

November 1, 2019

**Master Policy No. MCL-
CMA1899**

Canadian Museums Association
Package Policy

Canadian Museums Association Master Policy No. MCL-CMA1899

In consideration of premiums stipulated in individual Cover Notes, the INSURERS named in the List of Subscribing Insurers forming part hereof, hereinafter called the INSURER(S), do hereby SEVERALLY and NOT JOINTLY AGREE, each for its percentage of the Limits of Liability cited in this Policy set against its name in the List of Subscribing Insurers, agree to indemnify the INSURED for loss as hereinafter set forth, subject to the conditions and limitations of each Section of this Policy contained herein or which may be endorsed hereon.

Named Insured	Those members of the Canadian Museum Association who have had individual Cover Notes issued in their Name.
Address of Insured	As cited in the individual Cover Notes
Period of Insurance	From November 1, 2019, or as shown in the Cover Note, at 12:01 A.M. Standard Time at the address of the Named Insured, to the expiry dates cited in the individual Cover Notes, but in any event, no later than November 1, 2020, unless this policy is extended by endorsement.
Loss Payable	With regard to Property of Every Description Part 1, Business Income (Profits Form) Part 2, Machinery Breakdown Insurance Part 3, and Blanket Crime Part 7, loss hereunder, if any, is payable to the Named Insured as cited in their individual Cover Notes or as they may direct and to any loss payees or mortgagees as may be required to be recognized under any contract, agreement or similar undertaking with the Named Insured, and (where required under such agreements) subject to the Standard Mortgage Clause contained herein, as their interests may appear.
Broker	Marsh Canada Limited Toronto, Ontario

**PROPERTY OF EVERY DESCRIPTION AND BUSINESS INCOME PART 1
& 2
MACHINERY BREAKDOWN INSURANCE PART 3
GENERAL LIABILITY INSURANCE PART 4
NON-OWNED AUTOMOBILE INSURANCE PART 5
ABUSE COVERAGE PART 6
BLANKET CRIME INSURANCE PART 7
COMMERCIAL UMBRELLA LIABILITY PART 8**

INSURER

Ecclesiastical Insurance Office PLC

INTEREST

100%

Arundic

Authorized Representative

Dated at Toronto, Ontario this

28th

day of

January

2020

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(Attach Cover Note Here)The Insurer named in the Cover Note in consideration of the premium(s) shown in the Cover Note of this Policy agrees to indemnify the Insured for loss as set forth in the individual parts of this Policy.

General Conditions

(Applicable to all parts of this Policy unless otherwise noted)

1. Representations

The Named Insured agrees that the statements in the individual Cove Note are accurate and complete, and that the Insurer has relied on these as the basis on which this policy has been issued.

2. Assignment

Assignment of this Policy shall not be valid except with the written consent of the Insurer.

3. Other Insurance

(not applicable to Part 4 or Part 5)

This insurance is Primary Insurance and not Excess Insurance to any other insurance in force at the time of loss.

4. Insurance Under More Than One Part

In the event of loss or damage to property covered hereunder, the Insurer shall not, under any circumstances, be liable for more than the actual loss sustained by the Insured, even though more than one part applies to such loss.

5. Loss Payable Clause

Part 1 and 2 - loss, if any, shall be adjusted with and payable to the Insured named on the Cover Note unless another payee is specifically named on the Cover Note or Endorsement to the Cover Note.

6. Premium

Prior to the inception date of this Policy and each anniversary date of this Policy thereafter, the Insured, if requested, agrees to provide the Insurer with information sufficient to allow the Insurer to rate and establish premiums for this insurance including statements of property and business income values, sales, receipts, payroll, number of employees, class of employees, lists of owned and leased automobiles and their make, model year and serial number and lists of drivers. If it is indicated by endorsement to the Policy or if the premium stated on the Cover Note is prefixed by an (E), it is an estimated premium only and upon termination of this Policy or its anniversary, the earned premium shall be computed in accordance with the Insurer's terms and conditions, if any, contained in the individual Parts of this Policy.

7. Changes

No term or condition of this Policy shall be deemed to be changed or waived by the Insurer in whole or in part unless clearly expressed in writing by a person authorized for that purpose by the Insurer.

8. Appraisal Of Loss

Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of this Policy by any act relating to appraisal of the amount of any loss, or to the delivery and completion of proofs, or the investigation or settlement of any claim under this Policy.

9. Inspection And Audit

The Insurer shall be permitted but not obligated to inspect the property and operations of the Insured named on the Cover Note at any time. Neither the Insurer's rights to make inspections, nor the making thereof, nor any report thereon shall constitute an undertaking, on the part of the Insurer or others, to determine or warrant that such property or operations are safe or healthful, or are in compliance with any law, rule or regulation. The Insurer may examine and audit the books and records of the Insured named on the Cover Note at any reasonable time during the Policy Period and extensions thereof and within three years after the final termination of this Policy, as far as they relate to the subject matter of this insurance.

10. Termination

- A. This Contract may be terminated,
 - (i) by the Insurer giving to the Insured ninety days (fifteen days in the event of non-payment of the full premium) notice of termination by registered mail or written notice of termination personally delivered;
 - (ii) by the Insured named on the Cover Note at any time on written request
- B. Where this Contract is terminated by the Insurer
 - (i) and where the premium is developed on other than an estimated basis, the Insurer will refund the excess of the paid premium for the time the Policy has been in force, calculated pro rata; or
 - (ii) where the premium is developed by an estimated basis, the Insurer will refund the excess of the premium above the premium earned, when determined.
- C. Where this Contract is terminated by the Insured named on the Cover Note
 - (i) and where the premium is developed on other than an estimated basis, the Insurer will refund the excess of the paid premium above the short rate premium for the time the Policy has been in force calculated in accordance with the short rate premium table in use by the Insurer, and except in Quebec, subject to the retention of the minimum premium, if any, provided by the Policy; or
 - (ii) where the premium is developed by an estimated basis, the Insurer will refund the excess of the paid premium above the premium earned, when determined and, except in Quebec, subject to the retention of the minimum premium, if any, provided by the Policy.
- D. Refund of premium may be made by money, postal or express company money order or by cheque payable at par.
- E. Except in Quebec, the ninety days mentioned above in this Condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.
- F. In Quebec, the notice of cancellation from the Insurer takes effect sixty days after receipt by the Insured at the last known address.
- G. Premium adjustment may be made at the time cancellation is effected, and if not then made shall be made as soon as practicable after cancellation becomes effective but payment or tender of unearned premium is not a condition of cancellation.

11. Notice Of Claim, Suit Or Loss/Insureds Duties

In the event that any officer of the Named Insured becomes aware of an event causing loss, injury or damage such as may be insured by any Part of this Policy, the Insured shall notify the Insurer in accordance with the Notice of Loss procedures set out in the Cover Note of this Policy.

Upon the Insurer's request, the Insured shall submit to examination by the Insurer, subscribe the same (under oath if required) and produce for the Insurer's examination all pertinent records, all at such reasonable times and places as the Insurer shall designate, and shall co-operate with the Insurer in all matters pertaining to loss or claims with respect thereto.

12. Notice

Any written notice to the Insurer, other than Notice of Claim, Suit or Loss, may be delivered at or sent by registered mail to Marsh Canada Limited or to any branch of the Insurer in Canada. Written notice may be given to the Insured named on the Cover Note by letter personally delivered to him or by registered letter addressed to him at his last post office address notified to the Insurer; or, except in Quebec, where no address is notified and the address is not known, addressed to him at the post office of the agency, if any, from which the application was received. In this Condition the expression "Registered" shall mean registered in or outside Canada. Notice to the first Insured named on the Cover Note shall constitute notice to all Insureds.

13. Conformity With Statute

(Applicable to Parts I and 2)

The terms of this Policy and forms attached hereto that are in conflict with the statutes of the jurisdictions wherein the Insured is located are hereby amended to conform to such statutes.

14. Canadian Currency

All amounts referenced in this Policy are in the lawful currency of Canada unless otherwise stated.

15. Liberalisation Clause

If, during the Policy period, the Insurer issues any authorised endorsement, or rules or regulations affecting the Policy are revised by statute or otherwise, so as to broaden the insurance coverage without an additional premium charge, such extended or broadened insurance shall become a term of this Policy and shall inure to the benefit of the Insured.

16. Variations Clause

If any term or condition of this wording or any endorsement of the Policy varies, modifies or affects any exclusions or the conditions of the Policy, such exclusions or conditions shall be read subject to such variations, modification or effect. It is further understood that the coverage provided by Part 1 of this Policy, notwithstanding any contrary terms and conditions that may be contained herein, shall not be deemed to be more restrictive than coverage provided by the standard Insurance Bureau of Canada Fire and Extended Coverage forms.

17. Unintentional Error

Any error or omission in the name of the Insured, in title, map reference and/or in the description or location of the property or operations insured, made without design to defraud or misrepresent, shall not void or impair this insurance. The Named Insured shall notify the Insurer as soon as practicable after such error or omission comes to the attention of any officer of the Named Insured and shall pay any additional premium indicated by the Insurer's rates and rules in force at the time of such error or omission in respect of any additional hazards disclosed. Nothing contained in this clause shall serve to increase the limits of the Insurer's liability.

The limits of liability of this policy shall not be increased as a result of this clause.

18. Abbreviation

Where the abbreviation "N. A." appears on the Cover Note of this Policy, it indicates "Not Applicable."

19. Notice of Cancellation to Certificate Holders

Insurer shall provide prior written notice of cancellation of this policy to the Certificate Holder shown above at least 30 days prior to the effective date of such cancellation, except that, for non-payment of premium, only 15 days prior written notice to such Certificate Holder of such cancellation shall be required.

Name of Certificate Holder(s) and Address: As Per Certificates on file

Other than the right to receive notice of cancellation as set forth herein, this endorsement confers no rights under this policy to the Certificate Holder(s) including, but not limited to, Additional Insured status or additional Named Insured status.

General Conditions For Use In The Province Of Quebec

The conditions below apply to all coverages except where otherwise stated.

This policy is subject to the Civil Code of the Province of Quebec

The conditions set forth below are required to be part of every contract of insurance to which the Civil Code of the Province of Quebec applies. Where the terms of this policy and forms attached are in conflict with the Civil Code, such terms are hereby amended to conform with the Civil Code.

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

1. Statements

1.1 Representation of risk (Article 2408)

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

The client means the person submitting an insurance application.

1.2 Material change in risk (Articles 2466 and 2467)

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

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

1.3 Misrepresentations or concealment ((Articles 2410, 2411 and 2466)

Any misrepresentation or concealment of relevant facts mentioned in section 1.1 and in the first paragraph of section 1.2 by the client or the Insured nullifies the contract at the instance of the Insurer, even in respect of losses not connected with the risk so misrepresented or concealed.

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

1.4 Warranties (Article 2412)

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

2. General Provisions

2.1 Insurable interest (Articles 2481 and 2484)

(Applicable only to property insurance)

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

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

2.2 Changes (Article 2405)

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

2.3 Assignment (Articles 2475 and 2476)

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

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

2.4 Books and records

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

2.5 Inspection

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

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

2.6 Currency

All limits of insurance, premiums and other amounts as expressed in this policy are in Canadian currency, unless otherwise stated.

3. Losses

3.1 Notice of loss (Article 2470)

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

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

3.2 Information to be provided (Article 2471)

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

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

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

3.3 False representation (Article 2472)

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

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

3.4 Intentional fault (Article 2464)

The Insurer is never liable to compensate for injury from the Insured's intentional fault.

Where there is more than one Insured, the obligation of coverage remains in respect of those Insureds who have not committed an intentional fault.

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

3.5 Notice to police (Applicable to property insurance only)

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

3.6 Safeguarding and examination of property (Article 2495)

(Applicable to property insurance only)

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

The Insured may not abandon the damaged property if there is no agreement to that effect. The Insured shall facilitate the salvage and inspection of the insured property by the Insurer.

He shall, in particular, permit the Insurer and his representatives to visit the premises and examine the insured property before repairing, removing or modifying the damaged property, unless so required to safeguard the property.

3.7 Admission of liability and co-operation

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

(The following two paragraphs are applicable to liability insurance only: Article 2504)

No transaction made without the consent of the Insurer may be set up against him.

The Insured shall not admit any liability nor settle or attempt to settle any claim, except at his own risk.

3.8 Right of action (Article 2502)

(Applicable to liability insurance only)

The Insurer may set up against the injured third person any grounds he could have invoked against the Insured at the time of the loss, but not grounds pertaining to facts that occurred after the loss. The Insurer has a right of action against the Insured in respect of facts that occurred after the loss.

4. Compensation And Settlement

4.1 Basis of settlement (Articles 2490, 2491, 2493)

(Applicable to property insurance only)

Unless otherwise provided, the Insurer shall not be liable for more than the actual cash value of the property at the time of loss as normally determined. In unvalued policies, the amount of insurance does

not make proof of the value of the insured property. In valued policies, the agreed value makes complete proof, between the Insurer and the Insured, of the value of the insured property.

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

4.2 Pair and set (Applicable to property insurance only)

In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are part of a set, the measure of 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.

4.3 Parts (Applicable to property insurance only)

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

4.4 Replacement (Article 2494)

(Applicable to property insurance only)

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

4.5 Time of payment (Articles 1591, 2469 and 2473)

The Insurer shall pay the indemnity within sixty days after receiving the notice of loss or, at his request, all relevant information and vouchers, provided the Insured shall have complied with all the terms of the contract.

Any outstanding premium may be deducted from the indemnity payable.

4.6 Property of others (Applicable to property insurance ONLY)

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

4.7 Waiver

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

4.8 Action against Insurer

The Insured may not bring any action to recover the amount of a claim under this policy unless the requirements of this policy have been complied with, nor until the amount of the loss has been ascertained by arbitration or by judgement against the Insured, or by agreement between the parties with the written consent of the Insurer.

4.9 Limitation of actions (Article 2925)

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

4.10 Subrogation (Article 2474)

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

5. Other Insurance

5.1 Property insurance (Article 2496)

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

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

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

5.2 Liability insurance

The liability insurance provided under this policy is primary insurance except when stated to apply in excess of, or contingent upon the absence of, other insurance. When this insurance is primary and the Insured has other insurance that is stated to be applicable to the loss on an excess or contingent basis, the amount of the Insurer's liability under this policy shall not be reduced by the existence of such other insurance. When both this insurance and other insurance apply to the loss on the same basis, whether primary, excess or contingent, the Insurer shall not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

Contribution by equal shares

If all of such other collectible insurance provides for contribution by equal shares this Insurer shall not be liable for a greater proportion of such loss than would be payable if each insurer contributed an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.

Contribution by limits:

If any such other insurance does not provide for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limits of liability of all valid and collectible insurance against such loss.

6. Cancellation (Articles 2477 And 2479)

This policy may be cancelled at any time:

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

When one or more of the Named Insureds has been mandated to receive or send the notices provided for under paragraph (a) or (b) above, notices sent or received by them shall be deemed to have been sent or received by all Named Insureds.

In this Condition, the words "premium actually paid" mean the premium actually paid by the Insured to the Insurer or its representative, but do not include any premium or part thereof paid to the Insurer by a representative unless actually paid to the representative by the Insured.

7. Notice

Any notice to the Insurer may be sent by any recognised means of communication to the Insurer or its authorized representative. Notice may be given to the Named Insured by letter personally delivered to him or by mail addressed to him at his last known address.

It is incumbent upon the sender to prove that such notice was received.

No term or condition of this policy shall be deemed to be waived in whole or in part by the Insurer unless the waiver is clearly expressed in writing, signed by a person authorized for that purpose by the Insurer.

NOTICE TO INSUREDS - pursuant to the Freedom Of Information And Protection of Privacy Act, 1997 we are required by the Government of Ontario to attach the following to all policies that may involve Ontario exposures, effective on or after January 1, 1990.

LEGAL AUTHORITY FOR COLLECTION: *Insurance Act, R.S.O. 1990, c218, as amended, section 80(1).*

PRINCIPAL PURPOSE FOR WHICH PERSONAL INFORMATION INTENDED TO BE USED

Information collected by insurers from insureds or supplied to insurers pertaining to the attached will be used:

- to compile aggregate statistical data to be used in monitoring trends in the insurance industry;
- to develop statistical exhibits to be used in monitoring the insurance industry;
- to respond to requests for customised statistical information on the insurance industry;
- to respond to inquiries on statistical information on the insurance industry;
- to use and disclose such information for purposes which are consistent with the previous clauses.

THE PUBLIC OFFICIAL WHO CAN ANSWER QUESTIONS ABOUT THE COLLECTION IS:

Director, Service Development, Insurance Division, Ministry of Financial Institutions
3rd Floor, 10 Wellesley Street East, Toronto, Ontario, M7A 2H6
Telephone: (416) 326 9128 Fax: (416) 326-9112

Part 1 - Property of Every Description

1. Indemnity Agreement

In consideration of the Insured named on the individual Cover Note of this Policy (hereinafter called the Insured) having paid or agreed to pay to the Insurer the premium for this insurance, and subject to the terms and conditions hereof, the Insurer in the event that any of the property insured be lost or damaged by the perils insured against will indemnify the Insured against the direct loss so caused for an amount not exceeding, whichever is the least of

- A. the basis of valuation shown in Clauses 18 and 19 of this Part;
- B. the interest of the Insured in the property,
- C. the limit(s) of liability provided by Section 4 of this Part in respect of the property lost or damaged.

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

2. Property Insured

This Part insures Property of Every Description (except as excluded or limited herein) anywhere in Canada or the United States including inland and coastal waters, for the property of the Insured or of others that the Insured is under a legal obligation to keep insured or for which the Insured is legally liable or has assumed the responsibility to insure.

This policy also covers property anywhere else in the world including whilst in transit.

Within the Policy Period this Policy shall attach when the property becomes at the Insured's risk and shall continue until such property ceases to be at the Insured's risk, except that property in transit at the time this Policy expires shall be held covered until such property has been duly delivered and accepted at place of final destination or until the Insured's interest in such property in transit ceases, whichever occurs first.

3. Automatic Coverage

This Policy automatically covers all newly acquired property including property in course of construction and/or interest of the Insured during the term of this Policy subject to the Sublimit cited in the individual Cover Note issued to each Insured.

Any contractors and/or project managers included as an Insured shall be entitled to receive his Margin of Profit on repairs or replacement, done by him, of any work which has been damaged or destroyed. This Margin of Profit shall not apply to materials and supplies that have not entered into the construction at the time of loss.

4. Limits Of Liability

Subject to the provisions of any extension of coverage specifically providing an additional amount of insurance, the liability of the Insurer under this form for all loss, damage and expense arising out of an occurrence shall not exceed the amount shown opposite Part I in the individual Cover Note (or the applicable amount of automatic insurance), whether such loss, damage or expense is caused by one, or more than one, peril.

5. By-Laws

Without increasing the sum insured, the Insurer shall be liable in the event of loss or damage under this Policy that causes the enforcement of any law, by-law or similar ordinance regulating the construction or repair of damaged facilities, for:

- (1) Loss occasioned by the demolition of any undamaged portion of the building or structures; or
 - (2) The cost of demolishing and clearing the site of any undamaged portion of the building or structures;
- or

- (3) The increase in the cost of repairing, replacing, constructing or reconstructing the insured buildings, or structures of like height, floor area and style, and for like occupancy;
arising from the enforcement of the minimum requirements of any by-law, regulation, ordinance or law which:
- (a) regulates zoning or the demolition, repair or construction of damaged buildings or structures;
and
 - (b) is in force at the time of such loss or damage.

This extension, however, does not insure against:

- (i) direct or indirect loss, damage, cost or expense, arising out of the cleanup, removal, containment, treatment, detoxification, decontamination, stabilization, neutralization, or remediation resulting from any actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, migration, release or escape of "pollutants".
- (ii) direct or indirect loss, damage, cost or expense, for any testing, monitoring, evaluating or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".
- (iii) nor against:
 - (a) any loss occasioned by the enforcement of any by law, regulation, ordinance or law which:
 - (1) regulates zoning or the demolition, repair or construction of damaged property;
 - (2) is in force at the time of loss, destruction or damage by a peril insured against under the Policy; and
 - (3) prohibits the Insured from rebuilding on the same site or on an adjacent site or prohibits continuance of like occupancy; however, the Insured in such case will nonetheless be entitled to indemnity for the cost of rebuilding at another site, provided that the limit of the Insurer's liability for such cost shall not exceed what it would have cost at the same site or an adjacent site.
 - (b) any loss by reason of an increase in cost of repair, replacement, construction or reconstruction unless and until there is actual repair, replacement, construction or reconstruction by the Insured of the damaged or destroyed property site with due diligence and dispatch;
 - (c) more than the amount actually and necessarily expended in repairing, replacing, constructing or reconstructing as above provided, in excess of the loss which would have existed without this Extension,
 - (d) more than the amount insured under this Extension, which is in excess of the cost of repairing, replacing, constructing or reconstructing (whichever is the least), the property, with materials of like kind and quality on the same site or on an adjacent site, without deduction for depreciation. The Insured may elect to rebuild at another site, provided that such election shall not serve to increase the Insurer's liability under this Extension.

6. Ingress / Egress

This policy is extended to cover the loss sustained during the period of time, not exceeding four (4) weeks, when as a direct result of a peril not otherwise excluded, ingress to or egress from real or personal property is thereby prevented. The coverage afforded by this extension shall be subject to the limit stated in the Cover Note for Business Income.

7. Necessary Destruction

This Policy is extended to cover loss or damage to insured property, without increasing the sum insured, caused by acts of destruction by order of civil or military authority at the time of and for the purpose of preventing spread of fire, provided such fire did not originate from any perils herein specifically excluded.

8. Deductible

The Insurer is only liable for the amount by which the loss or damage caused by any of the perils insured against exceeds the sum shown under deductibles in Part I of the Cover Note for each loss or series of losses arising out of one occurrence. Each loss caused by earthquake and/or flood shall constitute a single claim hereunder, provided that more than one earthquake shock and/or flood occurring within any consecutive one hundred and sixty-eight (168) hours, during the term of this Policy, shall be deemed a single occurrence within the meaning hereof. Earthquake shall include snow slide, landslide or other earth movements occurring concurrently with and directly resulting from an earthquake shock.

In the calculation of the earthquake deductible amount, only the values of the "Building(s)" and or "Contents" at the site(s) of the loss or damage due to the "earthquake occurrence" will be used in the calculation of the deductible. The value of locations not suffering earthquake damage will not be used in the calculation of the deductible amount.

If two or more deductibles apply to the same occurrence, only the largest single deductible shall apply.

9. Perils Insured

This Part insures against all risks of direct physical loss of or damage to property insured, except as herein excluded.

