.
 1. This contract may be terminated,
 - (a) by the insurer giving to the insured fifteen days' notice of termination by registered mail or five days' written notice of termination personally delivered;
 - (b) by the insured at any time on request.
 2. Where this contract is terminated by the insurer,
 - (a) the insurer shall refund the excess of premium actually paid by the insured over the *pro rata* premium for the expired time, but, in no event, shall the *pro rata* premium for the expired time be deemed to be less than any minimum retained premium specified; and
 - (b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.

3. Where this contract is terminated by the insured, the insurer shall refund as soon as practicable the excess of the premium actually paid by the insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
4. The refund may be made by money, postal or express company money order or cheque payable at par.
5. The fifteen days mentioned in clause 1(a) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

Requirements After Loss

6. 1. Upon the occurrence of any loss of or damage to the insured property, the insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11,
 - (a) forthwith give notice thereof 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 destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed,
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
 - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
 - (iv) showing the amount of other insurances and the names of other insurers,
 - (v) showing the interest of the insured and of all others in the property with particulars of all 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 and showing in detail quantities, cost, actual cash value;
 - (d) if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.
2. The evidence furnished under clauses 1(c) and (d) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

Fraud

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

Who May Give Notice and Proof

8. Notice of loss may be given and proof of loss may be made by the agent of the insured named in the contract in case of absence or inability of the insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or if the insured refuses to do so, by a person to whom any part of the insurance money is payable.

Salvage

9.
 1. The insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.
 2. The insurer shall contribute *pro rata* towards any reasonable and proper expenses in connection with steps taken by the insured and required under subparagraph (1) of this condition according to the respective interests of the parties.

Entry, Control, Abandonment

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

Appraisal

11. In the event of disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under the *Insurance Act* before there can be any recovery under this contract whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefor is made in writing and until after proof of loss has been delivered.

When Loss Payable

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

Replacement

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

Action

14. Every action or proceeding against the insurer for the recovery of a claim under or by virtue of this contract is absolutely barred unless commenced within one year* next after the loss or damage occurs.

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

Saskatchewan Statutory Condition 14 is repealed. See The Limitations Act, S.S. 2004, c.L-16.1.

Notice

15. Any 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. Written notice may be given to the insured named in the contract 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.

ADDITIONAL CONDITIONS

Notice to Authorities

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

No Benefit to Bailee

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

Pair and Set

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

Parts

4. 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.

Sue and Labour

5. It is the duty of the insured in the event that any property insured hereunder is lost to take all reasonable steps in and about the recovery of such property. The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with the foregoing according to the respective interests of the parties.

Basis of Settlement

6. Unless otherwise provided, the Insurer is not liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality.

Subrogation

7. 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 any person, and may bring action in the name of the Insured to enforce such rights. Where the net amount recovered after deducting the costs of recovery is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in the proportions in which the loss or damage has been borne by them respectively.

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