10. Exclusions

A. Property Excluded

This Part does not insure loss of or damage to:

- (i) land or water, but this exclusion shall not apply to the value of land improvements or water on the "premises" of the Insured used or maintained for any process or fire extinguishing purpose and as may be provided under "Pollution Cleanup and Removal";
- (ii) sewers, drains or water-mains located beyond the bearing walls of the Insured's "buildings" unless the Insured is legally responsible for such sewers, drains or water mains;
- (iii) property at locations which to the knowledge of the Insured are unoccupied, shutdown or vacant for more than ninety (90) consecutive days, unless the Insurer has been notified and has accepted such unoccupancy, shutdown or vacancy;
- (iv) money, currency, notes and securities except as provided under Extension of Coverage
- (v) "automobiles", except "automobiles" belonging to others as provided under Extensions of Coverage, water craft, amphibious vehicles, air cushion vehicles, aircraft, spacecraft, trailers, motors, or other accessories attached to or mounted on such property, but this Exclusion shall not apply to water craft, amphibious vehicles or air cushion vehicles on the "premises" of the Insured, or held for sale, nor to unlicensed "automobiles" or unlicensed trailers used in the business of the Insured.
- (vi) property insured under the terms of any Marine insurance, and property while waterborne, except while on a regular ferry or railway car transfer in connection with land transportation.
- (vii) "Art" including all types of "art" but not limited to artifacts, antiques, libraries, manuscripts, photographs, memorabilia, natural history items or historical items, archaeological items, rugs, hangings, statues, sculptures and the physical results of academic research, and any equipment used for exhibition purposes.
- (viii) electrical devices, appliances or wiring, caused by artificially generated electrical currents, including arcing, unless fire or explosion ensues, and then only for such ensuing loss or damage;

- (ix) I.any pressure vessel having normal internal working pressure greater than One Hundred and Three kilopascals (103 kPa) (Fifteen pounds per square inch (15lbs psi)) above atmospheric pressure;
- II. any boiler, including the piping and equipment connected thereto, which contains steam or water under steam pressure (except tanks having an internal diameter of Six Hundred and Ten millimetres (610mm) (Twenty-Four inches (24in.)) or less used for the storage of hot water for domestic use); caused by explosion, rupture, bursting, cracking, burning out or bulging of such property while connected ready for use, but this exclusion does not apply to:
 - (1) manually portable gas cylinders;
 - (2) explosion of natural, coal or manufactured gas;
 - (3) explosion of gas or unconsumed fuel within a furnace or within the gas passages therefrom to the atmosphere

(x) transmission and distribution lines;

B. Property Limited

- (i) Pre-recorded video tapes, are covered only for the first Five thousand dollars. (\$5,000) of any loss or damage caused directly by a specified peril as listed or defined and limited in Section 32 G of this Part;
- (ii) Growing Plants, Lawns, Trees, Shrubs or Flowers in the Open, Animals, Fish and Birds shall be subject to a limit of liability of \$50,000 for each occurrence;
- (iii) Animals, Fish and Birds shall be covered for loss or damage caused by “Specified Perils” including attempted theft.
- (iv) Property sold by the Insured under conditional sale, installment payment or other deferred payment plan, from the time of leaving the Insured’s custody shall be subject to a limit of liability of \$5,000 for each occurrence, but this limitation does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at the risk of the Insured, or if the Insured is responsible at law to insure;

C. Perils Excluded

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

- (i) by dampness or dryness of atmosphere, changes of temperature, freezing (except with respect to insured water pipes), heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, contamination, change in colour or texture or finish, rust or corrosion, marring, scratching or crushing, but this Exclusion does not apply to Valuable Papers and Records nor does it apply to loss or damage caused directly by a peril otherwise insured and not otherwise excluded under this Part;
- (ii) by rodents, insects or vermin but this Exclusion does not apply to loss or damage caused directly by a peril otherwise insured and not otherwise excluded anywhere on this policy, nor if a peril otherwise insured and not otherwise excluded results;
- (iii) by delay, loss of market or loss of use except as may be provided under any other section of this policy;
- (iv) by any dishonest or criminal act on the part of the Insured or any of their, employees, but this Exclusion does not apply to physical damage, caused directly by employees of the Insured, which results from a peril otherwise insured and not otherwise excluded under this Part,
- (v) with respect only to buildings as defined herein, by collapse, normal settling, snow slide, landslide, subsidence or other earth movement, except from ensuing loss or damage caused by or which results directly from a specified peril as listed or defined and limited in Section 32 G of this part. In this Exclusion, “building” is defined as:
 - fixed structures pertaining to the building(s) and located on the premises;

- additions and extensions communicating and in contact with the building(s) or structures;
 - permanent fixtures and fittings attached to and forming part of the building(s) or structures;
- (vi) by centrifugal force, mechanical breakdown or derangement in or on the premises unless fire ensues and then only for the loss or damage caused directly by such ensuing fire;
- (vii) to “building(s)”, as defined herein, by explosion (except with respect to explosion of natural, coal, or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured, unless fire ensues and then only for the loss or damage caused by such ensuing fire:
1. the portions containing steam or water under steam pressure of all boilers generating steam and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 2. piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 3. other vessels and apparatus and pipes connected therewith while under pressure, or while in use or in operation provided their maximum normal internal working pressure exceeds One Hundred and Three kilopascals (103 kPa) (Fifteen pounds per square inch (15lbs psi)) above atmospheric pressure; except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders or of tanks used for the heating and storage of hot water for domestic use;
 4. moving or rotating machinery or parts thereof;
 5. any vessels and apparatus and pipes connected therewith while undergoing pressure test, but this exclusion does not apply to other property insured hereunder that has been damaged by such explosion;
 6. gas turbines

NOR DOES THIS PART INSURE

- (viii) against loss or damage caused directly or indirectly by war, invasion, act of foreign enemy, hostilities, (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- (ix) (i) against loss or damage caused directly or indirectly by any nuclear incident as defined in the Nuclear Liability Act, or any other nuclear liability act, law or statute, or any law amendatory thereof, or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
- (ii) against loss or damage caused directly or indirectly by contamination by radioactive material;
- (x) corrosion, erosion, wear and tear, gradual deterioration, latent defect, inherent vice, or the cost of making good faulty or improper material, faulty or improper workmanship, faulty or improper design; provided, however, to the extent otherwise insured and not otherwise excluded under this Part, resultant damage to all property is insured;
- (xi) Mysterious disappearance or shortage of property disclosed on taking inventory. This exclusion shall not apply to Valuable Papers and Records
- (xii) loss or damage sustained to “equipment” or “stock” while actually being worked upon and directly resulting there from or caused by any repairing, adjusting or servicing of “equipment” or “stock”, unless fire or explosion ensues and then only for the loss or damage caused by such ensuing fire or explosion, as listed or defined and limited in Section 32 G (i) and (ii) of this Part;

- (xiii) loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", nor the cost or expense of any resulting "Clean up", but this exclusion does not apply:
 - (i) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is the direct result of a peril not otherwise excluded under this Part;
 - (ii) to loss or damage caused directly by a peril not otherwise excluded under this Part;
- (xiv) cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

11 A. Extensions Of Coverage

This Part insures subject to all its terms and provisions, for not more than the limits of liability specified for the following extensions of coverage that shall apply as additional amounts of insurance to that stated in the individual Cover Note.

Group 1: The limit of coverage for loss of any or all items shall be 25% of the Limit of Liability subject to the minimum, maximum, or otherwise specified limits cited on the individual Cover Notes.

a) Valuable Papers and Records

The extra expense necessarily incurred in the cost of compiling books of account, drawings, abstracts, deeds, mortgages, manuscripts, maps, plans, surveys, blueprints, linens, scale models, photographs and photographic reproductions, art inventory records, card index systems and similar property when such records are lost or damaged by a peril insured against under this Part.

b) Media and Data

The extra expense necessarily incurred in reproducing the lost data, including the cost of gathering or assembling information or data for such reproduction and the cost of repairing or replacing media with material of like kind and quality.

Media shall mean material on which data is recorded such as records including film, tape, disc, drum, cell or other magnetic recording or storage media for electronic data processing, all the property of the Insured; when such records are lost or damaged by a peril insured against under this Part.

Data shall mean facts, concepts or instructions converted to a form usable in data processing operations. This includes computer programs.

The Insurer's limit of liability shall be limited to \$250,000. any one Media loss and \$10,000 any one Data loss.

c) Accounts Receivable

Accounts receivable that the Insured is unable to collect because the Insured's records of the accounts have been lost or damaged by a peril insured against under this Part, but this extension does not apply to:

- (i) Loss due to bookkeeping, accounting or billing errors or omissions;
- (ii) Loss, the proof of which, as to factual existence, is dependent upon an audit of records or an inventory computation; but this shall not preclude the use of such procedures in support of a claim for loss that the Insured, through evidence wholly apart therefrom, is due solely to a risk of loss of records of accounts receivable not otherwise excluded hereunder;
- (iii) Loss due to alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property, but only to the extent of such wrongful giving, taking, obtaining or withholding.

d) Extra Expense

The extra expense necessarily incurred by the Insured:

- (i) in continuing normal business activities during the period of restoration following loss or damage by a peril insured against to “property of every description”;
- (ii) when a civil authority prohibits access to the premises of the Insured due to direct physical loss or damage by a peril insured against to neighbouring premises. This extension of coverage will apply for a period of up to four (4) weeks from the date of the civil authority action.

“Extra Expense” means the excess of the total cost of conducting the Insured’s business during the period required to repair or replace lost or damaged property over the total cost of conducting such business that would have been incurred had no loss occurred.

The period of restoration shall be limited to the time required with due diligence and dispatch to repair, rebuild or replace such part of the property that has been lost or damaged.

e) Expediting Expenses

“Expediting Expense” includes the reasonable extra cost of temporary repair, and of expediting the repair or replacement of such lost or damaged property of the Insured, including overtime and the extra cost of express or other rapid means of transportation, but excludes (1) all other direct or indirect loss or damage to property, and any expense for physical property unless incurred to reduce extra expense loss (and then not to exceed the amount by which such loss is reduced with due consideration for the salvage value of such property) and (2) any loss of profits or earnings.

f) Automatic Fire Suppression System Recharge Expense

Any automatic fire suppression system recharge expense incurred by the Insured 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 a peril insured against under this Part.

g) Fire Department Service Charges

The liability of the Insured assumed by contract or agreement prior to loss or damage, or imposed on the Insured for fire department charges incurred when the fire department is called to save or protect property insured from a fire.

h) Personal Property of Officers and Employees

At the option of the Insured, insurance on “property” shall include personal property of officers and employees of the Insured on business ”premises”, subject to a sub-limit of \$50,000. each officer or employee.

i) Master Keys

Loss caused by the necessary replacement of locks and keys (including electronic locks and keys) and the increased cost of security, following burglary, robbery or mysterious disappearance of master keys.

j) Consequential Loss

Consequential loss caused directly by change of temperature or humidity resulting directly from damage by a peril insured against under this Part to equipment used for refrigerating, cooling, humidifying, dehumidifying, air conditioning, heating or converting power, including their connection and supply transmission lines and pipes situated on the described “premises.”

This extension is subject to a sublimit of \$200,000 per occurrence.

k) Business Income (Profits Form)

Please refer to Part 2 of this Policy.

Group 2: The amount payable under this extension shall not exceed 25% of the total amount payable for the direct physical loss to property insured plus the amount of the applicable deductible, subject to minimum, maximum, or otherwise specified limits cited on the individual Cover Notes.

- (i) **Debris Removal:** The insurer will indemnify the Insured for expenses incurred in the removal from the “premises” of debris of the property insured, occasioned by loss or damage to such property, for which loss or damage insurance is afforded under this Part.
- (ii) **Removal of Windstorm Debris:** The Insurer will indemnify the Insured for expenses incurred in the removal of debris or other property which is not insured by this Part but which has been blown by windstorm upon the “premises”.

Extensions of coverage (i) and (ii) do not apply to costs or expenses to “clean up” “pollutants” from land or water, or for testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants.”

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

B. Extensions Of Coverage

The Limits of Liability for the following Extensions of Coverage are included within the Limit of Liability of Part I shown in the Cover Note

a) Tenant’s Leasehold Interest - Rents

If as a result of an Insured Peril, the landlord terminates the lease in accordance with the conditions of the lease, the Insurer will pay the difference between the higher current rental value, and the values stipulated in the current lease. The Insurer shall not be liable for any loss of leasehold interest resulting from the Insured exercising an option to cancel the lease.

b) Leasehold Interest in Tenant’s Improvements

- (i) Where improvements are damaged or destroyed by an Insured Peril, the Insurer will pay the cost to replace on the same site if possible, or if this is not possible, the cost of moving, temporary storage and restoration on another site. If the Tenant does not replace, the Policy will pay pro rata the original cost of the improvements for the balance of the lease term.
- (ii) Where improvements are not damaged or destroyed by an Insured Peril, if as a result of an insured peril, the Insured’s interest in building improvements reverts to the building owner, as a result of the building owner exercising the cancellation clause in the lease, the Insurer will pay the Insured’s costs to replace his improvements at this or another location.
- (iii) In addition, where the landlord terminates the lease as a result of an Insured Peril, property is damaged, in whole or in part, and the lease calls for insurance proceeds to be paid to the landlord, this Policy will pay the cost to replace the damaged property to the landlord.
- (iv) The Insurer is not liable for any loss of leasehold interest resulting from the Insured exercising an option to cancel the lease.

c) Building Damage

This Policy is extended to cover damage to that part of any building occupied by the Insured as tenant directly resulting from theft or any attempt thereat, provided the Insured is liable for such damage, but the Insurer's combined liability shall not exceed the amount of insurance under this policy for the “premises” at which such loss or damage occurs.

d) Damage to Vehicles Belonging to Others

At the option of the Insured this Policy covers loss of or damage to any vehicle(s) belonging to others while on the premises of the Insured, for the purpose of loading and/or unloading, when the Insured is liable for such damage

e) Radioactive Contamination

This Policy covers sudden and accidental Radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on the Insured's premises, provided that at the time of such loss there is neither a nuclear reactor capable of sustaining nuclear fission in a self supporting chain reaction nor any new or used nuclear fuel on the Insured's premises.

This extension is subject to a Sublimit of \$100,000 per occurrence.

f) Pollutant Clean Up and Removal/ Hazardous Substances

The expense incurred to extract "pollutants" from land or water at the Insured's premises, if the release, discharge or dispersal of the pollutants as the result of a peril insured against under this Part.

As respects this coverage, a Hazardous Substance means any pollutant, contaminant or other substance declared by a Government Agency to be hazardous to the health or the environment. Increase in cost or increase in loss means that cost or loss beyond that which would have been incurred if no Hazardous Substance had been present.

This extension is subject to a Sublimit of \$100,000 per occurrence and \$250,000 in the Aggregate.

g) Service Interruption

, This policy covers loss or damage as insured hereunder resulting from the direct interruption to the insured premises of electricity, heat, cooling, light power, gas, water, sewage, steam, refrigeration or telecommunications caused by a peril insured against This coverage applies to:

- i) Direct Damage to the property insured as a result of the interruption;
- ii) Business Interruption and Extra Expense as a result of (i)
- iii) The liability of the Insurer with respect to each interruption of business, whether in whole or in part, under this Extension shall not attach until the period of interruption exceeds the waiting period as cited on the Individual Cover Notes.

This extension is subject to a Sublimit of \$200,000

h) Professional Fees

Any reasonable expenses incurred (excluding Public Adjusters and employees of the Insured) in preparing proof of loss data or any other exhibits in connection with any claim presented under this Part.

This coverage applies only to fees incurred in establishing the quantum of a loss, liability for which is accepted by the insurer.

i) Special Property

Subject to the Sublimits cited in the individual Cover Note issued to each Insured, this policy covers furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, precious and semiprecious stones, gold, silver, platinum and other precious and semiprecious metals and alloys held as "Stock" for the Museum Gift Shops.

12. Permission

Permission is hereby granted:

- (a) For further concurrent insurance, whether prior, coincident, or subsequent.
- (b) For such use of the premises as is usual, necessary, convenient or incidental to the business of the Insured and to keep and use all articles, materials, equipment and supplies, including gasoline and such other materials as are prohibited by the printed conditions of the Policy, for such purposes and in such quantities as are usual, necessary, convenient or incidental to the business of the Insured.
- (c) For individual locations to cease operations and close down from time to time and to remain unoccupied for up to 90 days, as the Insured may deem necessary or convenient, subject to 90 days reporting to the Insurer .

- (d) To make changes, demolish alterations, assemblies, installation, improvement and repairs, additions and extensions, erect new structures, all without limit of time. The insurance on the property covered under this Policy is hereby extended to cover such property including materials and supplies used in connection herewith, subject to all the terms and conditions of this Policy. No reporting is required unless the values added thereby at any one location exceed the limits stated herein for newly acquired property.
- (e) For existing and increased hazards and/or for any change in occupancy or use of the premises, provided that the Named Insured shall notify the Insurer as soon as practicable of any such increase or change.
- (f) To ship under release and/or limited bills of lading and/or shipping receipts.

13. A. Breach Of Conditions

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

B. No Control

This Part shall not be affected by the failure of the Insured to comply with any of the warranties or conditions appearing herein or endorsed hereon applicable to any portion of the property insured over which the Insured has no control, or the acts of others over which the Insured has no control.

Notwithstanding anything contained elsewhere in this Policy, any act, or any breach of a condition or warranty of the Policy, by one of the parties hereby insured shall not prevent recovery by any other party hereby insured, who is innocent of such act or breach.

In addition, any breach of conditions or warranties shall be read distributively so that in the event of a loss, breach of such condition or warranty in any; portion of the property neither damaged nor destroyed, shall not disentitle the Insured to recover in respect of claim for loss to other portions of the property hereby covered that are damaged, but in which no such breach has occurred.

14. Reinstatement

Any loss hereunder shall not reduce the amount of insurance, except with respect to any aggregate limits stated to apply in the Cover Note or in any endorsement.

15. Subrogation

The Insurer, upon making any payment or assuming liability therefor under this Part, shall be subrogated to all rights of recovery of the Insured against others and may bring action in the name of the Insured to enforce such rights. The Insurer shall have no right of subrogation against any Insured (or any parent, subsidiary, affiliated or allied company of any tier of an Insured), nor against any person or entity in respect of which the Insured has assumed liability under contract or agreement. Notwithstanding the foregoing, all rights of subrogation are hereby waived against any corporation, firm, individual, or other interest with respect to which insurance is provided by this Part. Where the net amount recovered, after deducting the costs of recovery, is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in the proportion in which the loss or damage has been borne by them respectively. Any release from liability entered into by the Insured prior to loss shall not affect the right of the Insured to recover.

16. Property Protection Systems

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

- A. sprinkler or other fire extinguishing system, or
- B. fire detection system; or
- C. intrusion detection system;

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

17. Verification of Values

The Insurer or its duly appointed representative shall be permitted at all reasonable times during the term of this Policy, or within a year after termination or expiration, to inspect the property insured and to examine the Insured's books, records and such policies as relate to any property insured hereunder. Such inspection or examination shall not waive or in any manner affect any of the terms or conditions of this Part.

18. Valuations

For the purpose of calculating the total value of the property for value reporting and for loss adjustment, the following valuation basis applies:

- A. on raw materials – the cost to replace
- B. on unfinished stock - the actual cash value of the property at the time any loss occurs, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;
- C. on finished stock - the cost to replace;
- D. on property of others in the custody or control of the Insured, the amount for which the Insured is liable at the time and place of loss, plus allowance for labour and materials expended to such time;
- E. on tenant's improvements and records - as described in Paragraphs A (i) and (ii) and B of Section 19 of this form;
- F. on all other property insured under this Policy and for which no more specific conditions have been set out - the cost of repairing, replacing or reinstating (whichever is the least) with new material of like kind and quality without deduction for depreciation. The foregoing shall be subject otherwise to all the terms, condition, and limitations of the Policy (including any endorsements thereon) and to the following additional provisions:
 - (i) the repair, or replacement must be executed with due diligence and dispatch;
 - (ii) until repair, replacement or reinstatement has been effected the amount of liability under this policy in respect to the loss shall be limited to the actual cash value, but the Insurer's liability shall in no event exceed the actual expenditure for repairs, replacement or reinstatement;
 - (iii) if repair, replacement or reinstatement with material of like kind and quality is restricted or prohibited by any bylaw, ordinance or law, any increased cost of repair, replacement or reinstatement due thereto shall not be covered by this clause except as provided the By-laws Extension of Coverage;
 - (iv) any other insurance effected by or on behalf of the Insured in respect to the perils insured against by this policy on the property to which this clause is applicable shall be upon the identical basis of Replacement Cost as set forth herein;
 - (v) failing compliance by the Insured with the obligations imposed by any of the foregoing provisions, this clause shall be null and void and the valuation shall be based on the actual cash value of the property at the time of loss;
 - (vi) in the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that damaged or destroyed and which is capable of performing the same function shall be deemed to be new property of like kind and quality for the purpose of this endorsement but in no event shall this be considered as a betterment to the Insured,
 - (vii) In no event shall the amount recoverable be less than the Actual Cash Value of such property subject always to the Limit of Liability provided by the Policy
 - (viii) The Insured or his assignee may repair, replace or reconstruct the lost, damaged or destroyed property with superior and/or different construction, with property of different capacity or for different use and shall not be restricted to repairing, replacing or reconstructing for like

occupancy. Notwithstanding the foregoing, the maximum sum recoverable shall be determined by the Measure of Recovery, paragraph (i) above, and the limit of Liability in the Policy

- (ix) in the event of replacement with new property, the Insurer will pay the cost of purchasing and installing technologically current equipment which is necessitated by incompatibility between new equipment installed to replace damaged or destroyed equipment; and, undamaged existing equipment at the same or an interdependent location; provided that:
 - (a) damage or destruction was directly caused by a peril insured against;
 - (b) the Insurer shall be liable under this Extension only for the amount sufficient to enable the Insured to resume operations in substantially the same manner as before the destruction or damage,
 - (c) the Insurer shall be liable for only the difference between:
 - (1) the highest sales value of the undamaged existing equipment at the same or interdependent location, and
 - (2) the installed cost of the technologically current equipment;
 - (d) for the purposes of the Deductible, the damage or destruction, and the necessity to replace incompatible equipment shall be regarded as one occurrence.

19. Special Basis Of Settlement

A. Tenant's Improvements

The liability of the Insurer shall be determined as follows:

- (i) if repaired or replaced with due diligence and dispatch, the amount actually and necessarily expended but in no event exceeding the replacement cost as provided in Section 18 of the tenant's improvements immediately prior to the time of loss or damage;
- (ii) if not repaired or replaced with due diligence and dispatch after such loss, that portion of the original cost of the lost or damaged tenant's improvements which the unexpired term of the lease at the time of loss bears to the period(s) from the date(s) such tenant's improvements were made to the expiration date of the lease.

B. Records

Except to the extent provided in Section 11A: Group 1 a) of this Part, the liability of the insurer for loss or damage to:

- (i) books of account, drawings, card index systems and other records, other than as described in (ii) below, shall not exceed the cost of blank books, blank pages or other materials, plus the cost of gathering or assembling information or data for reproductions and the cost of labour for actually transcribing or copying said records;
- (ii) media, data storage devices, and programme devices for electronic and electromechanical data processing or for electronically controlled equipment, shall not exceed the cost of reproducing such media, data storage devices and programme devices from duplicates or from originals of the previous generation of the media including the cost of gathering or assembling information or data for such reproduction.

C Accounts Receivable

In the event that the Insured cannot accurately establish the total amount of accounts receivable outstanding as of the date loss occurs, such amount shall be based on the Insured's monthly statements and shall be computed as follows:

- 1. a) the monthly average of accounts receivable represented by the Insured shall be adjusted in accordance with the percentage increase or decrease in the twelve months

average of monthly gross sales of goods and services which may have occurred in the interim;

b) the monthly amount of accounts receivable thus established shall be further adjusted in accordance with any demonstrable variance from that average for the particular month in which the loss occurred, due consideration also being given to the normal fluctuations in the amount of accounts receivable within the fiscal month involved but in no event shall the Insurer(s) be liable for more than the maximum monthly amount of accounts receivable represented by the Insured, after adjustment to correspond with the trend in average monthly gross sales of goods and services.

2. there shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by the Insured, and an amount to allow for probable bad debts which would normally have been uncollectible by the Insured

D. Brands and Labels

If branded or labeled merchandise covered by this Part is damaged and the Insurer elects to take all or any part of such merchandise at the value established by the terms of this Part, the Insured may, at his own expense, stamp "salvage" on the merchandise or its containers or may remove or obliterate the brands or labels, if such stamp, removal or obliteration will not physically damage the merchandise, but the Insured must re-label the merchandise or containers in compliance with the requirements of the law.

20. Property Of Others

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

21. Immediate Repairs

The Insurers grant permission to the Insured to carry out repairs in respect of any damage to the property insured hereby which conveniently and advantageously can be undertaken by them (subject to notification to Insurers as soon as practicable). The Insurers will reimburse the Insured for the actual cost of such repairs and all reasonable expenses and fees incurred relating thereto including overtime and express freight or other rapid means of transportation, subject to the policy terms and conditions.

22. Interim Payments

Except as provided under the IMMEDIATE REPAIRS clause herein, upon the occurrence of any loss of or damage to the insured property by a peril insured wherein it is determined that repair or replacement will exceed 60 days to complete, the Insurer(s), on request and upon receipt of an Interim Proof of Loss, hereby agrees to make interim payments to the extent of any reasonable expenses incurred by the Insured in repairing or replacing damaged or lost property insured. It is understood and agreed that the Insurer(s) shall have no obligation to make payment until the extent of any applicable deductible has first been exhausted by the Insured.

23. Partial Payment Of Loss

It is agreed that in the event of loss under this Policy the Insurers may make a partial payment of loss. Such payment shall be determined in fair arbitration between the Insured, the independent Adjuster and the Insurers. It is also agreed that in the event the final adjusted loss is less than the partial payment made, the Insured will return to the Insurers the amount by which the partial payment exceeds the final adjusted loss.

24. Waiver Of Term Or Condition

No term or condition of this Part shall be deemed to be waived by the Insurer in whole or in part unless the waiver is clearly expressed in writing and signed by a person authorised for that purpose by the Insurer. Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of this Part by any act relating to the appraisal of the amount of loss or to the delivery and completion of proofs, or the investigation or adjustment of any claim under this Part.

25. Mortgage Clause (Approved By The Insurance Bureau Of Canada)

It is hereby provided and agreed that:

A. Breach of conditions by mortgagor, owner or occupant

This insurance and every documented renewal thereof - as to the interest of the Mortgagee therein - is and shall be in force notwithstanding any act, neglect, omission or misrepresentation attributable to the Mortgagor, owner or occupant of the property insured, including transfer of interest, any vacancy or non- occupancy, or the occupation of the property for purposes more hazardous than specified in the description of the risk;

Provided always that the Mortgagee shall notify forthwith the Insurer (if known) of any vacancy or non-occupancy extending beyond thirty consecutive days, or any transfer of interest or increased hazard that shall come to his knowledge: and that every increase of hazard (not permitted by the Policy) shall be paid for by the Mortgagee - on reasonable demand - from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.

In the Province of Quebec, provided always that the Mortgagee shall notify forthwith the Insurer (if known) of any change that increases the risks stipulated in the policy and that results from events within his control if it is likely to materially influence the insurer in setting the rate of premium, appraising the risk or deciding to continue to insure it, and that every increase of risk (not permitted by the Policy) shall be paid for by the Mortgagee - on reasonable demand - from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.

B. Right of Subrogation

Whenever the Insurer pays the Mortgagee any loss award under this Policy and claims that - as to the Mortgagor or owner - no liability therefor existed, it shall be legally subrogated to all rights of the Mortgagee against the Insured; but any subrogation shall be limited to the amount of such loss payment and shall be subordinate and subject to the basic right of the Mortgagee to recover the full amount of its mortgage equity in priority to the Insurer; or the Insurer may at its option pay the Mortgagee all amounts due or to become due under the mortgage or on the security thereof, and shall thereupon receive a full assignment and transfer of the mortgage together with all securities held as collateral to the mortgage debt.

C. Other Insurance

If there be other valid and collectible insurance upon the property with loss payable to the Mortgagee, at law or in equity, then any amount payable thereunder shall be taken into account in determining the amount payable to the Mortgagee.

D. 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.

E. Termination

The term of this Mortgage Clause coincides with the term of the Policy,

- (i) provided always that, in all provinces except Quebec, the Insurer reserves the right to cancel the Policy as provided by statutory provision but agrees that the Insurer will neither terminate nor alter the Policy to the prejudice of the Mortgagee without the notice stipulated in such statutory provision and
- (ii) provided always that, in the Province of Quebec, the Insurer reserves the right to cancel the Policy as provided by Article 2477 of the Civil Code of Quebec but agrees that the Insurer will neither cancel nor amend the Policy to the prejudice of the Mortgagee without 15 days' notice to the Mortgagee by registered letter.

F. Foreclosure (In the Province of Quebec, Transfer of Title)

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 Mortgagee), loss under Part I of this Policy is made payable to the Mortgagee.

26. Notice To Authorities

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

27. Sue And Labour

It is the duty of the Insured in the event of actual or imminent loss or damage to any property insured hereunder to take all reasonable steps in and about the safeguarding, recovery, repair or replacement of such property. The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with the foregoing according to the respective interest of the parties.

28. No Benefit To Bailee

It is warranted by the Insured that this insurance shall not inure directly or indirectly to the benefit of any carrier or other bailee.

29. Pairs, Sets And Parts

A. In the case of loss or damage to any article or articles, whether scheduled or unscheduled, which are part of a set, the settlement of loss or damage to such article or articles shall be as follows:

- (i) the market value of the entire set; salvage rights on the remaining articles shall revert to the Insurer;
- (ii) the cost to repair or replace a lost or damaged article or articles, but in the event that the set, with repaired or replaced articles has reduced value, the Insurer shall indemnify the Insured for the reduction of this value;
- (iii) the market value of the lost or damaged article or articles, should the article or articles prove to be beyond repair or irreplaceable. In the event that the set with its remaining pieces has reduced value, the Insurer shall indemnify the Insured for the reduction in this value.

B. In no event shall the settlement be more than the total value of the set prior to the loss.

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.

30. Definitions

Wherever used in this part

A. "Property of Every Description" means property of every kind and description except as may be specifically excluded herein.

B. "Building" includes:

- (i) fixed structures pertaining to the building(s) and located on the "premises";
- (ii) additions and extensions communicating and in contact with the building(s);
- (iii) permanent fittings and fixtures attached and forming part of the building(s);
- (iv) materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to "buildings" or building services;

- (v) growing plants, trees, shrubs or flowers inside “buildings” used for decorative purposes when the Insured is the owner of the “building”.
- C. “Equipment” means:
- (i) generally all contents usual to the Insured’s business, including furniture, furnishings, fittings, fixtures, signs, machinery, tools, utensils, railway cars, motor vehicles not licensed for regular highway use, books of accounts, card index systems and appliances other than “building” or “stock” as herein defined;
 - (ii) similar property belonging to others which the Insured is under obligation to keep insured, has agreed to insure or for which he is legally liable;
 - (iii) tenant’s improvements, which are defined as building improvements, alterations and betterments made at the expense of the Insured to a “building” occupied by the Insured and which are not otherwise insured, provided the insured is not the owner of such “building”. If the Insured purchased the use interest in tenant’s improvements made by a predecessor tenant, this Part applies as if such tenant’s improvements had been made at the expense of the insured.
- D. “Stock” means:
- (i) merchandise of every description usual to the Insured’s business;
 - (ii) packing, wrapping and advertising materials; and
 - (iii) similar property belonging to others which the Insured is under obligation to keep insured, has agreed to insure or for which he is legally liable.
- E. “Premises” means the entire area within the property lines at locations used in the “business” of the Insured and within 300 metres thereof.
- F. “Automobile” means any self-propelled land vehicle.
- G. “Specified Perils” means:
- (i) Fire or Lightning
 - (ii) Explosion
 - (iii) Impact by Aircraft, Spacecraft or Land Vehicle
 - (iv) Riot, Vandalism or Malicious Acts
 - (v) Smoke
 - (vi) Leakage From Fire Protective Equipment
 - (vii) Windstorm or Hail
 - (viii) Sonic Shock Waves
 - (ix) Elevator Collision
 - (x) Flood, meaning the rising of, the breaking out or the overflow of any body of water whether natural or man-made and includes waves, tides and tidal waves, but only if designated as insured in the Cover Note;
 - (xi) Earthquake, including snow slide, landslide or other earth movement occurring concurrently with and directly resulting from an earthquake shock, but only if designated as insured in the Cover Note;
 - (xii) Theft or attempted theft
- H.
- H. “Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

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

33. General Provisions

All the General Provisions of the Policy apply to Part I except as modified in Section 30 above.

Part 2 - Business Income (Profits Form)

Except as otherwise noted this Part is subject to all the terms, conditions, limitations, exclusions and extensions contained in Part I.

1. Coverage

If any property used by the Insured for the purpose of the business, hereinafter referred to as “covered property”, except as may be specifically excluded under Part 1, shall be lost or damaged while this Policy is in force by a peril insured against under Part 1, and if the business carried on by the Insured be in consequence of such loss or damage interrupted or interfered with, the Insurer will pay the Insured the amount of loss resulting from such interruption or interference in accordance with the provisions herein contained, but not exceeding the limit of liability set forth in section 2 of this Part.

This Part is extended to cover business interruption loss resulting from loss as herein defined to property of the Insured in the course of construction or installation or property of others to be used by the Insured when construction or installation is complete. If property insured by this Policy is destroyed or damaged whilst in the course of construction and as a consequence thereof the Insured is delayed from commencing production or operations on the estimated date of completion, this Part is extended to cover the loss resulting from said inability to produce until such time as the Insured can commence operations, all in accordance with the following provisions. (However, it is agreed that for the purposes of this “Delayed Business Interruption” extension the operative verbiage of the following provisions shall be interpreted to be “that which would have occurred if the plant or location had commenced operations as per estimated completion date had no loss occurred”.)

It is further understood and agreed that this Part is extended to cover Business Interruption loss resulting directly from damage to or destruction of real or personal property of any other key occupants in the same mall or plaza or complex in which any of the Insured’s premises is located.

Section 5 - By-Laws, Section 6 - Ingress/Egress and Section 7 - Necessary Destruction of Part 1 shall also apply to this Part 2.

2. Limit Of Liability

The amounts of insurance on Business Income and for Ordinary Payroll Expense shown in Part 2 of the Cover Note are the limits of the Insurer’s liability for all loss and expense under this Part arising out of loss or damage to the “covered property” in one occurrence, whether such loss or damage is caused by one or more than one peril, subject to the provisions of any deductible clause, and to all other terms and provisions of this Part. Exclusions

This Part does not insure against any loss due to fines or damages for breach of contract, for late or non-completion of orders, or for any penalties of whatever nature.

3. Measure Of Recovery

The insurance provided by this Part is limited to loss of Gross Profit due to (a) Reduction in Turnover and (b) Increase in Cost of Working and the amount payable as indemnity hereunder shall be:

- A. In respect of Reduction in Turnover:** the sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period shall, in consequence of the loss or damage by a peril insured against, fall short of the standard turnover;
- B. In respect of Increase in Cost of Working:** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which but for that expenditure would have taken place during the indemnity period in consequence of the loss or damage by a peril insured against, but not exceeding the sum produced by applying the rate of gross profit to the amount of the reduction thereby avoided,

less any sum saved during the indemnity period in respect of such of the insured standing charges as may cease or be reduced in consequence of the loss or damage by the perils insured against, provided that if the sum insured by this Part be less than the sum produced by applying the rate of gross profit to the annual turnover, the amount payable shall be proportionately reduced.

4. Division / Departmental Clause

At the option of the Insured, if the business be conducted in Division/Department, the independent trading results of which are ascertainable, the provisions of Clause 4 above shall apply separately to each Division/Department affected by the damage.

5. Insured Standing Charges

All Standing Charges

The following shall in no event be deemed to be Standing Charges:

- A. Depreciation of Stock
- B. Bad Debts
- C. Wages and Salaries other than salaries to permanent staff and wages to foremen and important employees whose services would not be dispensed with should the business be interfered with or interrupted.

6. Extensions Of Coverage

A. Interruption by Civil Authority

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

B. Debris

This part is extended to include the actual loss sustained as insured hereunder during the period of time, not exceeding 4 weeks, while the Insured’s operations are interfered with due to debris that has blown or been deposited upon the Insured’s “premises” by an insured peril. This extension does not cover loss or damage resulting from any spill, discharge or seepage of a pollutant or contaminant.

C. Contingent Business Income

This Part is extended to include loss as provided herein at premises that supply goods or materials or services directly to the Insured or which receive goods or materials or services directly from the Insured.

D. Ordinary Payroll Expense

This Part is extended to insure the Insured’s entire ordinary payroll expense, subject to the limit stated in the Cover Note, for a period of time not in excess of 365 consecutive days immediately following the date of loss, which may continue during a total or partial suspension of business, insuring only to the extent necessary to resume the normal business of the Insured with the same quality of service which existed immediately preceding the loss or damage by a peril insured against, and which would have been earned had no loss or damage by a peril insured against occurred.

E. Retailers Product Impairment

- a. The Insurer agrees to indemnify the Insured for loss of business income if the Insured is a retailer, and a product or a component of a product the Insured sells to the ultimate consumer is recalled and as a result:
 - 1) the product cannot be sold by the Insured; or
 - 2) the public becomes aware of the recall, causing the Insured to suffer a loss of business income.

- b. By “recall” the insurer means the withdrawal of the product from the market because:
- 1) its use or consumption has resulted in bodily injury or property damage; or
 - 2) of a criminal act, committed by someone other than the Insured or the Insured’s employees acting with the Insured’s knowledge or consent, that has created a threat of bodily injury or property damage if the product is use or consumed; or
 - 3) it has become public knowledge that the use or consumption of the product could result in bodily injury or property damage.
- c. The recall must be either:
- 1) a result of a notice received by the Insured, after the effective date of this coverage, from the manufacturer or someone with the authority to order the recall; or
 - 2) because the Insured discovers that there is a threat of bodily injury or property damage. The Insured must notify the police or other appropriate public authorities within a reasonable time after the Insured’s discovery.
- d. The Insurer will not cover the loss of business income sustained by the Insured under this coverage if:
- 1) the product recalled was manufactured by the Insured;
 - 2) the product recalled is a component of a product manufactured by the Insured;
 - 3) prior to the effective date of the Policy the Insured knew, or should have known, that a product recall was planned or had already begun; however, this coverage will apply to recalls planned or begun prior to the effective date of this Policy if similar coverage was provided by the Insurer under a previous policy which was effective immediately preceding the inception date of this Policy and no payment was made for the recall under the previous policy. In this case, the Insurer will pay only up to the amount of insurance applicable to product impairment under the previous policy.
 - 4) the Insured has violated a law or regulation in connection with the sale or distribution of a recalled product;
 - 5) the product or component of a product is handled, sold or held for sale by the Insured in any capacity other than as a retailer. This Exclusion will apply even if the Insured is also a retailer of the product, unless such other capacity is incidental assembly that is related to the Insured’s operation as a retailer of the product recalled.
- e. The most the Insurer will pay under this Extension for loss of business income resulting from the recall of a product is \$10,000.00 as an additional amount of insurance. The Insurer will pay for the Insured’s loss of business income for any 60 day consecutive period. However, the 60 day consecutive period may begin no earlier than 60 days before and end no later than 60 days after the Insured:
- 1) receives a recall notice from the manufacturer or someone with the authority to order a recall; or
 - 2) notifies the police or other appropriate authorities of the recall, including the conditions leading up to the recall, but only if no notice is received from the manufacturer.

This 60 day consecutive period is not limited by the expiration of this Policy; however, this 60 day consecutive period may not begin prior to the inception date of this Policy unless it is a renewal of a similar previous Policy provided by the Insurer which was effective immediately preceding the effective date of this Policy.

A series of recalls of:

- a) the same product or similar products; or

- b) two or more products arising from the same or a similar cause; or
- c) products with the same or similar brand name, trademark, model, series or similar designation; or
- d) products of the same manufacturer

within any 12 month period will be considered one recall.

F. Computer Virus

The Insurer agrees to indemnify the Insured for loss of business income due to an illegal or malicious entry into electronic data processing media that results in functions that distort, corrupt or manipulate the electronic data processing media up to an amount not to exceed \$10,000, subject to a deductible of \$1,000.

G. Research and Development

This Part also insures loss which results in an interruption of research, development and administrative activities which in themselves would not have produced income during the Indemnity Period; this Policy shall cover the actual loss sustained of the continuing fixed charges and expenses, including Ordinary Payroll, directly attributable to such research, development and administrative activities; subject however to a sub-limit of \$250,000. for any one occurrence.

H. Infectious Disease, Murder, Suicide, Food Poisoning, Defective Sanitation, Vermin Extension

- (a) This policy is extended to include loss sustained by the Insured directly resulting from the necessary interruption of or interference of business at the insured premises as a result of:
 - (i) a human infectious or contagious disease manifested by a person while a the premises;
 - (ii) injury or illness sustained by a visitor/employee/volunteer arising from or traceable to foreign or injurious matter in food or drink provided on the premises;
 - (iii) any accident, other than an accident as may be already insured by this policy, causing defects in the drains or other sanitary arrangement at the premises;
 - (iv) the discovery of vermin or pests a the premises which causes restrictions on the use of the p remises on the order or advise of civilian authority
 - (v) Murder or suicide occurring at the premises
- (b) Special Conditions Applicable to this Extension:
 - (i) The indemnity Period is amended to read the period during which the results of the business shall be affected in consequence of the occurrence, discovery or accident beginning with the date on which the restrictions on the premises are applied (or in the case of (v) above with the date of the occurrence) and ending not later than three months thereafter
 - (ii) The limit of Liability shall be \$100,000 (One Hundred Thousand Dollars) in the annual aggregate
 - (iii) The Insurer shall not be liable under this extension for any costs incurred in the cleaning, repair, replacement, recall or checking of property, except to the extent that such costs reduce the amount that would otherwise be payable.
 - (iv) The Insurer shall only be liable for the loss arising at those locations which are directly affected by the occurrence, discovery or accident.
- (c) For the purpose of this coverage, infectious or contagious disease means a pandemic declared by the Public Health Agency of the jurisdiction applicable.

I. Bomb Scare

This policy is extended to cover loss, other than loss as may be already insured hereunder, directly resulting from interruption or interference with the business carried on by the insured at the premises named in the Cover Note in consequence of any bomb scare at or in the vicinity of the premises. The Limit of Liability under this Extension shall be \$100,000 (One Hundred Thousand Dollars) in the annual aggregate.

7. Special Provisions

- A. If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the “premises” for the benefit of the “business” either by the Insured or by others on his behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.
- B. On the happening of any loss or damage by a peril insured against in consequence of which a claim is or maybe made under this Part, the Insured shall with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimize or check any interruption of or interference with the “business” or to avoid or diminish the loss.

8. Definitions

Wherever used in this Part

- A. “Gross Profit” means the sum produced by adding to the Net Profit the amount of the Insured Standing Charges, or if there be no Net Profit, the amount of the Insured Standing Charges less such a proportion of any net trading loss as the amount of the Insured Standing Charges bears to all the Standing Charges of the “business”.
- B. “Net Profit” means the net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the “business” of the Insured at the premises after due provision has been made for all Standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.
- C. “Turnover” means the money paid or payable to the Insured for goods sold and delivered, for services rendered, and for business income in the course of the business at the premises, including all income from exhibitions, donations, government grants and any other income sources as may occur.
- D. “Indemnity Period” means the period beginning with the occurrence of a peril insured against and ending not later than twelve months, or any other period shown in the Cover Note of Part 2 as the maximum indemnity period, thereafter during which the results of the “business” shall be affected in consequence of the loss or damage by a peril insured against.
- E. “Rate of Gross Profit” means the rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the loss or damage by a peril insured against.
- F. “Annual Turnover” means the Turnover during the twelve months immediately before the date of the loss or damage by a peril insured against.
- G. “Standard Turnover” means the Turnover during the period in the twelve months immediately before the date of the loss or damage by a peril Insured against which corresponds with the Indemnity Period.
- H. “Ordinary Payroll Expense” means the entire payroll expense for all employees of the Insured, other than salaries to permanent staff and wages to foremen and important employees whose services would not be dispensed with should the business be interfered with or interrupted.

to which such adjustments shall be made as may be necessary to provide for the trend of the “business” and for variation in or special circumstances affecting the “business,” either before or after the loss or damage by a peril insured against or which would have affected the “business” had the loss or damage by a peril insured against not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the loss or damage caused by a peril insured against would have been obtained during the relative period after loss or damage by a peril insured against.

I. “Business” means the business of the Insured.

9. General Provisions

All the General Provisions of the Policy apply to Part 2 except as modified in Section 30 of Part 1.

The following Conditions apply to Part 1 and 2 and appear in this Policy as required by all Provincial Insurance Acts, except Quebec. In the event of any conflict between these Conditions and other Conditions contained in the Policy, the Condition most beneficial to the Insured will apply.

Statutory Conditions

10. 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 of the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

11. Property Of Others

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

12. Change Of Interest

The Insurer is liable for loss or damage occurring after an authorised assignment under the Bankruptcy Act or change of title by succession, by operation of law, or by death.

13. Material Change

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 he desires the contract to continue in force, he 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.

14. Termination

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 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 (i) (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.

15. Requirements After Loss

- (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 willful act or neglect or the procurement, means or connivance of the Insured,
 - (iv) showing the amount of other insurance 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.

16. Fraud

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

17. Who May Give Notice And Proof

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.

18. Salvage

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 any 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 I of this condition according to the respective interests of the parties.

19. Entry, Control, Abandonment

After loss or damage to insured property, the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, 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.

20. Appraisal

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 specified demand therefor is made in writing and until after proof of loss has been delivered.

21. When Loss Payable

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

22. Replacement

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.

23. Action

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

24. Notice

Any written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agent or head office of the Insurer in the Province. Written notice may be given to the Insured named in this contract by letter personally delivered to him or by registered mail addressed to him at his latest post office address as notified to the Insurer. In this condition, the expression "registered" means registered in or outside Canada.

Heritage Agreement

This Endorsement Changes The Policy. Please Read It Carefully.

Subject to the conditions, limitations and exclusions set forth in the Policy and Wordings and Endorsements attached hereto, the following conditions are hereby made part of the Policy.

Endorsement Applicable to Canadian Museum Association Package Insurance Program, Master Policy No. MCL-CMA1899, Part 1 - Property of Every Description, any one occurrence:

With respect to Part 1 – Property of Every Description:

- (I) Valuations, Clause 18. F. is amended to include the following additional sub-sections:

F. (x)

With respect to damage to or destruction to “Heritage Building(s)” only, at an Insured Location, the Basis of Loss Settlement is amended to read as follows; subject to being declared to the Insurer, as such:

The cost to repair, rebuild or replace, on the same site, with new materials of equivalent size, kind, capacity and quality, including the cost of skilled labour or authentic materials necessary to restore the “Heritage Building(s)”.

Any “building” written subject to this “Heritage Building(s)” Basis of Loss Settlement must have been appraised and the appraisal filed by the Insured and accepted by the Insurer.

- (II) Definitions, Clause 32. is amended to include the following additional sub-section:

K. **“Heritage Building(s)”** is defined as a building that has been formally recognized for its heritage value within a municipal, provincial or federal jurisdiction, because of its design, spatial configurations, materials, forms, uses, and cultural associations or meanings that together comprise the character defining elements of the building, or when repaired, rebuilt or replaced, will require unique, superior or elaborate construction materials and or specialty labour costs in order to duplicate its original quality of construction.

- (III) Coverage on this endorsement is applicable to the location(s) specified in the Schedule of Insured Locations as Unique Property Uplift (Yes) on the Individual Cover Note of this policy.

In consideration of the property appraisal filed by the Insured and accepted by the Insurer, it is understood and agreed that the Limits of Liability for any one occurrence under the Property of Every Description (P.O.E.D.) is increased by 15% of the values declared for all property at the location applicable on Declaration of Values attached to the Insured’s Cover Note.

It is further agreed that upon the expiration of the policy period specified on the Program Cover Note, the terms and conditions of this endorsement shall cease to be in effect.

Except as otherwise stated above, all other terms, provisions and conditions of the Policy remain unchanged.

Endorsement No. 1

Data Exclusion Endorsement

Applicable to Canadian Museums Association Insurance Master Policy Number: MCL-CMA1899

This Endorsement Modifies The Coverage Provided Under The Part 1 And Part 2 Of This Policy.

The following sections A and B apply to all property but not to that insurance provided for Accounts Receivable, Valuable Papers or “active data processing media”.

- A.1. (a) This form does not insure “data”.
- (b) This form does not insure loss or damage caused directly or indirectly by “data problem”, regardless of any other cause or event that contributes concurrently or in any sequence to such loss or damage. However, if loss or damage caused by “data problem” results in the occurrence of further loss of or damage to property insured that is directly caused by an “insured peril”, as defined in this endorsement, or by the escape of water from any tank, apparatus or pipe, exclusion A.1.(b) shall not apply to such resulting loss or damage. This exception only applies to the extent that such resulting loss or damage would otherwise be insured under the Part 1 and Part 2 of this Policy.
- B.1. Subject to (a) and (b) following, the Insurer(s) shall not be liable for loss of Gross Rents, Extra Expense, loss of Gross Earnings, loss of Gross Profit or any other loss attributable to the interruption of business, directly or indirectly caused by “data problem”, regardless of any other cause or event that contributes concurrently or in any sequence a “data problem”.
- (a) If “data problem” results in direct physical loss of or damage to property caused by an “insured peril”, as defined in this endorsement, or by the escape of water from any tank, apparatus or pipe, this exclusion B.1. shall not apply to resulting loss of Gross Rents, Extra Expense, loss of Gross Earnings, loss of Gross Profit or any other loss attributable to the interruption of business, suffered through such resulting loss or damage. This exception only applies to the extent that such loss would otherwise be insured under the Part 1 and Part 2 of this Policy.
- (b) If “data problem” is the direct result of:
- (i) an “insured peril”, as defined in this endorsement;
 - (ii) the escape of water from any tank, apparatus or pipe;
 - (iii) earthquake, but only if this Policy provides earthquake coverage;
 - (iv) flood, but only if this Policy provides flood coverage;
 - (v) backing-up of sewers, but only if this Policy provides backing-up of sewers coverage;

The following section C applies only to that insurance provided for Accounts Receivable, Valuable Papers and “active data processing media”.

- C.1. Subject to (a) and (b) following, this form does not insure loss or damage caused directly or indirectly by “data problem”, regardless of any other cause or event that contributes concurrently or in any sequence to such loss or damage.
- (a) If loss or damage caused by “data problem” results in the occurrence of further loss of or damage to property insured that is directly caused by an “insured peril”, as defined in this endorsement, or by the escape of water from any tank, apparatus or pipe, this exclusion C.1. shall not apply to such resulting loss or damage. This exception only applies to the extent that such resulting loss or damage would otherwise be insured under the Property and Business Interruption Sections of this Policy.
- (b) If “data problem” is the direct result of:
- (i) an “insured peril”, as defined in this endorsement;
 - (ii) the escape of water from any tank, apparatus or pipe;
 - (iii) “earthquake”, but only if this Policy provides “earthquake” coverage;

- (iv) “flood”, but only if this Policy provides “flood” coverage;
- (v) “Sewer back-up” but only if this Policy provides “sewer back-up” coverage;

DEFINITIONS

In this Policy the words and terms noted below have the following meaning:

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

“Data problem” - means:

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

"Insured peril" – means any of the “Specified Perils” as defined in the Part 1 Section 32 G.

“Active data processing media” - means all forms of converted data, program or instruction vehicles employed in the Insured’s data processing operation, except “media”.

“Media” - means blank or obsolete vehicles on which data is recordable, such as magnetic tapes, disk packs, paper tapes and cards.

“Sewer Back-up” - means the backing up of sewers, sumps or drains, but does not mean:

- (a) water which backs up through septic tanks;
- (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 other floors, or through doors, windows or other openings in such sidewalks, driveways, foundations, walls or floors.

“Valuable papers and records” - means written, printed or otherwise inscribed documents or records, including blueprints, maps, plans, surveys, mortgages, deeds, abstracts, manuscripts, books, drawings, sketches, films, linens, scale models, photographs and photographic reproductions, and similar property.

SPECIAL BASIS OF SETTLEMENT

Items (b) and (c) of 19. Special Basis of Settlement Clause are amended to read as follows:

(d) Valuable Papers, Records, and Active Data Processing Media

(i) “Valuable Papers and Records”

The Insurer’s liability shall be limited to the actual cost of blank books, blank pages or other materials, other than described in (ii) below, shall not exceed the cost of blank books, blank pages or other materials, plus the cost of labour for actually transcribing or copying said records;

(ii) “Active Data Processing Media/Media”

The Insurer’s liability for loss or damage to active data processing media, media, data storage devices, and programme devices for electronic and electro-mechanical data processing or for electronically controlled equipment, notwithstanding that “data” is not covered, shall not exceed the cost of reproducing such media, data storage devices, and programme devices from duplicates or from originals of the previous generation of the media, but no liability is assumed hereunder for the cost of gathering or assembling information or “data” for such reproduction..

(e) Accounts Receivable

In the event that the Insured cannot accurately establish the total amount of accounts receivable outstanding as of the date loss occurs, such amount shall be based on the Insured’s monthly statements and shall be computed as follows:

- (i) a) the monthly average of accounts receivable represented by the Insured shall be adjusted in accordance with the percentage increase or decrease in the twelve months average of monthly gross sales of goods and services which may have occurred in the interim;

- b) the monthly amount of accounts receivable thus established shall be further adjusted in accordance with any demonstrable variance from that average for the particular month in which the loss occurred, due consideration also being given to the normal fluctuations in the amount of accounts receivable within the fiscal month involved;

but in no event shall the Insurer(s) be liable for more than the maximum monthly amount of accounts receivable represented by the Insured, after adjustment to correspond with the trend in average monthly gross sales of goods and services.

- (ii) There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by the Insured, and an amount to allow for probable bad debts which would normally have been uncollectible by the Insured.

Except as otherwise stated above, all other terms, provisions and conditions of the Policy remain unchanged.

Endorsement No. 2

Fungi And Fungal Derivatives Exclusion

Applicable to Canadian Museums Association Insurance Master Policy Number: MCL-CMA1899

This Endorsement Modifies Coverage(S) Provided Under The Part 1 And Part 2 Of This Policy.

This exclusion applies regardless of any other cause or event that contributes directly or indirectly, in whole or in part, or concurrently or in any sequence, to the loss or damage.

This Form does not insure against:

- I. loss or damage consisting of or caused directly or indirectly, in whole or in part, by any Fungi or Spores, unless such Fungi or Spores are directly caused by or directly resulting from fire, lightning, explosion, impact by aircraft, spacecraft or land vehicle, riot, vandalism or malicious acts, smoke, windstorm or hail, leakage from fire protective equipment, earthquake, tsunami, sewer back-up, flood, freeze or weight of snow, and is not otherwise excluded in this Form;
- II. The cost or expense for testing, monitoring, evaluating or assessing of Fungi or Spores, from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

The following definitions apply to this exclusion:

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

Except as otherwise stated above, all other terms, provisions and conditions of the Policy remain unchanged.

Endorsement No. 3

Terrorism Exclusion Endorsement

Applicable to Canadian Museums Association Insurance Master Policy Number: MCL-CMA1899

This Endorsement Modifies Coverage(S) Provided Under The Part 1 And Part 2 Of This Policy.

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

“**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.

Except as otherwise stated above, all other terms, provisions and conditions of the Policy remain unchanged.

Endorsement No. 4 Sewer Backup Extension

Applicable to Canadian Museums Association Insurance Master Policy Number: MCL-CMA1899

This Endorsement Modifies Coverage(S) Provided Under The Part 1 And Part 2 Of This Policy.

It is agreed that without increasing the existing limit of liability, this policy is extended to insure against direct physical loss or direct physical damage caused by the backing-up of sewers, sumps, septic tanks or drains.

DEDUCTIBLE CLAUSE

The Insurer is liable for the amount by which the loss or damage caused by the backing-up of sewers, sumps, septic tanks or drains exceeds in any one occurrence the amount of the deductible specified for this endorsement on the Individual Cover Note of this policy.

Except as otherwise stated above, all other terms, provisions and conditions of the Policy remain unchanged.

Endorsement No. 5

Mortgagees And Additional Named Insureds Endorsement

Applicable to Canadian Museums Association Insurance Master Policy Number: MCL-CMA1899

This Endorsement Modifies Coverage(S) Provided Under The Part 1 And Part 2 Of This Policy.

It is hereby agreed that this Policy also covers all Mortgagees and Additional Named Insureds as on file with the Broker as of the date their interest commences and to the extent of their interest. Notwithstanding anything to the contrary in the Mortgage Clause of any Mortgagee, the Insurer reserves the right to terminate or suspend Insurance (which shall include any insurance applying to the interest of the Mortgagee) on any property in accordance with the Termination or Suspension Provisions of the Policy.

Except as otherwise stated above, all other terms, provisions and conditions of the Policy remain unchanged.

Endorsement No. 6

Cyber Incident Expense Endorsement

Applicable to Canadian Museums Association Insurance Master Policy Number: MCL-CMA1899

This Endorsement Modifies Coverage(s) Provided Under Part 1 – Property Of Every Description, Of This Policy.

Words and Phrases in Quotations Have Special Meaning as Defined in This Form.

Subject to the conditions, limitations and exclusions set forth in the policy and wordings and endorsements attached hereto, the following is hereby made part of this policy.

Unless otherwise stated in this form, all of the terms, conditions and exclusions applicable to Part 1 - Property of Every Description shall apply to the coverage provided herein.

The following extension is added to Clause 11 – A. Extensions of Coverage:

Cyber Incident Expense

This form is extended to reimburse the Insured for:

- I. “digital asset expenses” incurred by the Insured as a direct result of the corruption, damage, impairment, destruction or deletion of “digital assets” directly caused by a “network security incident”; and
- II. “privacy breach response expenses” incurred by the Insured as a direct result of a “privacy incident” occurring within Canada;

provided such “network security incident” and “privacy incident”:

- a. first occur during the policy period; and
- b. are discovered and reported not later than ninety (90) days following cancellation, termination or expiry of this policy.

Amounts of Insurance

The most that the Insurer will pay under this Extension of Coverage is Twenty-Five Thousand dollars (\$25,000) for any one “Occurrence”, or as otherwise indicated on the Cover Note.

Definitions

“Approved service provider” means a service provider the Insurer approves, in writing.

“Computer system” means computer hardware and “software”, located at a “scheduled risk location”, and the “electronic data” stored thereon, as well as associated input and output devices, terminal devices, data storage devices, networking equipment, components, firmware and electronic backup facilities, all located at a “scheduled risk location”, including systems accessible through the internet, intranets, extranets or virtual private networks.

“Computer violation” means the introduction of a “computer virus” into the Insured’s “computer system” which directly causes corruption, damage, impairment, destruction or deletion of “software” or “electronic data” stored within the Insured’s “computer system”.

“Computer virus” means any unauthorized malicious code which successfully corrupts, impairs or degrades the integrity, quality or performance of the Insured’s “computer system”.

“Digital assets” means “electronic data”, “software”, audio files, and image files stored on the Insured’s “computer system” located at a “scheduled risk location”. “Digital assets” do not include money, funds, debt, credit, bond, equity instruments, accounts, bills, valuable papers, records, abstracts, deeds, manuscripts or other documents, except as they have been converted to “electronic data”, and then only in that form.

“Digital asset expenses” means the reasonable and necessary expenses the Insured incurs to replace or restore “digital assets” from written records or partially or fully matching “electronic data” due to the corruption, damage, impairment, destruction or deletion of such “digital assets” directly caused by a “network security incident”. “Digital asset expenses” do not include:

- i. any cost or expenses incurred to update, upgrade, restore, replace, modify or otherwise improve “digital assets” or any of the Insured’s “computer systems” to a level beyond that which existed just before the “network security incident” or loss event;
- ii. any costs or expenses to correct any deficiencies, identify or remediate “software” errors or vulnerabilities, or costs to update, replace, modify, upgrade, restore, maintain or improve any security system or the Insured’s “computer system”;
- iii. any expense incurred to research and develop “digital assets”, including trade secrets;
- iv. the economic or market value of “digital assets”, including trade secrets;
- v. loss arising out of liability to any third party;
- vi. any contractual penalties; or
- vii. any other consequential loss or damage.

“Electronic data” means any data, text, sounds, images or similar matter, including “personal information” that exists on the Insured’s “computer system” and that is subject to scheduled back up procedures and security protections and that are necessary for use by the Insured in the ordinary course of the Insured’s business operations. “Electronic data” does not include “software”, money, funds, debt, credit, bond, equity instruments, accounts, bills, valuable papers, records, abstracts, deeds, confidential and proprietary marketing and financial information, manuscripts or other documents, except as they have been converted to “electronic data”, and then only in that form.

“Network security” means the use of hardware, “software”, firmware and written security policies and procedures by the Insured, to protect against “unauthorized access” to or the “unauthorized use” of the Insured’s “computer system”.

“Network security incident” means any “unauthorized access” to, “unauthorized use” of, or “computer violation” of the Insured’s “computer system”, that directly results in the corruption or deletion of “digital assets”. Any two (2) or more related “network security incidents” or “privacy incidents” based upon, arising out of or in any way involving or resulting from, either directly or indirectly, in whole or in part, in consequence of, or in any way involving the same, similar or related acts, errors, omissions, facts, circumstances, situations, transactions, decisions or events will be considered to have contributed, caused, resulted in and be the basis for a single loss.

“Personal information” means information about an identifiable individual.

“Privacy breach response expenses” means only the following reasonable and necessary fees, costs, charges and expenses the Insured incurs, with our prior written consent, for services recommended and provided to the Insured by an “approved service provider” which can be directly attributed to a “privacy incident”:

- i. fees, costs and expenses to determine the persons whose “personal information” was accessed or acquired without their authorization;
- ii. fees, costs and expenses to develop documents or materials to notify the persons whose “personal information” was accessed or acquired without their authorization;
- iii. costs of mailings or other communications required to notify the persons whose “personal information” was accessed or acquired without their authorization;
- iv. costs to procure one (1) year of credit monitoring, call centre and identity restoration services for individuals affected by such “privacy incident”;
- v. fees, costs and expenses to plan, implement, execute and manage a public relations campaign to mitigate any actual or potential negative publicity resulting from such “privacy incident”; and
- vi. any other fees, costs or expenses necessary to comply with any “security breach notification law”.

“Privacy breach response expenses” do not include:

- i. costs to determine the scope of, or whether any, “privacy incident” has occurred;
- ii. fees, costs or expenses the Insured incurs to comply with any law or regulation;
- iii. taxes, fines, penalties, punitive, exemplary or multiple damages;
- iv. costs or expenses incurred to repair, remediate, replace, upgrade, update, improve or maintain a “computer system”;
- v. any contractual penalties;
- vi. loss arising out of liability to any third party; or
- vii. any cost or expenses incurred to maintain, update, upgrade, modify, restore, replace or otherwise improve “digital assets” or the Insured’s “computer system” to a level beyond that which existed just before the “privacy incident” or loss event.

“Privacy incident” means the Insured’s:

- i. unintentional and unauthorized disclosure or loss of “personal information” in the Insured’s care, custody or control, but does not include any non-consensual disclosure of “personal information” permitted by law; or
- ii. unintentional failure to prevent “unauthorized access” or “unauthorized use” of “electronic data” or non-electronic data containing “personal information”, or other information that the Insured is obligated to keep confidential pursuant to a confidentiality agreement.

Any two (2) or more related “network security incidents” or “privacy incidents” based upon, arising out of, or in any way involving or resulting from, either directly or indirectly, in whole or in part, in consequence of, or in any way involving the same, similar or related acts, errors, omissions, facts, circumstances, situations, transactions, decisions or events will be considered to have contributed, caused, resulted in and be the basis for a single loss.

“Security breach notification law” means any Canadian federal, provincial or local governmental law or regulation that requires the Insured to notify persons that their non-public “personal information” was or may have been accessed or acquired without their authorization.

“Software” means operations, applications, codes, scripts and programs by which “electronic data” are electronically collected, transmitted, processed, stored or received. “Software” does not include “electronic data”.

“Unauthorized access” means the gaining of access to the Insured’s “computer system” by an unauthorized person or persons, or by an authorized person or persons in an unauthorized manner.

“Unauthorized use” means the use of the Insured’s “computer system” by an unauthorized person or persons or by an authorized person or persons in an unauthorized manner.

Exclusions

This form does not provide coverage for:

- I. Any “network security incident” or “privacy incident”:
 - a. which occurred before the inception of this policy;
 - b. which continues or occurs after expiration of this policy;
 - c. as a result of any dishonest, fraudulent or criminal act committed by the Insured or any of the Insured’s partners, acting alone or in collusion with others; or
 - d. resulting from seizure, quarantine, confiscation or destruction of property by order of any governmental authority.
- II. Any loss based upon, arising out of or in any way involving or resulting from, either directly or indirectly, gradual deterioration, wear or tear, malfunction, mechanical failure, or defect of any of the Insured’s “computer systems”, including but not limited to any hardware, network terminal device, data storage devices, input and output device or, or back up facility, application, program, “software”, script, or data of any type, nature, or kind, including but not limited to any “electronic data” or “digital assets”;
- III. Any loss based upon, arising out of or in any way involving or resulting from, either directly or indirectly, any mechanical or electrical failure, interruption or outage, however caused, including any electrical power interruption or surge, brownout, blackout, short circuit, over voltage, or power fluctuation or outage to gas, water, telephone, wireless communications, data transmission lines, cable, satellite, telecommunications, the internet or any component thereof including hardware, “software” or any other infrastructure, services, equipment or facilities; provided, however, this exclusion shall not apply to any failure, interruption, or outage of telephone, cable or telecommunications under the Insured’s direct control which directly results in a “network security incident” or “privacy incident”;
- IV. Any loss based upon, arising out of or in any way involving or resulting from, either directly or indirectly, any actual or alleged fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God or other physical event; or
- V. Any loss based upon, arising out of or in any way involving or resulting from, either directly or indirectly, the Insured’s failure to continuously implement and comply with the Insured’s privacy policies, procedures or risk management controls that were in force at the inception of this policy period. This exclusion does not apply if:
 - a. the Insured’s privacy policies, procedures and risk management controls constitute, by commercially reasonable standards, an upgrade, release, enhancement, replacement, or patch of any type, nature, or kind to any of the Insured’s previous privacy policies, procedures and risk management controls that were in force at inception of this policy period;
 - b. any employee of the Insured has violated the Insured’s privacy policies, procedures or risk management controls, despite reasonable efforts by the Insured to ensure that the privacy policies, procedures and controls are implemented and continuously in force, and, such violations take place without the knowledge of the Insured or any executive officer of the Insured; or
 - c. the Insured notifies us in writing of any changes, or lack of maintenance that weakens or lessens the privacy policies, procedures or risk management controls that were in force at inception of this policy period, and obtain our written approval.

The Insured’s Duty

Settlement under this Extension of Coverage is subject to the following provision:

- I. In the event of any “unauthorized access”, “unauthorized use”, or “computer violation” or imminent “unauthorized access”, “unauthorized use”, or “computer violation” of the Insured’s “computer system”, it is the Insured’s duty to take all reasonable steps to protect all of the Insured’s “computer systems” and “personal information” from further “unauthorized access”, “unauthorized use”, or “computer violation”.

Valuations

- i. If the Insured cannot restore “digital assets” but can recollect such “digital assets”, then “digital assets expenses” shall be limited to the actual cost the Insured incurs to recollect such “digital assets”.
- ii. If the Insured cannot restore or recollect “digital assets”, then “digital assets expenses” shall be limited to the actual cost the Insured incurs to reach this determination.

Except as otherwise stated above, all other terms, provisions and conditions of the Policy remain unchanged.

Endorsement No. 7

Crisis Management Extension Endorsement

Applicable to Canadian Museums Association Insurance Master Policy Number: MCL-CMA1899

This Endorsement Modifies Coverage(s) Provided Under Part 1 – Property of Every Description, of This Policy.

Words and Phrases in Quotations Have Special Meaning as Defined in This Form.

Subject to the conditions, limitations and exclusions set forth in the policy and wordings and endorsements attached hereto, the following is hereby made part of this policy.

Unless otherwise stated in this form, all of the terms, conditions, definitions and exclusions applicable to Part 1 - Property of Every Description shall apply to the coverage provided herein.

The following extension is added to Clause 11 – A. Extensions of Coverage:

1) Crisis Management

This Section is extended to cover the cost for “Crisis Management Services” following the discovery of a “Crisis” provided that:

- a. the “Crisis” takes place in the “coverage territory” and during the policy period;
- b. the “Crisis Management Services” are authorized in writing by the Insurer prior to being incurred.
- c. the “Crisis Management Services” are incurred and reported to the Insurer within One (1) year of the date of the “Crisis”.

Amounts of Insurance

The limit of coverage for loss of any or all items insured under this extension shall be Ten Thousand dollars (\$10,000) per “Occurrence”, or as otherwise indicated in the Cover Note and in the aggregate during each policy term. With respect to the limits of insurance applicable to this coverage, there shall be no stacking of limits for coverage related to “Crisis Management” coverage offered in any other section of this policy or any media protection coverage provided in the Commercial General Liability coverage section.

Definitions

Crisis means any event which:

- a. is unexpected;
- b. occurs infrequently; and
- c. causes “harm” to the Insured.

Crisis Management Services means the actual and necessary expenses incurred to mitigate, prevent, or decrease “harm” resulting from a “crisis” and shall include:

- a. the costs for the services of public relations advisors in response to the “crisis”;
- b. grief counselling for persons directly affected by the “crisis”;
- c. media costs directly associated with the response to the “crisis”; or
- d. extraordinary costs associated with the attendance of directors, officers, trustees, or employees of the Insured at the scene of the “crisis”.

Harm means:

- a. disruption in the services provided by the Insured;
- b. a real or imagined threat to the Insured;
- c. an impediment to the Insured’s usual ability to withstand the pressures of daily operation;
- d. an unusually intense emotional reaction;
- e. an interference in the Insured’s ability to function during or after the “Crisis”; or
- f. damage or potential damage to the Insured’s reputation.

Part 3

Machinery Breakdown Insurance

Master Policy No. MCL-CMA 1899

(Applicable if cited in the individual Declaration)

NAME OF INSURED AS SHOWN ON INDIVIDUAL DECLARATION
MAILING ADDRESS AS SHOWN ON INDIVIDUAL DECLARATION.
LOCATIONS AS SHOWN ON INDIVIDUAL DECLARATION.
PREMIUM AS SHOWN ON INDIVIDUAL DECLARATION.

The following Endorsement(s) and Forms form a part of the policy as of the effective date.

ENDORSEMENT(S)
01, 02, 03, 04, 05 and 06

<u>SECTION</u>	<u>COVERAGE DESCRIPTION</u>	<u>LIMIT OF LIABILITY</u>	<u>DEDUCTIBLE/ WAITING PERIOD</u>	<u>OTHER PROVISIONS</u>
A	PROPERTY DAMAGE	See End. 01	\$1,000.00	
B	BUSINESS INTERRUPTION Loss of Profits	See Declaration	24 Hours	Indemnity Period - 12 Months Annual Value - See Declaration Average Provision waived until – December 15, 2017
B	EXTRA EXPENSE	See Declaration	24 Hours	
B	SPOILAGE - BROAD FORM	\$200,000.00	See End. 02	Coinsurance - Nil Specified Property - Food or food products dependent upon cold
C	OTHER COVERAGES/LIMITS Automatic Coverage By-Laws, Demolition and Increased Cost of Construction Errors and Omissions Hazardous Substances (including Mould) Ammonia Contamination Water Damage Professional Fees Expediting Expenses Data Restoration Civil Authority or Denial of Access Service Interruption Brands and Labels Green Coverage Off Premises Transportable Objects Public Relations Contingent Business Interruption	\$1,000,000.00 \$1,000,000.00 \$250,000.00 \$250,000.00 \$250,000.00 \$250,000.00 \$250,000.00 \$250,000.00 \$50,000.00 \$1,000,000.00 \$100,000.00 \$50,000.00 \$10,000.00 \$5,000.00 \$25,000.00		Cover Period: 30 days
D	EXCLUSIONS			
E	DEFINITIONS AND SPECIAL PROVISIONS PRESSURE, MECHANICAL, ELECTRICAL AND ELECTRONIC EQUIPMENT			
F	CONDITIONS Cancellation			30 days except 15 days for non-payment

orm RE 1301B-1 (05/07)

SECTION A

COVERAGE: PROPERTY DAMAGE

25. 1. Coverage Agreement

The Insurer agrees, respecting loss from an Accident or Electronic Circuitry Impairment, which occurs during the Policy Period, to an Object which is in use or connected ready for use at a Location specified in the individual Declaration as follows:

- a) to pay for loss to the Object, and
- b) to pay for loss to other Insured Property

directly damaged by the Accident or Electronic Circuitry Impairment.

26. 2. Basis of Settlement

The Insurer's liability for loss to Insured Property which is damaged is as follows:

- a) on business records, including Media and Data for electronic and electro mechanical data processing and production equipment, the cost of blank material plus the cost of transcription from duplicates or from originals;
- b) on any heat exchanger that forms part of forced air heating equipment that is five (5) years old or more from the date of purchase new, its Actual Cash Value;
- c) on all other Insured Property, the lesser of the cost at the time of the Accident or Electronic Circuitry Impairment,
 - i) to repair the damaged property; or
 - ii) to replace the damaged property with similar property of like kind, capacity, size, quality and function.

The Insurer shall not be liable for:

- 1) more than the amount actually expended by the Insured;
- 2) the cost of repairing or replacing any part or parts of a piece of equipment which is greater than the cost of repairing or replacing the entire piece of equipment;
- 3) more than the cost that would have been incurred to replace the damaged property with other property of like kind, capacity, size, quality and function except as described in the Environmental and Efficiency Improvements clause;
- 4) more than the cost that would be incurred to replace the damaged property at the same or an adjacent site; nor
- 5) loss or damage to property which is useless or obsolete to the Insured.

If the damaged property is not repaired or replaced within twelve (12) months after the date of the Accident or Electronic Circuitry Impairment then the Insurer will only pay for the Actual Cash Value of the damaged property. Actual Cash Value is the cost of replacing the damaged property with property of similar kind, capacity, size, quality and function less depreciation however caused. The Insurer will consider such items as the age, condition and normal life expectancy of the damaged property in determining depreciation.

Environmental and Efficiency Improvements

Under Coverage Agreement 1 a), if an Object requires replacement due to an Accident or Electronic Circuitry Impairment, the Insurer shall pay the additional cost to replace with equipment that is better for the environment, or more efficient than the equipment being replaced. However, the Insurer will not pay more than one hundred fifty (150) percent of what the cost would have been to replace with like kind, capacity, size, quality and function.

This provision does not apply to any property valued or insured on an Actual Cash Value basis.

27. 3. Deductible

It is agreed, with respect to any One Accident, that from the total amount of loss and expense for which the Insurer is liable under this Coverage there shall first be deducted the amount specified in the Declarations as Deductible for this Coverage and the insurance shall not apply to such amount deducted.

If more than one Deductible is specified and is applicable to loss under this Coverage from any One Accident, only one Deductible shall be applied to this Coverage and that shall be the largest of the applicable Deductibles.

28. 4. Limit of Liability

If more than one Limit of Liability is specified for this Coverage and is applicable to any One Accident, the Insurer shall not be liable as a result of such One Accident for an amount exceeding the highest Limit of Liability applicable.

SECTION B
COVERAGE: BUSINESS INTERRUPTION (LOSS OF PROFITS)

1. Coverage Agreement

The Insurer agrees, with respect to the business at a Location specified in the individual Declaration, that if the business carried on by the Insured at the Location be interrupted or interfered with solely as a result of an Accident or Electronic Circuitry Impairment, which occurs while this Coverage is in effect, to an Object which is in use or connected ready for use at an insured Location, the Insurer will pay the Insured the amount of loss of Gross Profit resulting from such interruption or interference, subject to the Limit of Liability specified in the Declaration for this Coverage.

2. Basis of Insurance

The insurance under this Coverage is limited to loss of Gross Profits due to: (a) Reduction in Turnover and (b) Increase in Cost of Working, and the amount payable as Indemnity hereunder shall be:

- a) in respect of Reduction in Turnover: the sum produced by applying the rate of Gross Profit to the amount which the Turnover during the Indemnity Period shall in consequence of the Accident or Electronic Circuitry Impairment fall short of the Standard Turnover;
- b) in respect of Increase in Cost of Working: the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period solely as a result of the Accident or Electronic Circuitry Impairment but not exceeding the sum produced by applying the rate of Gross Profit to the amount of the reduction thereby avoided;

less any sum saved during the Indemnity Period in respect of such of the Insured Standing Charges as may cease or be reduced as a result of the Accident or Electronic Circuitry Impairment, provided that if the Limit of Liability be less than the sum produced by applying the rate of Gross Profit to the Annual Turnover, (if the Indemnity Period is greater than twelve (12) months, then the Annual Turnover shall be multiplied by the factor which proportionately reflects the increased Indemnity Period) the amount payable shall be proportionately reduced.

3. Ordinary Payroll

If a number of days is specified in the Declarations for Ordinary Payroll, this Coverage is extended to include the Insured's Ordinary Payroll necessary to resume the operations of the Insured with the same quality of service which existed immediately preceding the Accident or Electronic Circuitry Impairment but limited to the specified number of consecutive days following the Commencement of Liability. The Insurer shall not be liable for more than the Limit of Liability specified in the Declarations for Ordinary Payroll. "Ordinary Payroll" as referred to herein is defined as wages and salaries, except wages and salaries for all officers, department managers, employees under contract and other important employees whose services could not be dispensed with should the business be interrupted or interfered with solely as a result of an Accident or Electronic Circuitry Impairment.

4. Additional Exclusions

The Insurer shall not be liable for payment for any interruption or interference with business:

- a) for any time during which business would not or could not have been carried on if the Accident or Electronic Circuitry Impairment had not occurred;
- b) resulting from the failure of the Insured to use due diligence and dispatch and all reasonable means in order to resume business; or
- c) due to fines or damages for breach of contract, for late or non-completion of orders, or for any penalties of whatever nature.

5. Limitation – Media and Data

With respect to loss resulting from damage to or destruction of Media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including Data thereon, resulting from the Accident or Electronic Circuitry Impairment, the length of time for which the Insurer shall be liable hereunder shall not exceed;

- a) thirty (30) consecutive calendar days; or
- b) the length of time that would be required to rebuild, repair or replace such other Insured Property as has been damaged or destroyed by the Accident or Electronic Circuitry Impairment; whichever is the greater length of time.

6. Definitions

- a) "Gross Profit" shall mean the sum produced by adding to the Net Profit the amount of all Standing Charges or if there be no Net Profit the amount of all standing charges less any net trading loss.
- b) "Net Profit" shall mean the net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured at the Location after due provision has been made for all standing and other charges including depreciation but before deduction of any taxation chargeable on profits.

The following shall in no event be deemed to be standing charges:

- i) depreciation of stock,
 - ii) bad debts, or
 - iii) the entire payroll for all employees of the Insured, except wages and salaries for all officers, department managers, employees under contract and other important employees.
- c) "Turnover" shall mean the money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the business at the Location.
 - d) "Indemnity Period" shall mean the period beginning with the Commencement of Liability and ending not later thereafter than the number of months specified in the Declarations during which the results of the business shall be affected solely as a result of the Accident or Electronic Circuitry Impairment.
 - e) "Rate of Gross Profit" shall mean the percentage of Gross Profit earned on the Turnover during the financial year immediately before the date of the Accident or Electronic Circuitry Impairment.
 - f) "Annual Turnover" shall mean the Turnover during the twelve months immediately before the date of the Accident or Electronic Circuitry Impairment.
 - g) "Standard Turnover" shall mean the Turnover during that period in the twelve months immediately before the date of the Accident or Electronic Circuitry Impairment which corresponds with the Indemnity Period.

With respect to the Rate of Gross Profit, Annual Turnover and Standard Turnover, adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the Accident or Electronic Circuitry Impairment or which would have affected the business had the Accident or Electronic Circuitry Impairment not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Accident or Electronic Circuitry Impairment would have been obtained during the period after the Accident or Electronic Circuitry Impairment.

If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the Location for the benefit of the business either by the Insured or by others on his behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

7. Resumption of Business

As soon as possible after the Accident or Electronic Circuitry Impairment, the Insured shall continue or resume business, in whole or in part, and make up lost business within a reasonable period of time (not to be limited to the period during which the business is interrupted) through the use of every available means, including surplus machinery, duplicate parts, equipment, supplies and surplus or reserve stock, which may be owned or controlled by the Insured or obtainable by the Insured from other sources and through working extra time or overtime at the Location or at such other premises acquired for the purpose of making up lost business, all to the extent that the amount for which the Insurer would otherwise be liable under this Coverage is reduced. The Insurer may take such means as will in the opinion of the Insurer reduce or avert interruption of business at the Location or supply the functions of the Location in some other way.

8. Commencement of Liability

The Commencement of the Insurer's liability under this Coverage shall be (1) the time of the Accident or Electronic Circuitry Impairment or (2) twenty-four (24) hours before notice of the Accident or Electronic Circuitry Impairment is received by the Insurer, whichever is later. If the time in effect at the address to which the notice is sent is different from that in effect at the Location where the Accident or Electronic Circuitry Impairment occurred, the time of the receipt of such notice, for the determination of the Commencement of Liability shall be considered on the basis of the time in effect where the Accident or Electronic Circuitry Impairment occurred.

9. Waiting Period

If a number of hours is specified in the Declarations for this Coverage, but not otherwise, the Insurer shall not be liable for any loss and expense during any period prior to the specified hour after the Commencement of Liability as provided in Condition 8.

10. Deductible

If an amount is specified in the Declarations for this Coverage, but not otherwise, such amount shall be deducted from the total amount of any loss and expense for which the Insurer is liable under this Coverage for any One Accident, and no liability shall exist for such amount deducted.

11. Spares Mitigation

If an Accident or Electronic Circuitry Impairment occurs to a Spare Object that is connected and in use for the sole purpose of avoiding or diminishing loss under this Coverage such Accident or Electronic Circuitry Impairment shall be considered as part of the loss being so avoided or diminished and no additional Business Interruption Waiting Period or Deductible shall apply.

Spare Object, as used herein shall mean an Object acquired by the Insured prior to the "occurrence" of a loss under this Coverage and held specifically to spare existing operating equipment.

12. Adjustment of Premium

If, within twelve (12) months of each of the annual anniversary dates of this policy, the Insured shall file with the Insurer a Standard Premium Adjustment Application Form showing as respects the immediately previous annual period of this policy that the Gross Profit earned during the Insured's financial year most nearly concurrent with such immediately previous annual period of this Coverage as certified by the Insured's auditors, or a multiple thereof to coincide with the Indemnity Period if this exceeds twelve (12) months, was less than the Limit of Liability specified for this Coverage in the Declarations, then the Insurer will allow, in respect of the difference, a return premium to the Insured not exceeding 50% of the premium paid by the Insured under this Coverage for the immediately previous annual period.

In the event of loss originating under this Coverage during the term of the policy the premium for the full term of the policy on the full amount paid or payable for such loss shall be regarded as earned and no return premium shall be made in respect thereof.

The Insurer reserves the right to inspect the Insured's books and records for verification of any statement filed for the purpose of adjusting the premium for this Coverage.

SECTION B

COVERAGE: EXTRA EXPENSE

1. Coverage Agreement

The Insurer agrees, that with respect to the business at a Location specified in the individual Declaration, that if the business carried on by the Insured at the Location be interrupted solely as a result of an Accident or Electronic Circuitry Impairment, which occurs while this Coverage is in effect, to an Object which is in use or connected ready for use at an insured Location, the Insurer will pay the Insured the Extra Expense necessary to continue as nearly as practicable the normal operation of the Insured's business, subject to the Limit of Liability specified in the Declaration for this Coverage.

The Insurer shall be liable for such Extra Expense commencing with the date of the Accident or Electronic Circuitry Impairment and, not to be limited by the expiration date of the policy, for not exceeding such length of time as shall be required with the exercise of due diligence and dispatch to restore the normal operation of the Insured's business at the Location.

2. Additional Exclusions

The Insurer shall not be liable for payment for any Extra Expense:

- a) for any time during which business would not or could not have been carried on if the Accident or Electronic Circuitry Impairment had not occurred;
- b) resulting from the failure of the Insured to use due diligence and dispatch and all reasonable means in order to resume business; or

If, following an Accident or Electronic Circuitry Impairment, any lease, license or order is suspended, lapsed or cancelled, the Insurer shall not be liable for payment for any Extra Expense occurring after the time when the normal operation of the Insured's business could have been resumed if said lease, license or order had not lapsed or had not been suspended or cancelled.

3. Limitation – Media and Data

With respect to loss resulting from damage to or destruction of Media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including Data thereon, resulting from the Accident or Electronic Circuitry Impairment, the length of time for which the Insurer shall be liable hereunder shall not exceed;

- a) thirty (30) consecutive calendar days; or
- b) the length of time that would be required to rebuild, repair or replace such other Insured Property as has been damaged or destroyed by the Accident or Electronic Circuitry Impairment;

whichever is the greater length of time.

4. Definitions

- a) The term "Extra Expense" shall mean the additional cost to conduct the Insured's business during the period of restoration over and above the cost that normally would have been incurred to operate the business during the same period had no Accident or Electronic Circuitry Impairment occurred. Such additional cost would include the expense of obtaining and using other property or facilities of other concerns or other necessary emergency expenses. In no event, however, shall the Insurer be liable under this Coverage for loss of income, nor for Extra Expense in excess of that necessary to continue as nearly as practicable the normal operation of the Insured's business, nor for the cost of repairing or replacing any property that has been damaged or destroyed by an Accident or Electronic Circuitry Impairment, except such cost incurred for the purpose of reducing the total amount of Extra Expense; the Insurer's liability for such cost, however, shall not exceed the amount by which the total Extra Expense otherwise payable under this Coverage is reduced. Any salvage value of substitute or

temporary equipment or property remaining after resumption of normal operations shall be taken into consideration in the adjustment of any loss hereunder.

- b) The word "normal" wherever used in this Coverage shall mean the condition that would have existed had no Accident or Electronic Circuitry Impairment occurred.

5. Commencement of Liability

The commencement of the Insurer's liability under this Coverage shall be (1) the time of the Accident or Electronic Circuitry Impairment or (2) twenty-four (24) hours before the notice of the Accident or Electronic Circuitry Impairment is received by the Insurer, whichever is later. If the time in effect at the address to which a notice is sent is different from that in effect at the Location where the Accident or Electronic Circuitry Impairment occurred, the time of the receipt of such notice, for the determination of the Commencement of Liability, shall be considered on the basis of the time in effect where the Accident or Electronic Circuitry Impairment occurred.

6. Waiting Period

If a number of hours is specified in the Declarations for this Coverage, but not otherwise, the Insurer shall not be liable for any loss and expense during any period prior to the specified hour after the Commencement of Liability as provided in Condition 5.

7. Deductible

If an amount is specified in the Declarations for this Coverage, but not otherwise, such amount shall be deducted from the total amount of any loss and expense for which the Insurer is liable under this Coverage for any One Accident, and no liability shall exist for such amount deducted.

SECTION B

COVERAGE: SPOILAGE – BROAD FORM

1. Coverage Agreement

The Insurer hereby agrees:

- a) to pay the Insured for loss to Specified Property of the Insured;
- b) to pay for loss to Specified Property of others in the care, custody or control of the Insured and for which the Insured is legally liable; and
- c) to pay that amount of expense which is reasonably incurred by the Insured to reduce or avert such loss, but only to the extent that the total amount that otherwise would have been paid under parts a) and b) above is thereby reduced;

provided such loss or expense is due to spoilage resulting solely from an Accident or Electronic Circuitry Impairment, which occurs while this Coverage is in effect, to an Object which is in use or connected ready for use at a Location specified in the individual Declaration, subject to the Limit of Liability specified in the Declarations for this Coverage.

2. Basis of Settlement

The Insurer's liability for loss to Specified Property which is damaged or destroyed is as follows:

- a) on sold property, the selling price less any applicable discounts;
- b) on all other property, including but not limited to property that is held for sale but not sold at the time of the Accident or Electronic Circuitry Impairment, the actual cash value of the property; however, in no event to exceed the cost at the time of the Accident or Electronic Circuitry Impairment to replace such property with property of like kind, capacity, size, quality and function.

The Insurer shall not be liable for:

- 1) more than the amount actually expended by the Insured;
- 2) loss or damage to property which is useless or obsolete to the Insured; nor
- 3) any loss resulting from the failure of the Insured to use due diligence and dispatch and all reasonable means to protect the Specified Property from damage following the Accident or Electronic Circuitry Impairment.

3. Definitions

"Specified Property" shall mean that Insured Property described in the Declarations for this Coverage only while at a Location specified in the individual Declaration.

4. Reduction of Payment

As soon as possible after an Accident or Electronic Circuitry Impairment, the Insured shall utilize every available means to reduce the loss, including surplus machinery, duplicate parts, equipment, supplies and surplus or reserve stock, which may be owned, controlled or obtainable from other sources, all to the extent that the amount for which the Insurer would otherwise be liable under this Coverage is reduced.

The Insurer may take such means as will in the opinion of the Insurer reduce or avert the loss, in whole or in part, including the disposition of salvage of Specified Property. All extra expense so incurred by the Insured as permitted in part c) of the Coverage Agreement or by the Insured at the written direction of the Insurer or by the Insurer, shall be a part of and not in addition to the Limit of Liability specified in the Declarations for this Coverage.

5. Coinsurance

If a Coinsurance Percentage is specified in the Declarations for this Coverage, the Insurer shall not be liable for the payment of a greater proportion of the amount of loss than the Limit of Liability specified in the Declarations for this Coverage bears to the amount obtained by applying the Coinsurance Percentage to the total actual cash value, at the time of the Accident or Electronic Circuitry Impairment, of all Specified Property.

6. Deductible

The amount specified in the Declarations for this Coverage shall be deducted from the total amount of any loss and expense for which the Insurer is liable under this Coverage for any One Accident, and no liability shall exist for such amount deducted.

SECTION C OTHER COVERAGES AND LIMITS

1. Automatic Coverage

The Insurer shall be liable for loss under Coverage described in Sections A and B from an Accident or Electronic Circuitry Impairment at a Location newly acquired by the Insured subject to the following conditions:

- a) the Insured notifies the Insurer in writing within three hundred sixty-five (365) days after the date the Location is acquired;
- b) the newly acquired Location is in Canada, the United States of America, Puerto Rico or within any other country in which a Location specified in the individual Declaration is located;
- c) the Insured agrees to pay an additional premium for insurance from the date the Location is newly acquired in accordance with the Insurer's Rates;
- d) the Deductible amount for such Coverage will be the highest amount shown in the policy for loss applicable to each Coverage; and
- e) the limit of the Insurer's liability shall be the lesser of:
 - (i) the Limit of Liability applicable to each Coverage described in Sections A and B; or
 - (ii) the Limit of Liability specified in the Declarations for Automatic Coverage.

2. By-Laws, Demolition and Increased Cost of Constructions

The Insurer shall be liable under Coverage described in Section A for the increased cost of repair or replacement of damaged and/or undamaged Insured Property (including any necessary demolition and site clearing costs) occasioned by the enforcement of any law, by-law, ordinance, regulation, rule or ruling which is in force prior to the time of the Accident or Electronic Circuitry Impairment and which regulates or restricts the repair, replacement, construction or installation.

The Insurer shall also be liable for loss under Coverage described in Section B of the policy during the additional time required, with the exercise of due diligence and dispatch, to effect such repair or replacement as a result of the enforcement of said law, by-law or ordinance.

The Insurer shall not be liable under Coverage described in Sections A or B for:

- a) any expense in excess of the cost at the time of the Accident or Electronic Circuitry Impairment to replace the said property on the same site or a site adjacent thereto with property of such kind, capacity, size, quality and function as will satisfy the minimum requirements prescribed by any law, by-law, ordinance, regulation, rule or ruling. In the event the replacement is by property of a better kind or quality or of a larger capacity or size, the liability of the Insurer shall not exceed the amount that would have been paid if replacement had been made by property as would satisfy such minimum requirements.
- b) any increase in loss occasioned by the enforcement of any law, by-law, ordinance, rule or ruling affecting the use or operation of the Location or any Object;
- c) loss or expense excluded by Exclusions 4(b) and/or 4(c) of the policy;
- d) loss in excess of the Limit of Liability specified in the Declarations for By-Laws, Demolition and Increased Cost of Construction.

3. Errors and Omissions

The Insurer shall be liable for loss under Coverage described in Sections A and B if such loss is otherwise not payable solely due to any of the following:

- a) any error or unintentional omission by the Insured in the description or location of Insured Property;
- b) the failure by the Insured through error to include in the policy any premises owned or occupied by the Insured at the inception date of the policy; or
- c) any error or unintentional omission by the Insured that results in the cancellation of a Location.

The following conditions shall apply to this Coverage:

- 1) the Insured must notify the Insurer of such error or omission immediately upon discovery and report corrections;
- 2) the location is in Canada, the United States of America, Puerto Rico or within any other country in which a Location specified in the individual Declaration is located;
- 3) the Insured agrees to pay an additional premium for insurance, in accordance with the Insurer's Rates, from the date the Location should have been insured had no error or omission occurred;
- 4) the Deductible amount for such Coverage will be the highest amount shown in the policy for loss applicable to each Coverage;
- 5) the Insurer shall be liable for loss under this Coverage only to the extent that the Insurer would have been liable had the error or omission not occurred; and
- 6) the limit of the Insurer's liability shall be the lesser of:
 - (i) the Limit of Liability applicable to each Coverage described in Sections A and B; or
 - (ii) the Limit of Liability specified in the Declarations for Errors and Omissions Coverage.

4. Hazardous Substances

If a Hazardous Substance is involved in or released by an Accident or Electronic Circuitry Impairment, the Insurer shall be liable under Coverage described in Section A for the increase in cost to repair, replace, clean up or dispose of affected Insured Property and for any increase in loss under any Coverage described in Section B; however, the limit of the Insurer's liability for such increase shall not exceed the amount specified in the Declarations for Hazardous Substances.

The Insurer shall not be liable under this Coverage for loss or damage caused by Ammonia Contamination.

As respects this Coverage, the "increase in cost" or "increase in loss" shall mean that cost or loss beyond that which would have been incurred had no Hazardous Substance been present.

5. Water Damage

The limit of the Insurer's liability for loss under Coverage described in Section A for loss to Insured Property damaged by water, including salvage expense, as a direct result of an Accident or Electronic Circuitry Impairment to any piping described in the definition of Object shall not exceed the amount specified in the Declarations for Water Damage.

6. Ammonia Contamination

Where ammonia is used as a refrigerant, the Insurer shall be liable under Coverage described in Sections A and B for loss or damage caused by ammonia contacting Insured Property as a direct result of an Accident or Electronic Circuitry Impairment to any refrigerating or air conditioning vessels and piping described in the definition of Object.

The limit of the Insurer's liability under Coverage described in Section A shall not exceed the amount specified in the Declarations for Ammonia Contamination. If a separate Deductible Amount is shown for Ammonia Contamination, such amount shall apply to loss under Coverage described in Section A.

7. Professional Fees

The Insurer shall be liable under Coverage described in Sections A and B for the reasonable and necessary fees authorized by the Insurer and payable to auditors, accountants, lawyers, architects, engineers or other

professionals for producing and certifying information required by the Insurer to establish the amount payable under the policy. This Coverage does not apply to either the Insured's own employees or to Public Adjusters.

The limit of the Insurer's liability under this Coverage shall not exceed the amount specified in the Declarations for Professional Fees.

8. Expediting Expenses

If there is an Accident or Electronic Circuitry Impairment the Insurer shall be liable for the reasonable extra cost, including overtime and the extra cost of express or rapid means of transportation, necessary to:

- a) make temporary repairs;
- b) expedite permanent repairs; or
- c) expedite permanent replacement

of the Object or other Insured Property which was damaged.

The Insurer shall not be liable for those costs related to equipment or other property installed to replace the function of the damaged property on a temporary basis.

9. Data Restoration

The Insurer shall be liable under coverage described in Section A for the additional costs of repairing or replacing Data, including the cost of gathering or assembling information if such data is lost or damaged as a result of the following:

- a) an Accident or Electronic Circuitry impairment to an Object; or
- b) an Accident, but not Electronic Circuitry Impairment, to equipment not owned or operated by the Insured which is used to supply Cloud Computing Services to a Location specified in the individual Declaration provided that the equipment is of a type described in the definition of Object.

The Insurer shall not be liable for loss or damage caused by or resulting from programming errors, nor for loss in excess of the amount specified in the Declarations for Data Restoration.

10. Civil Authority or Denial of Access

With respect to Business Interruption and Extra Expense Coverage described in Section B, the Insurer shall be liable for loss under said Coverage in the event ingress to or egress from a Location specified in the individual Declaration is denied by civil authority or otherwise prevented solely as a direct result of an Accident, but not Electronic Circuitry Impairment, to equipment not owned or operated by the Insured, provided that the equipment:

- a) is of a type described in the definition of Object; and
- b) is located on or within one thousand (1000) metres of the Location.

The Insurer shall be liable for loss under this Coverage for the period of time commencing with the time of the Accident, not exceeding (i) thirty (30) consecutive days, or (ii) the period of time specified on the Declarations as Coverage Period for this Coverage, whichever is greater.

11. Service Interruption

With respect to Coverage described in Section B, the Insurer shall be liable for loss under said Coverage from an Accident, but not Electronic Circuitry Impairment, to equipment not owned or operated by the Insured, which is used to supply steam, gas, air water, refrigeration, electricity or communication services directly to a Location specified in the individual Declaration provided that the equipment:

- a) is of a type described in the definition of Object;
- b) is owned either by the building owner at the Location, a public utility or a company contracted by the Insured for said services.

Service Interruption and Cloud Computing

With respect to Coverage described in Section B, the Insurer shall be liable for loss under said Coverage from an Accident, but not Electronic Circuitry Impairment, to equipment not owned or operated by the Insured, which is used to supply Cloud Computing Services to a Location specified in the individual Declaration provided that the equipment:

- 1) is of a type described in the definition of Object; and;
- 2) is located in Canada, the United States of America, Puerto Rico or within any other country in which a Location specified in the individual Declaration is located.

ADDITIONAL EXCLUSIONS

With respect to this Coverage the Insurer shall not be liable for payment for any loss or expense resulting from or arising out of an Accident caused by or resulting from:

- a) vandalism or malicious mischief,
- b) impact of vehicles, aircraft, missiles or by objects falling therefrom,
- c) collapse,
- d) hail, or weight of ice or snow,
- e) rising waters or flood, or
- f) by a deliberate act or acts by the supplying public utility to shed load to maintain system integrity.

The limit of the Insurer's liability under this Coverage shall not exceed the amount specified in the Declarations for Service Interruption.

12. Anchor Location

With respect to Business Interruption and Extra Expense Coverage described in Section B, the Insurer shall be liable for loss under said Coverage from an Accident, but not Electronic Circuitry Impairment, to equipment of a type described in the definition of Object not owned by the Insured which is located at an Anchor Location.

13. Brands and Labels

If branded or labeled merchandise that is Insured Property is damaged as a direct result of an Accident or Electronic Circuitry Impairment, but retains a salvage value, the Insured may:

- a) stamp the word SALVAGE on the merchandise or its containers if the stamp will not physically damage the merchandise; or
- b) remove the brands or labels, if doing so will not physically damage the merchandise. The Insured must re-label the merchandise or its containers to comply with any applicable law.

The Insurer will pay for the reasonable and necessary expenses the Insured incurs to perform either of these two actions to the extent that they do not exceed the amount recoverable from salvage.

The Insurer shall not be liable for loss under this Coverage if coverage is provided by any other policy of insurance in effect at the time of the loss whether collectable or not.

The limit of the Insurer's liability under this Coverage shall not exceed the amount specified in the Declarations for Brands and Labels.

14. Green Coverage

Under Coverage Agreement 1.a), if an Object requires repair or replacement due to an Accident or Electronic Circuitry Impairment, the Insurer will pay the additional cost:

- a) to repair or replace damaged insured property, whichever is the lesser of the cost at the time of an Accident or Electronic Circuitry Impairment, using equipment, materials and service firms required or recommended by a Recognized Environmental Standards Program;

- b) to dispose of damaged insured property or equipment, if practicable, through a recycling process; and
- c) to flush out reconstructed space with up to one hundred (100) percent outside air using new filtration media.

With respect to any building that is Insured Property and was, at the time of the Accident or Electronic Circuitry Impairment, certified by a Recognized Environmental Standards Program, the Insurer will pay the additional costs:

- 1) to prevent lapse of such certification;
- 2) to reinstate the certification or replace it with an equivalent certification;
- 3) for an engineer authorized by a Recognized Environmental Standards Program to oversee the repair or replacement of the damaged Insured Property; and
- 4) for a professional engineer to commission or recommission the Insured's damaged mechanical, electrical, or electronic building systems.

As used in this coverage, additional costs mean those beyond what would have been payable in the absence of this Green Coverage.

This coverage applies in addition to any coverage that may apply under the Environmental and Efficiency Improvements or any other applicable coverage and only to Insured Property that must be repaired or replaced as a direct result of an Accident or Electronic Circuitry Impairment.

This provision does not apply to any property valued or insured on an Actual Cash Value basis.

The limit of the Insurer's liability under this coverage shall not exceed the amount specified in the Declarations for Green Coverage.

15. **Off Premises Transportable Objects**

The Insurer shall be liable for loss under Coverage described in Section A and B from an Accident or Electronic Circuitry Impairment to transportable Objects that at the time of the Accident or Electronic Circuitry Impairment are not at a Location specified in the individual Declaration provided that the transportable Object:

- a) is of a type described in the definition of Object; and
- b) is at a location which is within Canada, the United States of America, Puerto Rico, or any other country in which a Location specified in the individual Declaration is located.

The Insurer's liability for loss to any transportable Object that is three (3) years old or more from the date of purchase new, is its Actual Cash Value.

The Insurer shall not be liable under this Coverage for loss to transportable Objects:

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

The limit of the Insurer's liability shall be the lesser of

- i) the Limit of Liability applicable to each Coverage described in Section A and B; or
- ii) the Limit of Liability specified in the Declarations for Off Premises Transportable Objects.

16. **Public Relations**

With respect to Business Interruption Coverage described in Section B, the Insurer shall be liable for reasonable costs for professional public relations services to create and disseminate communications, when the need for such communications arises directly from interruption of the Insured's business. These communications must be directed to one or more of the following:

- a) the media;
- b) the public; or

- c) the customers, clients or members of the Insured.

Such costs must be incurred during the period of time that begins at the time of the Accident or Electronic Circuitry Impairment and continues until:

- 1) thirty (30) consecutive calendar days after the date the Insured Property is repaired or replaced; or
- 2) the length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such Insured Property as has been destroyed or damaged by the Accident or Electronic Circuitry Impairment.

The limit of the Insurer's liability under this coverage shall not exceed the amount specified in the Declarations for Public Relations.

17. **Contingent Business Interruption**

The Insurer shall be liable for loss under Business Interruption Coverage described in Section B, from an Accident, but not Electronic Circuitry Impairment, to equipment not owned, operated or controlled by the Insured provided that the equipment:

- a) is of a type described in the definition of Object; and
- b) is located at the premises of any company that is located within Canada, the United States of America, Puerto Rico, or any other country in which a location specified in the individual Declaration is located which is:
 - (i) a Customer Location, being property to which the Insured's product(s) is shipped, which wholly or partially prevents the acceptance or product(s) produced by the Insured and results in a necessary interruption of the Insured's business,
 - (ii) a Supplier Location, being property of supplier(s) of materials to the Insured, which wholly or partially prevents the delivery of material(s) to the Insured and results in a necessary interruption of the Insured's business.

The following provisions shall apply to this Coverage:

- 1) As respects any Object, the Insurer shall not be liable for loss from the explosion of said Object other than:
 - (i) any steam boiler, steam, piping, steam turbine, gas turbine, steam engine, or
 - (ii) any machine when such loss is caused by centrifugal force or mechanical breakdown.
- 2) As respects any catalyst within any Object, the catalyst shall not be considered to be part of the Object and the Insurer shall not be liable for loss caused by or resulting from damage to the catalyst.

The limit of the Insurer's liability under this coverage shall not exceed the amount specified in the Declarations for Contingent Business Interruption.

SECTION D EXCLUSIONS

This policy does not insure:

1. loss caused by or resulting from:
 - a) an Accident or Electronic Circuitry Impairment caused directly or indirectly by nuclear reaction, nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, or
 - b) nuclear reaction, nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, caused directly or indirectly by, contributed to or aggravated by an Accident or Electronic Circuitry Impairment,

nor shall the Insurer be liable for any loss covered in whole or in part by any contract of insurance, carried by the Insured, which also covers any hazard or peril of nuclear reaction or nuclear radiation;

2. loss from an Accident or Electronic Circuitry Impairment caused by or resulting from:
 - a) war, bombardment, invasion, insurrection, rebellion, revolution, military or usurped power, enemy attack including any action or measure taken in resisting, combating or delaying the enemy,
 - b) operations of armed forces while engaged in hostilities, whether war be declared or not, or
 - c) riot, civil commotion or sabotage,

but unless associated with the foregoing loss under the policy from an Accident or Electronic Circuitry Impairment caused by vandalism or malicious acts of others is covered;

3. loss caused by or resulting from an Accident or Electronic Circuitry Impairment caused directly or indirectly, in whole or in part by Terrorism or by any activity or decision of a government agency or other entity to prevent, respond to or terminate Terrorism. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

As used herein 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;

4. loss caused by or resulting from:
 - a) any increase in loss necessitated by any ordinance, law, regulation, rule or ruling regulating or restricting repair, replacement, alteration, use, operation, construction or installation,
 - b) any increase in loss as a result of damage, contamination or pollution by a Hazardous Substance,
 - c) any increase in loss or additional expenses incurred for cleanup, repair, replacement or disposal of damaged, contaminated or polluted property. As used herein "additional expenses" shall mean expenses incurred beyond those for which the Insurer would have been liable had no contaminant, pollutant or Hazardous Substance been involved in the Accident or Electronic Circuitry Impairment,

except as specifically provided under Coverage described in Section C;

5. loss caused by or resulting from:

the partial or total failure, malfunction or loss of use of any electronic equipment, computer system, information repository, microchip, integrated circuit or other similar device due to:

 - a) the erasure, destruction, corruption, misappropriation or misinterpretation of Data,
 - b) any error in creating, amending, entering, deleting or using Data,
 - c) the inability to receive, transmit or use Data, or

- d) the impact of any malware or the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or of any internet address, website or similar facility;

however, loss that ensues solely from an Accident or Electronic Circuitry Impairment to any other insured Object is covered;

6. loss from an Accident or Electronic Circuitry Impairment caused by or resulting from:

- a) earth movement, including but not limited to earthquake, landslide, mud flow, subsidence, volcanic eruption, tidal wave or tsunami,
- b) wind, including but not limited to cyclone, tornado or hurricane,
- c) fire, smoke or combustion explosion, or
- d) water or other means used to extinguish a fire;

7. loss from an Accident or Electronic Circuitry Impairment caused by or resulting from:

- a) falling objects,
- b) weight of snow, ice or sleet,
- c) hail,
- d) collapse of any building or structure, or
- e) lightning;

if coverage for any such cause of loss is provided by any other insurance in effect at the time of the loss whether collectible or not;

8. loss caused by or resulting from:

- a) fire, smoke or combustion explosion that occurs concomitant with or that ensues from an Accident or Electronic Circuitry Impairment; however, only with respect to any Object which is an electrical or electronic machine or apparatus this exclusion shall read “a) fire, smoke or combustion explosion outside the Object that occurs concomitant with or that ensues from an Accident or Electronic Circuitry Impairment”,
- b) flood, unless an Accident or Electronic Circuitry Impairment to an Object ensues then the Insurer shall be liable only for loss from such ensuing Accident or Electronic Circuitry Impairment,
- c) escape of water resulting from an Accident or Electronic Circuitry Impairment unless,
 - i) coverage is not provided by any other insurance, and
 - ii) the water escapes from an Object that normally contains water or steam;

9. loss caused by or resulting from:

- a) delay or interruption of business, manufacturing or process,
- b) lack of power, light, heat, steam or refrigeration, or
- c) any other indirect result of an Accident or Electronic Circuitry Impairment, except as specifically provided under Coverage described in Section B.

SECTION E
DEFINITIONS AND SPECIAL PROVISIONS
PRESSURE, MECHANICAL, ELECTRICAL AND ELECTRONIC EQUIPMENT

DEFINITIONS

1. Accident

"Accident" shall mean a sudden and accidental breakdown of an Object or a part thereof, which manifests itself at the time of its "occurrence" by physical damage to the Object or a part thereof that necessitates its repair or replacement, but Accident shall not mean:

- a) depletion, deterioration, corrosion or erosion of material;
- b) wear and tear;
- c) leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- d) the breakdown of any structure or foundation supporting the Object or any part thereof;
- e) the functioning of any safety device or protective device; nor
- f) the cracking of any part of a gas turbine exposed to the products of combustion.

2. Electronic Circuitry Impairment

Electronic Circuitry Impairment shall mean a sudden and accidental breakdown of the Electronic Circuitry of an Object, in the Insured's care, custody or control, that causes the Object to suddenly lose its ability to function as it had been functioning immediately before the breakdown. Electronic Circuitry Impairment shall not mean:

- a) any condition that can be remedied by:
 - i) normal maintenance, including but not limited to replacing expendable parts, recharging batteries or cleaning;
 - ii) rebooting, reloading or updating software or firmware; or
 - iii) providing necessary power or supply.
- b) any condition caused by or related to:
 - i) incompatibility of the Object with any software or equipment installed, introduced or networked within the prior thirty (30) days; or
 - ii) insufficient size, capability or capacity of the Object.
- c) exposure to adverse environmental conditions including but not limited to change in temperature or humidity, unless such condition results in a loss of functionality. Loss of warranty shall not be considered a loss of functionality.

3. Object

"Object" shall mean any equipment owned, leased, operated or controlled by the Insured and described below, subject to the exclusions specified herein:

- a) any boiler, any fired or unfired pressure vessel normally subject to vacuum or internal pressure other than static pressure of contents, any refrigerating or air conditioning vessels and piping or any other piping and its accessory equipment, any heat exchanger that forms part of forced air heating equipment; but Object shall not include:
 - i) any boiler setting, any refractory or insulating material;
 - ii) any part of a boiler or fired vessel that does not contain steam or water;

- iii) any hose, buried piping, sewer piping, drainage piping, sprinkler system or its accessory equipment; nor
- iv) any oven, stove, furnace or kiln but not excluding heat recovery piping or pressure vessels used therewith;
- b) any mechanical or electrical machine or electrical apparatus used for the generation, transmission or utilization of mechanical or electrical power, but Object shall not include:
 - i)
 - 1) any crane or hoist but not excluding any mechanical or electrical equipment forming a part thereof;
 - 2) any oven, stove, furnace or kiln;
 but not excluding:
 - a) any pump, compressor, fan, blower, engine or turbine;
 - b) any separate enclosed gear set connected to such machine or apparatus by a coupling, clutch or belt;
 - c) any electrical equipment; nor
 - d) any electronic equipment used solely to start, stop, control or monitor one or more insured Objects.
 - ii) any vehicle, power shovel, excavator dragline or other self-propelled mobile equipment, but not excluding any electrical equipment used with such machine or apparatus;
 - iii) any lifting or safety cables, anchorages, car buffers or counterweight buffers forming part of an elevator system; nor
 - iv) any conveyor belt.
- c) any electronic equipment or fibre optic cable, but Object shall not include:
 - i) any anode tube, x-ray tube, video amplifier tube or klystron tube; nor
 - ii) any laser cartridge.

4. One Accident

If either an Accident or Electronic Circuitry Impairment to an Object causes an Accident or Electronic Circuitry Impairment simultaneously to another Object or a series of Accidents or Electronic Circuitry Impairments occur simultaneously as a result of the same cause, they will be considered as One Accident.

5. Insured Property

Insured Property is:

- a) property owned by the Insured;
- b) property of others in the care, custody or control of the Insured for which the Insured is legally liable.

6. Hazardous Substance

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

7. Data

Data means facts, concepts, information, or software in a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment.

8. Media

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

9. Location

Location means the premises owned by, leased by or occupied by the Insured.

10. Recognized Environmental Standards Program

Recognized Environmental Standards Program means one of the following:

- a) the ENERGY STAR® program;
- b) the Canadian Green Building Council LEED® program; or
- c) any nationally or internationally recognized environmental standards program designed to achieve energy savings and related objectives of the type included in the programs listed above.

11. Anchor Location

Anchor Location means a premises, operated by others, upon which the Insured depends to attract customers to the Location. An Anchor Location must have been open for business for at least six (6) months prior to the Accident, but not Electronic Circuitry Impairment, and must be located within one thousand (1000) metres of the Location.

12. Electronic Circuitry

Electronic Circuitry means microelectronic components, including, but not limited to, circuit boards, integrated circuits, computer chips and disk drives.

13. Cloud Computing Services

Cloud Computing Services means professional, on-demand, self-service data storage or data processing services provided through the Internet or over telecommunications lines. This includes services known as IaaS (Infrastructure as a Service), PaaS (Platform as a Service), SaaS (Software as a Service) and NaaS (Network as a Service). This includes business models known as public clouds, community clouds and hybrid clouds. Cloud Computing Services include private clouds if such services are owned and operated by a third party.

Special Provisions

1. As respects any Object, the Insurer shall not be liable for loss from an Accident or Electronic Circuitry Impairment while such Object is undergoing any pressure test, an insulation breakdown test or is being dried out.
2. As respects any newly acquired Object, the Insurer shall not be liable for loss from an Accident or Electronic Circuitry Impairment until such Object has been installed at the Location, tested, including performance and operational testing, and contractually accepted by the Insured. This provision shall not apply to any Object which is acquired to spare existing operating equipment.
3. As respects any boiler or fired vessel, the Insurer shall not be liable for loss from an explosion of gas or unconsumed fuel within the furnace of such Object or within the passages from the furnace to the atmosphere, whether or not such explosion is (a) contributed to or aggravated by an Accident or Electronic Circuitry Impairment to any part of said Object that contains steam or water, or (b) is caused in whole or in part, directly or indirectly, by an Accident or Electronic Circuitry Impairment to any Object, or part thereof.
4. As respects any boiler of the chemical recovery type, the Insurer shall not be liable for loss from an explosion within the furnace of any such boiler or within the passages from the furnace to the atmosphere, whether or not such explosion (a) is contributed to or aggravated by an Accident or Electronic Circuitry Impairment to such boiler, or (b) is caused in whole or in part, directly or indirectly, by an Accident or Electronic Circuitry Impairment to any Object, or part thereof.

5. As respects any boiler which uses a heat transfer medium other than water, such heat transfer medium and its vapour shall be considered as substituted for the words "water" and "steam" wherever such words appear in the definition of Object.
6. As respects any unfired vessel which is used for the storage of gas or liquid and which is periodically filled, moved, emptied and refilled in the course of its normal service, such vessel shall be considered as "connected ready for use" within the terms of the policy.
7. As respects any oven, stove, furnace or kiln, the Insurer shall not be liable for loss from an explosion within said equipment whether or not such explosion (a) is contributed to or aggravated by an Accident or Electronic Circuitry Impairment to any Object, or (b) is caused in whole or in part, directly or indirectly by an Accident or Electronic Circuitry Impairment to any Object, or part thereof.
8. As respects any in-ground hydraulic cylinder, forming part of an elevator, that is not protected with a polyvinyl chloride (PVC) or similar covering the Insurer shall not be liable for loss caused directly or indirectly by corrosion or electrolytic action.
9. The Insurer shall not be liable for loss resulting from an Accident or Electronic Circuitry Impairment to any Object which is shown in the policy as an "Uninsured Object".

SECTION F CONDITIONS

1. Policy

The policy includes the Insuring Agreement, Declarations, any Forms and Endorsements specified in the Declarations together with any other Endorsements to the policy subsequently issued.

Wherever in the policy reference is made to an Endorsement which has been cancelled and replaced by another Endorsement, such reference shall be understood to refer to the replacing Endorsement.

2. Policy Period

For the Insurer to be liable under the policy, the Accident or Electronic Circuitry Impairment must occur within the Policy Period shown in the Declarations. Coverage begins and ends at 00:01 Standard Time at the Location where the Accident or Electronic Circuitry Impairment occurs.

3. Additional Insured

Any person or organization named in the policy as an "Additional Insured" shall be considered as an Insured under the policy only as respects their interest in the Property Insured.

The naming of any Additional Insured shall not serve to increase the liability of the Insurer under this policy for loss from any One Accident.

4. Examination of Books and Records

The Insurer may examine and audit the books and records of the Insured as they relate to the policy at any time during the Policy Period and up to three years thereafter.

5. Inspection

The Insurer or its Reinsurer has the right to inspect any Object at any reasonable time. Neither the right to make inspections nor the making of them is an undertaking to the Insured or others that such Object is safe and not hazardous or injurious to health.

6. Suspension

Upon the discovery of any Object in or exposed to a dangerous condition, any representative of the Insurer or its Reinsurer may immediately suspend the insurance against loss from an Accident or Electronic Circuitry Impairment to that Object by giving written notice to the Insured either by mail, by facsimile or in person at the mailing address shown in the policy or at the Location of the Object. Once the insurance has been suspended, it can only be reinstated by an Endorsement to the policy issued by the Insurer.

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

7. Changes

The policy contains all the agreements between the Insurer and the Insured concerning the insurance afforded. Notice to any agent or broker shall not effect a change in any part of this policy nor estop the Insurer from asserting any rights under the policy. The terms of the policy may be changed only by an Endorsement to the policy issued by the Insurer.

8. Transfer of Interest

The interest of the Insured in the policy can only be transferred or assigned with the agreement of the Insurer in writing, except when bankruptcy, insolvency or death occurs. In such cases, the Insurer will cover the Insured's

legal representative as the Insured if written notice is given to the Insurer within sixty (60) days after the date of the bankruptcy, insolvency or death.

9. Mortgagee Interest

If a Mortgagee is named in the policy with respect to any insured Location, loss on the property of the Insured at the Location shall be paid jointly to the Insured and the Mortgagee as their interest may appear.

While the Insurer has the right to cancel the policy, if a Mortgagee is named, the Insurer agrees to mail to the Mortgagee at the address of the Mortgagee shown in the policy, a copy of the cancellation notice that has been mailed or delivered to the Insured, and as respects the interest of the Mortgagee, the cancellation shall be effective at the time specified in said notice but in no event earlier than fifteen (15) days after the date of mailing to the Mortgagee. If the Insured cancels the policy, the Insurer agrees to mail to the Mortgagee details of such request and as respects the interest of the Mortgagee, the cancellation shall not be effective until fifteen (15) days after the date of mailing of such details.

Suspension of coverage, as described in Condition 6, will suspend all insurance including the Mortgagee's interest. However, the Insurer agrees to furnish a copy of the suspension notice to the Mortgagee at the address of the Mortgagee shown in the policy.

10. Cancellation

The policy may be cancelled at any time by the Insurer or by the Insured. The Insured may cancel by notifying the Insurer in writing of the date thereafter the cancellation will be effective.

This policy may be cancelled by MARSH CANADA LIMITED by mailing to the Insurer written notice stating when thereafter such cancellation shall be effective. Any individual Declaration in force under this policy may be cancelled by the Insured named in such individual Declaration by mailing to the Insurer written notice stating when thereafter such cancellation shall be effective.

This policy may be cancelled by the Insurer by mailing to MARSH CANADA LIMITED at the Mailing Address specified in the individual Declaration of this policy written notice stating when not less than NINETY DAYS (except fifteen days for non-payment of premium) thereafter, such cancellation shall be effective. Any Declaration in force under this policy may be cancelled by the Insurer by mailing to the Insured named in such Declaration at the address specified therein written notice stating when not less than thirty days (except fifteen days for non-payment of premium) thereafter such cancellation shall be effective.

In the event of cancellation of the policy, any individual Declaration then in force under the policy shall remain in force until cancelled or until expiration but no new Declarations shall be issued after notice of cancellation has been given by either the Insurer or MARSH CANADA LIMITED.

If cancellation by the Insurer is by mail, notice will be given by registered mail and the notice period will begin on the day after it arrives at the post office from which it is delivered to the Insured. If the Insured cancels, the Insurer will refund to the Insured 75% of the pro-rata unearned premium. If the Insurer cancels, the Insurer will refund to the Insured the pro-rata unearned premium. Such refund will be made as soon as possible after the cancellation becomes effective.

11. Special Provisions

In the event that an Accident or Electronic Circuitry Impairment occurs to an Object to which any Special Provision applies, the Insurer's liability for loss under all Coverages shall be subject to such Special Provision.

12. Notice of Loss

When an Accident or Electronic Circuitry Impairment occurs which may result in loss under the policy, the Insured or their representative must notify the Insurer in writing immediately. Any delay in notifying the Insurer may affect the amount of loss recoverable under the policy.

13. Duties in the Event of Loss or Damage

In the event of loss or damage which may result in a claim under this policy, the Insured:

- a) must take the measures necessary to salvage or protect Insured Property from further damage. The Insured must, however, allow the Insurer reasonable time and opportunity to examine the damaged property before repairs are undertaken or physical evidence of the Accident or Electronic Circuitry Impairment is removed;
- b) must assist the Insurer in investigating and adjusting the claim, including making property and records available and permitting the questioning of employees about any matter relating to the insurance or the claim;
- c) must send the Insurer a signed statement of loss containing the information the Insurer requires to settle the claim; and
- d) must not voluntarily incur any expense, other than at the Insured's own cost, except as expressly permitted in this policy.

14. Limit of Liability

With respect to any Coverage provided by this policy, the liability of the Insurer on account of any One Accident shall not exceed the Limit of Liability specified in the Declarations.

The Limit of Liability specified for each Coverage under Sections A and B shall apply separately. The Limits of Liability specified for each Coverage under Section C shall be a part of and not in addition to the limits specified for the Coverage under Sections A and B to which they apply.

Any payment for which the Insurer is liable with respect to any Coverage shall be considered a loss under that Coverage.

15. Multiple Interests

If more than one Insured is named in the policy, the Insurer shall not be liable for an amount in excess of that for which it would have been liable had only one Insured been named.

16. Subrogation

Upon assuming liability or making any payment under this policy, the Insurer shall be subrogated to the Insured's rights of recovery therefore against any person or organization. The Insured must provide any legal documents and other assistance required by the Insurer to pursue such rights. The Insured shall do nothing after the Accident or Electronic Circuitry Impairment to waive or prejudice these rights of recovery.

17. Other Insurance

If the Insured has other insurance which would apply to a loss covered by this policy had this policy not existed, then to the extent not in conflict with Guiding Principles, the insurance hereunder shall apply only as excess insurance over such other insurance, provided however,

- a) that in the event that such other insurance contains a similar excess other insurance clause, this Insurer shall be liable and only liable under this policy for the proportion of the said loss that the amount which would have been payable under this policy on account of the loss, had no other insurance existed, bears to the combined total of the said amount and the amount which would have been payable under all other insurance on account of the loss had there been no insurance under this policy;
- b) that in the event that such other insurance is insurance of a class other than boiler and machinery insurance, this Insurer shall be liable for and only for the proportion of the said loss set out in subparagraph a) above.

18. Insurers Agreement

With respect to the insurance provided under this policy;

- a) if on the date of loss, there is valid property insurance in force covering property or other insurable interest of the Insured involved in the loss, and

b) if there is a disagreement between the Insurer and the property Insurer as to either (a) which Insurer is liable, or (b) the proportion of loss to be paid by each Insurer,

then, upon the written request of the Insured, the Insurer shall settle the loss in accordance with the "Agreement Respecting Disputed Losses Between Property Insurance and Boiler and Machinery Insurance Policies" of the Insurance Bureau of Canada providing the property Insurer is a signatory to that Agreement or has agreed in writing to be bound by its acts.

19. Action Against the Insurer

No action may be taken against the Insurer in connection with this policy unless the Insured has first complied with all of its terms and conditions nor unless commenced within fourteen (14) months from the date of the Accident or Electronic Circuitry Impairment. If this limitation of time is shorter than that prescribed by the applicable statute, it is agreed such statutory limitation of time shall apply.

ENDORSEMENT NO 1

SCHEDULE OF LOCATIONS

- 1) Locations as described on individual Declarations which form a part of the policy.

ENDORSEMENT NO 2

LIMIT OF LIABILITY

It is agreed that the Insurer's total liability for loss of the kinds insured against under the policy, resulting from any One Accident shall be the limit shown on individual Declarations which form a part of the policy.

Payment within the Limit of Liability for any One Accident, shall be determined in the following order stated below and the portion of the Limit of Liability for any One Accident applicable to each Coverage shall be the lesser of:

- (1) the extent of any indemnity remaining after payment of all loss under all preceding Coverages; or
- (2) the Limit of Liability specified in the Declarations for that Coverage.

The order of payment shall be:

- (1) Section A, Property Damage,
- (2) Section B, Business Interruption (Loss of Profits),
- (3) Section B, Extra Expense,
- (4) Section B, Spoilage.

COINSURANCE AND ADJUSTMENT OF PREMIUM

As respects the Coinsurance and Adjustment of Premium provisions of any Coverage, it is agreed that where reference is made to the Limit of Liability, the Annual Value shown in the Declarations shall be inserted.

ENDORSEMENT NO 3

With respect to Section B, Spoilage, it is agreed that the Deductible Condition is changed to read:

From the total amount of any loss and expense for which the Insurer is liable under this Coverage for any One Accident, there shall first be deducted an amount equal to ten percent (10%) of the loss or \$5,000.00, whichever is greater and no liability shall exist for such amount deducted.

ENDORSEMENT NO 4

INSURED

Except as otherwise stated herein, the term "Insured" wherever used in the policy or in any Endorsement of the policy with respect to all insurance applicable to loss from an Accident or Electronic Circuitry Impairment to an Object at a Location described in an individual Declaration in force under the policy, shall mean the Insured named in such Declaration and the Mailing Address shall mean such Mailing Address as specified in such Declaration.

ENDORSEMENT NO 5

FINE ARTS EXCLUSION

It is agreed that the Company shall not be liable for loss or damage to “fine arts” however caused.

“Fine Arts” shall mean paintings, etchings, pictures, tapestries and other bona fide works of art such as valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass and bric-a-brac of rarity with historical value or artistic merit.

Part 4 - Commercial General Liability (Occurrence Basis)

Throughout this Form, the word "Insured" refers to the Named Insured shown in the Cover Note, and any other person or organization qualifying as a Named Insured under Paragraph 3 of Section II – Who is an Insured.

The word "Insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

The word "Insurer" refers to the company providing this insurance.

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

1. Insuring Agreement

- a.** The Insurer 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. The Insurer will have the right and duty to defend the Insured against any "action" seeking those "compensatory damages". However, the Insurer 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. The Insurer may, at their discretion, investigate any "occurrence" and settle any claim or "action" that may result. But:

- (1)** The amount the Insurer will pay for "compensatory damages" is limited as described in Section III – Limits Of Insurance; and
- (2)** The Insurer's right and duty to defend ends when the Insurer has 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 the Insured 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 the Insured 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 the Insured to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to the Insurer 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".

2. Exclusions

This insurance does not apply to:

a. Expected or Intended Injury

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

b. Contractual Liability

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

- (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:

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

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 the Insured 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 or 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:

- (i) Any aircraft, air cushion vehicle or watercraft 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 or watercraft that is owned or operated by or rented or loaned to any Insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises that the Insured owns or rents;
- (2) A watercraft the Insured does not own that is:
 - (a) Less than 8 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, if the "bodily injury" results from an "occurrence" involving watercraft.

f. 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 and "loading or unloading". 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.

This exclusion applies even if the claims against any Insured alleges 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 "automobile" that is owned or operated by or rented or loaned to any Insured.

This exclusion does not apply to:

- (1) "Bodily injury" to an "employee" of the Insured on whose behalf contributions are made by or required to be made by the Insured under the provisions of any Canadian provincial or territorial workers' compensation law.

- (2) "Bodily injury" or "property damage" arising out of a defective condition in, or improper maintenance of, any "automobile" 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) the ownership, use or operation of machinery, apparatus or equipment mounted on or attached to any vehicle while at the site of the use or operation of such equipment, but this exception does not apply when such equipment is used for the purpose of "loading or unloading".

g. Damage To Property

"Property damage" to:

- (1) Property the Insured owns, rents, or occupies, including any costs or expenses incurred by the Insured, 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 the Insured sells, gives away or abandons, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to the Insured;
- (4) Personal property in the Insured's care, custody or control;
- (5) That particular part of real property on which the Insured or any contractors or subcontractors working directly or indirectly on the Insured's 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 "the insured's work" was incorrectly performed on it.

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

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

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

h. Damage To The Insured's Product

"Property damage" to "the Insured's product" arising out of it or any part of it.

i. Damage To The Insured's Work

"Property damage" to "the insured's work" arising out of it or any part of it and included in the "products-completed operations hazard".

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

j. Damage To Impaired Property or Property Not Physically Injured

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

- (1) A defect, deficiency, inadequacy or dangerous condition in "the insured's product" or "the insured's work"; or
- (2) A delay or failure by the Insured or anyone acting on the insured's behalf to perform a contract or agreement in accordance with its terms.

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

k. Recall of Products, Work or Impaired Property

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

- (1) "the Insured's product";
- (2) "the Insured's work"; or
- (3) "Impaired property";

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

l. "Property Damage" arising out of:

- (1) The use of explosives for blasting;
- (2) Vibration from pile driving or caisson work; or
- (3) The removal or weakening or support of any property, building or land whether such support be natural or otherwise.

This exclusion does not apply:

- (i) To "property damage" arising out of work performed on behalf of the Insured by any contractor or subcontractor;
- (ii) To "property damage" included within the "products-completed operations hazards".

m. Electronic Data

"Compensatory damages" arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

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 the insured or on the Insured's behalf of any "professional services" for others, or any error or omission, malpractice or mistake in providing those services.

p. Abuse – see Common Exclusions

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

1. Insuring Agreement

- a. The Insurer 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. The Insurer will have the right and duty to defend the Insured against any "action" seeking those "compensatory damages". However, the Insurer 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.

The Insurer may, at the Insurer's discretion, investigate any offense and settle any claim or "action" that may result. But:

- (1) The amount The Insurer will pay for "compensatory damages" is limited as described in Section III – Limits Of Insurance; and
- (2) The Insurer's right and duty to defend ends when the Insurer has 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 the conduct of the Insured's business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. **Knowing Violation Of Rights Of Another**

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

b. **Material Published With Knowledge Of Falsity**

"Personal and advertising injury" arising out of oral or written publication 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 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 the Insured's "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 the Insured's "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 the Insured's "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 the Insureds "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 21. 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 the Insured 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 the Insured's e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

- m. Asbestos** – see Common Exclusions
- n. Fungi or Spores** – see Common Exclusions
- o. Nuclear**– see Common Exclusions
- p. Pollution** – see Common Exclusions
- q. Terrorism** – see Common Exclusions
- r. War Risks** – see Common Exclusions
- s. Abuse** – see Common Exclusions

COVERAGE C. MEDICAL PAYMENTS

1. Insuring Agreement

a. The Insurer will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises the Insured owns or rents;
- (2) On ways next to premises the Insured owns or rents; or
- (3) Because of the Insured's operations;

provided that:

- (1) The accident takes place in the "coverage territory" and during the policy period;
- (2) The expenses are incurred and reported to the Insurer within one year of the date of the accident; and
- (3) The injured person submits to examination, at the Insurer's expense, by physicians of the Insurer's choice as often as the Insurer reasonably requires.

b. The Insurer will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance as described in Section III – Limits of Insurance. The Insurer 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.

2. Exclusions

The Insurer 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 the Insured owns or rents 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.

h. Abuse – see Common Exclusions

COVERAGE D. TENANTS' LEGAL LIABILITY

1. Insuring Agreement

- a. The Insurer 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 the Insured or occupied by the Insured. The Insurer will have the right and duty to defend the Insured against any "action" seeking those "compensatory damages". However, the Insurer will have no duty to defend the Insured against any "action" seeking "compensatory damages" for "property damage" to which this insurance does not apply. The Insurer may, at the Insurer's discretion, investigate any "occurrence" and settle any claim or "action" that may result. But:

- (1) The amount the Insurer will pay for "compensatory damages" is limited as described in Section III – Limits Of Insurance; and
- (2) The Insurer's right and duty to defend ends when the Insurer has 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 the Insured 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 the Insured 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 the Insured to give or receive notice of an "occurrence" or claim:
 - (1) Reports all, or any part, of the "property damage" to the Insurer 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.

2. Exclusions

This insurance does not apply to:

a. Expected or Intended Injury

"Property damage" expected or intended from the standpoint of the Insured.

b. Contractual Liability

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

- (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

- i. **Abuse** – see Common Exclusions

COMMON EXCLUSIONS – COVERAGES A, B, C and D

This insurance does not apply to:

1. **Asbestos**

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

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" or "personal and advertising injury" or any other cost, loss or expense incurred by others, arising directly or indirectly from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any "fungi" or "spores" 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 "spores";
- 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".

3. **Nuclear Energy Liability**

- a. Liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof;
- b. "Bodily injury", "property damage" or "personal and advertising injury" with respect to which an Insured under this policy is also Insured under a contract of nuclear energy liability insurance (whether the Insured is unnamed in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an Insured under any such policy but for its termination upon exhaustion of its limit of liability;
- c. "Bodily injury", "property damage" or "personal and advertising injury" resulting directly or indirectly from the "nuclear energy hazard" arising from:
 - (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 contribute 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 or occupied by, 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 the Insured may be held liable, if the Insured is a contractor and the owner or lessee of such premises, site or location has been added to the Insured's policy as an additional Insured with respect to the Insurer's 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 the Insured 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 the Insured or on the Insured's 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".

7. Abuse

"Bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly, in whole or in part out of:

- a. 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".
- b. Claims or "actions" based on the insured's practices of "employee" hiring, acceptance of "volunteer workers" or supervision or retention of any person alleged to have committed "abuse".
- c. Claims or "actions" alleging knowledge by an Insured of, or failure to report, the alleged "abuse" to the appropriate authority (ies).

SUPPLEMENTARY PAYMENTS – COVERAGES A, B and D

1. The Insurer will pay, with respect to any claim the Insurer investigates or settles, or any "action" against an Insured the Insurer defends:
- a. All expenses the Insurer incurs.
 - b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. The Insurer does not have to furnish these bonds.
 - c. All reasonable expenses the Insured incurs at the Insurer's 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 the Insurer 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 the Insurer has 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 the Insurer defends an Insured against an "action" and an indemnitee of the Insured is also named as a party to the "action", the Insurer 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 the Insurer knows 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 the Insurer to conduct and control the defense of that indemnitee against such "action" and agree that the Insurer can assign the same counsel to defend the Insured and the indemnitee; and
- f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with the Insurer in the investigation, settlement or defense of the "action";
 - (b) Immediately send the Insurer 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 the Insurer with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides the Insurer 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 the Insurer in the defense of that indemnitee, necessary litigation expenses incurred by the Insurer and necessary litigation expenses incurred by the indemnitee at the Insurer's 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.

The Insurer's obligation to defend an Insured's indemnitee and to pay for legal fees and necessary litigation expenses as Supplementary Payments ends when:

- a. The Insurer has used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. 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 the Insured is designated in the Cover Note as:

- a. An individual, the Insured and the Insured's spouse are Insureds, but only with respect to the conduct of a business of which the Insured is the sole owner.
- b. A partnership, limited liability partnership or joint venture, is an Insured. The Insured's members, the Insured's partners, and their spouses are also Insureds, but only with respect to the conduct of the Insured's business.
- c. A limited liability company, the Insured is an Insured. The Insured's members are also Insureds, but only with respect to the conduct of the Insured's business. The Insured's managers are Insureds, but only with respect to their duties as the Insured's managers.
- d. An organization other than a partnership, limited liability partnership, joint venture or limited liability company, the Insured is an Insured. The Insured's "executive officers" and directors are Insureds, but only with respect to their duties as the Insured's officers or directors. The Insured's shareholders are also Insureds, but only with respect to their liability as shareholders.
- e. A trust, the Insured is an Insured. The Insured's trustees are also Insureds, but only with respect to their duties as trustees.
- f. persons, firms, organizations or corporations in whose name the Named insured has contracted to effect insurance and to whom a certificate of insurance has been issued, but the insurance provided for such Additional Insured shall be limited to apply solely to liability arising out of the Named Insured's operations and coverage afforded shall be limited to apply solely to liability caused by the acts or omissions of the Named Insured, in the performance of the Named Insured's operations and for such amounts and coverages as are stipulated in any agreement between the parties;

It is further agreed that Permission is granted for the Named Insured, or its designate, to issue certificates of insurance on behalf of the Insurer. No endorsement to this Policy is necessary. Copies of all certificates issued under the Policy will be filed with the Insurer but no inadvertent error or omission in so filing certificate copies shall prejudice either the Named Insured, its designate and/or the certificate holder.

2. Each of the following is also an Insured:

- a. The Insured's "volunteer workers" only while performing duties related to the conduct of the Insured's business, or the Insured's "employees", other than either the Insured's "executive officers" (if the Insured is an organization other than a partnership, limited liability partnership, joint venture or limited liability company) or the Insured's managers (if the Insured is a limited liability company), but only for acts within the scope of their employment by the Insured or while performing duties related to the conduct of the Insured's business. However, none of these "employees" or "volunteer workers" are Insureds for:

(1) "Bodily injury" or "personal and advertising injury":

- (a)** To the Insured, to the Insured's partners or members (if the Insured is a partnership, limited liability partnership or joint venture), to the Insured's members (if the Insured is 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 the Insured's business;
- (b)** To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1) (a)** above;
- (c)** For which there is any obligation to share "compensatory damages" with or repay someone else who must pay "compensatory damages" because of the injury described in Paragraphs **(1) (a)** or **(b)** above;
- (d)** Arising out of his or her providing or failing to provide professional health care services; or
- (e)** To any person who at the time of injury is entitled to benefits under any workers' compensation or disability benefits law or a similar law.

- (2) "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 the Insured, any of the Insured's "employees", "volunteer workers", any partner or member (if the Insured is a partnership, limited liability partnership or joint venture), or any member (if the Insured is a limited liability company).
 - b. Any person (other than the Insured's "employee" or "volunteer worker"), or any organization while acting as the Insured's real estate manager.
 - c. Any person or organization having proper temporary custody of the Insured's property if the Insured dies, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until the Insured's legal representative has been appointed.
 - d. The Insured's legal representative if the Insured dies, but only with respect to duties as such. That representative will have all the Insured's rights and duties under this policy.
3. Any organization the Insured newly acquires or forms, other than a partnership, limited liability partnership or joint venture or limited liability company, and over which the Insured maintains 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 re Insured acquires or forms 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 the Insured acquired or formed the organization; and
 - c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before the Insured 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 Cover Note.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Cover Note and the rules below fix the most the Insurer will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "actions" brought; or
 - c. Persons or organizations making claims or bringing "actions".
2. The General Aggregate Limit is the most the Insurer will pay for the sum of:
 - a. "Compensatory damages" under Coverage A, except "compensatory damages" because of "bodily injury" or "property damage" included in the "products-completed operations hazard";
 - b. "Compensatory damages" under Coverage B; and
 - c. Medical expenses under Coverage C.
3. The Products-Completed Operations Aggregate Limit is the most the Insurer will pay under Coverage A for "compensatory damages" because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most the Insurer 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".
- 5. Subject to 2. above, the Personal and Advertising Injury Limit is the most the Insurer 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.
- 6. The Tenants' Legal Liability Limit is the most the Insurer will pay under Coverage D for "compensatory damages" because of "property damage" to any one premises.
- 7. Subject to 4. above, the Medical Expense Limit is the most the Insurer will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person

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 Cover Note, 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.

8. Deductible

- a. The Insurer's obligation under Property Damage Liability and Tenants' Legal Liability to pay "compensatory damages" on the Insured's behalf applies only to the amount of "compensatory damages" in excess of any deductible amounts stated in the Cover Note as applicable to such coverages, and the limits of insurance applicable to each "occurrence" for Property Damage Liability and any one premises for Tenants' Legal Liability will be reduced by the amount of such deductible.
- b. The deductible amount applies as follows:
 - 1) Under Coverage A: To all "compensatory damages" because of "property damage" as the result of any one "occurrence", regardless of the number of persons or organizations who sustain "compensatory damages" because of that "occurrence".
 - 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 terms of this insurance, including those in respect to:
 - 1) The Insurer's right and duty to defend any "action" seeking those "compensatory damages"; and
 - 2) The Insured's duties in the event of an "occurrence", claim or "action" apply irrespective of the application of the deductible amount.
- d. The Insurer may pay any part or all of the deductible amount to effect settlement of any claim or "action" and, upon notification of the action taken, the Insured shall promptly reimburse the Insurer for such part of the deductible amount as has been paid by the Insurer.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the Insured or of the Insured's estate will not relieve the Insurer of the Insurer's obligations under this policy.

2. Canadian Currency Clause

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

3. Changes.

This policy contains all the agreements between the Insured and the Insurer concerning the insurance afforded. The first Named Insured shown in the Cover Note is authorized to make changes in the terms of this policy with

The Insurer's consent. This policy's terms can be amended or waived only by endorsement issued by the Insurer and made a part of this policy.

4. Duties In The Event Of Occurrence, Offense, Claim or Action

a. The Insured must see to it that the Insurer is 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, the Insured must:

- (1)** Immediately record the specifics of the claim or "action" and the date received; and
- (2)** Notify the Insurer as soon as practicable.

The Insured must see to it that the Insurer receives written notice of the claim or "action" as soon as practicable.

c. The Insured and any other involved Insured must:

- (1)** Immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with the claim or "action";
- (2)** Authorize the Insurer to obtain records and other information;
- (3)** Cooperate with the Insurer in the investigation or settlement of the claim or defense against the "action"; and
- (4)** Assist the Insurer, upon the Insurer's request, in the enforcement of any right against any person or organization which may be liable to the Insured because of injury or damage to which this insurance may also apply.

d. No 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 the Insurer's consent.

5. Examination of the Insureds Books and Records.

The Insurer may examine and audit the Insureds 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. The Insurer has the right to:

- a.** Make inspections and surveys at any time;
- b.** Give the Insured reports on the conditions the Insurer finds; and
- c.** Recommends changes.

2. The Insurer is not obligated to make any inspections, surveys, reports or recommendations and any such actions the Insurer does undertake relate only to insurability and the premiums to be charged. The Insurer does not make safety inspections. The Insurer does not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And the Insurer does not warrant that conditions:

- 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 the Insurer, 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 the Insurer may make relative to certification, under provincial or municipal statutes, ordinances, bylaws or regulations, of boilers, pressure vessels or elevators.

7. Legal Action Against the Insurer

No person or organization has a right under this policy:

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

A person or organization may sue the Insurer to recover on an agreed settlement or on a final judgment against an Insured; but the Insurer 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 the Insurer covers under Coverages **A, B or D** of this policy, The Insurer's obligations are limited as follows:

a. Primary Insurance

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

b. Excess Insurance

This insurance is excess over:

- (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 "the Insured's work";
- (b) That is Fire insurance for premises rented to the Insured or temporarily occupied by the Insured with permission of the owner;
- (c) If the loss arises out of the maintenance or use of watercraft to the extent not subject to Exclusion e. of Section I – Coverage A – Bodily Injury and Property Damage Liability.
- (2) Any other primary insurance available to the Insured covering liability for "compensatory damages" arising out of the premises or operations or products-completed operations for which the Insured has been added as an additional Insured by attachment of an endorsement.

When this insurance is excess, the Insurer 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, the Insurer will undertake to do so, but the Insurer will be entitled to the Insured's rights against all those other insurers.

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

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-Insured amounts under all that other insurance.

The Insurer will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Cover Note of this policy.

c. Method Of Sharing

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

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

9. Premium Audit

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

10. Premiums

The first Named Insured shown in the Cover Note:

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

11. Representations

By accepting this policy, the Insured agrees:

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

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 Cover Note may terminate this policy by mailing or delivering to the Insurer advance written notice of termination.
- b. The Insurer may terminate this policy by mailing or delivering to the first Named Insured written notice of termination at least:
 - 1) 15 days before the effective date of termination if the Insurer terminates for non-payment of premium; or
 - 2) 30 days before the effective date of termination if the Insurer terminates for any other reason.

Except in Quebec, if notice is mailed, termination takes effect 15 or 30 days after receipt of the letter by the post office to which it is addressed, depending upon the reason for termination. Proof of mailing will be sufficient proof of notice.

In Quebec, termination takes effect either 15 or 30 days after receipt of the notice at the last known address of the first Named Insured, depending upon the reason for termination.

- c. The Insurer will mail or deliver the Insurer's notice to the first Named Insured's last mailing address known to the Insurer.
- d. The policy period will end on the date termination takes effect.
- e. If this policy is terminated, the Insurer will send the first Named Insured any premium refund due. If the Insurer terminates, 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 the Insurer has not made or offered a refund.

14. Transfer of Rights of Recovery Against Others To the Insurer

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

15. Transfer Of The Insurer's Rights and Duties Under This Policy

The Insured's rights and duties under this policy may not be transferred without the Insurer's written consent except in the case of death of an individual Named Insured.

If the Insured dies, the Insurer's rights and duties will be transferred to the Insured's legal representative but only while acting within the scope of duties as the Insured's legal representative. Until the Insured's legal representative is appointed, anyone having proper temporary custody of the Insurer's property will have the Insured's rights and duties but only with respect to that property.

SECTION V – DEFINITIONS

1. "Abuse" means, but is not limited to, any act or threat involving molestation, harassment, corporal punishment, assault or battery or any other form of sexual, physical, mental, psychological or emotional 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 the Insurer's consent; or
 - b. Any other alternative dispute resolution proceeding in which such "compensatory damages" is claimed and to which the Insured submits with the Insurer's consent.
3. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about the Insured's goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web-sites, only that part of a web-site that is about the Insured's 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, sickness 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 the Insured 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 the Insured's 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 the Insurer agrees to.
8. "Employee" includes a "leased worker" and a "temporary worker".
 9. "Executive officer" means a person holding any of the officer positions created by the Insurer's charter, constitution, by-laws or any other similar governing document.
 10. "Fissionable substance" means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
 11. "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.
 12. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
 13. "Impaired property" means tangible property, other than "the Insured's product" or "the Insured's work", that cannot be used or is less useful because:
 - a. It incorporates "the Insured's product" or "the Insured's work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. The Insured has failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

 - a. The repair, replacement, adjustment or removal of "the Insured's product" or "the Insured's work"; or
 - b. The Insured fulfilling the terms of the contract or agreement.
 14. "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.
 15. "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 the Insured or temporarily occupied by the Insured 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 the Insured's business (including an indemnification of a municipality in connection with work performed for a municipality) under which the Insured assumes the tort liability of another party to pay for "compensatory damages" because of "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by the Insured or by those acting on the Insured's behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph g. does not include that part of any contract or agreement:

- (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.
16. "Leased worker" means a person leased to the Insured by a labour leasing firm under an agreement between the Insured and the labour leasing firm, to perform duties related to the conduct of the Insured's business. "Leased worker" does not include a "temporary worker".
17. "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, watercraft or "automobile";
 - b. While it is in or on an aircraft, watercraft or "automobile"; or
 - c. While it is being moved from an aircraft, watercraft or "automobile" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "automobile".
18. "Nuclear energy hazard" means the radioactive, toxic, explosive, or other hazardous properties of radioactive material;
19. "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 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.

- 20.** "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- 21.** "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 the Insured's "advertisement"; or
 - g.** Infringing upon another's copyright, trade dress or slogan in the Insureds "advertisement".
- 22.** "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, odour, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 23.** "Products-completed operations hazard":
- a.** Includes all "bodily injury" and "property damage" occurring away from premises the Insured owns or rents and arising out of "the Insured's product" or "the Insured's work" except:
 - (1)** Products that are still in the Insured's physical possession; or
 - (2)** Work that has not yet been completed or abandoned. However, "the Insured's work" will be deemed completed at the earliest of the following times:
 - (a)** When all of the work called for in the Insured's contract has been completed.
 - (b)** When all of the work to be done at the job site has been completed if the Insured's 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 the Insured, 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.
- 24.** "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;
 - 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. The preparation or approval of maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications;
- h. Supervisory, inspection, architectural, design or engineering services;
- i. 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;
- j. Any computer programming or re-programming, consulting, advisory or related services; or
- k. Claim, investigation, adjustment, appraisal, survey or audit services.

25. "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.

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

- 26. "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;
- 27. "Spores" includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".
- 28. "Temporary worker" means a person who is furnished to the Insured to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- 29. "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.
- 30. "Volunteer worker" means a person who is not the Insured's "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by the Insured, and is not paid a fee, salary or other compensation by the Insured or anyone else for their work performed for the Insured.
- 31. "The Insurer's product":
 - a. Means:
 - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) The Insured;
 - (b) Others trading under the Insurer's name; or
 - (c) A person or organization whose business or assets the Insured has 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 "the Insured's 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.
32. "The Insured's work":
- a. Means:
 - (1) Work or operations performed by the Insured or on the Insured's 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 "the Insured's 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 square footage or square metres of the buildings to be insured excluding that portion of the basement used exclusively for storage of that portion of the premiums used for or heating or air conditioning plant purposes.
- 2) **“Cost of work”** means the total cost of all operations performed for the Insured during the Policy Period by independent contractors, including materials used or delivered for use by whomsoever supplied, except maintenance or ordinary alterations and repairs on premises owned or rented by the Insured
- 3) **“Revenue”** means the gross amount of money charged for all work or services performed by or on behalf of the Insured or goods and products sold and distributed by the Insured or by others trading under the Insured's name during the Policy Period,
- 4) **“Payroll”** means the total earnings during the Policy Period for each owner, partner, “executive officer”, or “employee”. For Employer's Liability, payroll not to exceed \$5,000.00 for each owner, partner, “executive officer, or “employee” in any one policy year.
- 5) **“Cost”** means the total cost to any indemnitee, with respect to any contract which is insured, of all work let or sublet in connection with each specific project, including the cost of all labour, materials and equipment furnished, used or delivered for use in the execution of such work, whether furnished by the owner, contractor or the sub contractor, including all fees, allowances bonuses or commissions made, paid or due.
- 6) **“Standard Units”** means the unit of exposure to which the rates apply, and each article is designated (person, object or event), except liter which is 1,000 litres.

Endorsement No. 1

Media Expense Endorsement

Applicable to Canadian Museums Association Insurance Master Policy Number: MCL-CMA1899

This Endorsement Changes The Policy. Please Read It Carefully.

Subject to the conditions, limitations and exclusions set forth in the Policy and Wordings and Endorsements attached hereto, the following conditions are hereby made part of the Policy.

Endorsement Applicable To Canadian Museums Association Insurance Master Policy Number: MCL-CMA1899

(I) It is understood and agreed the following Coverage is added:

Coverage E. Media Expense

1. Insuring Agreement

- a) The Insurer will reimburse for reasonable “media expenses” paid by an Insured as described below for “personal and advertising injury”, including consequential “bodily injury”, arising out of one or more of the following offenses:
 - (1) 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.
 - (2) Oral or written publication, in any manner, of material that violates a person’s right of privacy.
- b) The Insurer will reimburse for reasonable “media expenses” paid by an Insured as described below for “bodily injury” caused by liability for such “bodily injury” imposed on the insured by reason of the selling, serving or furnishing of any alcoholic beverage and food.

Provided that:

 - (1) The offense takes place in the “coverage territory” and during the policy period;
 - (2) The “media expenses” are incurred and reported to the Insurer within one year of the date of the offense; and
 - (3) The “media expenses” are authorized in writing by the Insurer prior to being incurred;
 - (4) The “media expenses” are incurred because the insured becomes legally obligated to pay by reason of liability imposed by law for “personal and advertising injury” and “bodily injury”.
- c) These payments will not exceed \$50,000 annual aggregate.

2. Exclusions

The insurer will not pay expenses for “personal and advertising injury”:

- a. Asbestos- See Common Exclusions
- b. Fungi or Spores- See Common Exclusions
- c. Nuclear Energy Liability- See Common Exclusions
- d. Pollution- See Common Exclusions
- e. Terrorism- See Common Exclusions
- f. War Risks- See Common Exclusions
- g. Abuse- See Common Exclusions

(II) It is understood and agreed that **COMMON EXCLUSIONS- Coverage A, B, C and D** set forth in the Policy has been amended to **COMMON EXCLUSIONS- Coverage A, B, C, D and E**.

- (III) For the purpose of this endorsement only, it is understood and agreed that the following 2.a. in **SECTION II- WHO IS AN INSURED** is deleted from the policy and replaced by the following:
2. a. The Insured’s “volunteer workers” only while performing duties related to the conduct of the Insured’s business, or the Insured’s “employees”, other than either the Insured’s “executive officers” (if the Insured is an organization other than a partnership, limited liability partnership, joint venture or limited liability company) or the Insured’s managers (if the Insured is a limited liability company), but only for acts within the scope of their employment by the Insured or while performing duties related to the conduct of the Insured’s business.
- (IV) It is understood and agreed that **SECTION III- LIMITS OF INSURANCE** is amended with respect to the following:
- (i) **Clause 8. Deductible** set forth in the Policy has been amended to read as **Clause 9. Deductible**;
- (ii) The following Clause 8. is added to the Policy:
8. The Media Expense limit is the most the insurer will pay during the policy period under Coverage E. for all expenses paid by an Insured for “personal and advertising injury”, including consequential “bodily injury”, arising out of one or more of the offenses described on this endorsement.
- (V) For the purpose of this endorsement only, it is understood and agreed that the following definition 5. in **SECTION V- DEFINITIONS** is deleted from the policy and replaced by the following:
5. “Media expenses” mean the necessary extra expenses for publicity or promotion on the insured’s behalf . Extra expenses do not include expenses which would have normally incurred in operating the insured’s business, including salaries and expenses of the insured’s employees.

Except as otherwise stated, all the terms, provisions and conditions of the Policy shall apply.

Endorsement No. 2

Employers' Bodily Injury Liability Coverage Extension

Applicable to Canadian Museums Association Insurance Master Policy Number: MCL-CMA1899

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY FORM

With respect only to claims or "actions" because of "bodily injury" to an "employee" of the Insured arising out of and in the course of employment by the Insured in the business described in the "Cover Note":

1. Exclusions d., e. & f. under COVERAGE A (SECTION 1) do not apply.
2. This extension of insurance does not apply to "Bodily Injury" to an employee while employed in violation of the law with the actual knowledge of the Insured or the actual knowledge of any of the Insured's executive officers.

Except as otherwise stated, all the terms, provisions and conditions of the Commercial General Liability Form to which this is attached, shall have full force and effect.

Endorsement No. 3

Voluntary Compensation For Employees Endorsement

Applicable to Canadian Museums Association Insurance Master Policy Number: MCL-CMA1899

The Insurer agrees TO PAY VOLUNTARILY THE BENEFITS herein set out either to or on behalf of an employee of the Insured on account of bodily injury including death resulting therefrom, accidentally suffered by such employee and arising out of and in the course of his employment by the Insured, whether or not such bodily injury could give rise to liability imposed by law upon the insured.

PROVIDED HOWEVER:

- (1) That if the injured employee or any person claiming by, through or under him shall refuse to accept the Voluntary Compensation benefits offered under the provisions of the preceding paragraph, then the Insurer shall be permitted, at any time in its discretion and without notice, to withdraw such offer to pay the said benefits, under which circumstances the Insurer will no longer be bound by the undertakings expressed in the said preceding paragraph. If any claim or demand is made upon, or any suit instituted against the Insured, for damages for such injuries, such claim, demand or suit shall be considered a refusal to accept such Voluntary Compensation benefits and such refusal shall abrogate in its entirety the Insurer's agreement to pay such Voluntary Compensation benefits. In such event the obligation of the Insurer as expressed in the other parts of the policy having reference thereto, shall be available to the Insured and shall be and remain the obligation of the Insurer as fully and completely as if this Form had not been written.
- (2) That the benefits herein contained shall not be payable unless at the time of the accident the employee was engaged in duties coming within the scope of the classification of operations stated in the Declarations forming part of this policy.
- (3) That a full legal release of all claims of such employee or any person claiming by, through or under him, against the Insured is executed and delivered and that the Insurer be subrogated in any rights of such employee or person (excluding all services available under any Hospital Insurance Act) against anyone other than the Insured and/or that such rights be transferred to the Insurer.
- (4) That the Insurer shall in no event be liable hereunder for any claims arising from hernia, however caused.
- (5) That the Insurer shall in no event be liable hereunder for any claims arising from war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power.

DEFINITION

The term "weekly indemnity" referred to in this Form shall mean two-thirds of the employees weekly wage at the date of the accident, but not exceeding in any event the sum of \$100 per week

SCHEDULE OF BENEFITS

Section 1 – Loss Of Life:

In the event of death resulting from such bodily injury within a period of twenty-six (26) weeks after the date of the accident the Insurer will pay:

- (a) to dependents of the said employee who were wholly dependent upon him, an amount equal to one hundred (100) times the weekly indemnity in addition to the benefits provided under Section 2 up to the date of death.
- (b) the actual funeral expenses not exceeding, however, the sum of five hundred dollars (\$500.00).

Section 2 – Temporary Total Disability:

If such bodily injury shall within fourteen (14) days from the date of the accident totally and continuously disable the employee and prevent him from performing any and every duty pertaining to any occupation or employment the Insurer will pay weekly indemnity for the period of such disability, or for twenty-six (26) weeks whichever is the lesser period.

Provided however, that if the period of such disability is less than six (6) weeks, no benefit under this Section shall be payable for the first even 171 days of such disability.

Section 3 – Permanent Total Disability:

If within twenty-six (26) weeks from the date of the accident and as a direct result of such bodily injury the employee shall be deemed permanently and totally disabled, by medical evidence satisfactory to the Insurer, the Insurer will pay, in addition to the benefits provided under Section 2, weekly indemnity for a further period of one hundred (100) weeks.

Section 4 - Dismemberment Benefits:

If such bodily injury shall within twenty-six (26) weeks from the date of the accident result in any one or more of the incapacities listed hereinafter in the "Schedule of Incapacities" the Insurer will pay weekly indemnity for the number of weeks shown opposite the incapacity in the said schedule in addition to the benefits payable under Section 2, but in no event shall it be, payable in addition to the benefits provided by Sections 1 and 3.

The total amount payable under this Section for one or more incapacities shall not exceed one hundred (100) times the weekly indemnity.

SCHEDULE OF INCAPACITIES

LOSS or TOTAL IRRECOVERABLE LOSS of USE of:

DIVISION A

1.	Arm	
	(a)	at or above elbow; or 100
	(b)	below elbow; or 80
2.	Hand at wrist; or	80
3.	(i) Thumb	
	a)	at or above the second phalangeal joint; or 25
		below the second phalangeal joint, involving a portion of the second phalange 18
	(ii) Index Finger	
	(a)	at or above the second phalangeal; or 25
	(b)	at or above the third phalangeal joint; or 18
		below the third phalangeal joint, involving a portion of the third phalange 12
	(iii) Any other Finger	
	(a)	at or above the second phalangeal joint; or 15
	(b)	at or above the third phalangeal joint; or 8
		below the third phalangeal joint, involving a portion of the third phalange 5

NOTE: For a combination of two or more of the incapacities marked with a the total amount payable under this division shall not exceed eighty IBDI times the weekly indemnity.

DIVISION B

1.	Leg	
	(a)	at or above knee; or 100
	(b)	below knee 75
2.	Foot at ankle; or	75
3.	(i) Great Toe	
	(a)	at or above the second phalangeal joint; or 15
	(b)	below the second phalangeal joint, involving a portion of the

	second phalange	8
(ii)	Any Other Toe	
	(a) at or above the second phalangeal joint; o	10
	(b) at or above the third phalangeal; or	
	(c) below the third phalangeal joint. involving a portion of the third phalange	3

NOTE: For a combination of two or more of the incapacities marked with a total amount payable under this division shall not exceed thirty-five (35) times the weekly indemnity.

DIVISION C

1.	(i) One eye; or	50
	ii) Both eyes	100

DIVISION D

2.	(i) Hearing of one ear; or	25
	(ii) Hearing of both ears	100

Section 5 – Medical, Surgical, Dental, Pharmaceutical And Hospital Expenses:

If such bodily injury shall necessitate medical or surgical treatment or confinement to hospital, the Insurer will pay IN ADDITION TO ALL OTHER BENEFITS provided by this Form:

- (a) the cost of necessary medical, surgical, dental, pharmaceutical and hospital services (except those portions of such expenses payable or recoverable under any medical, surgical or hospitalization plan or law or under any other Insurance Policy or Certificate issued to or for the benefit of any person for whom indemnity is provided), in accordance with the scale of charges provided by the Workmen’s Compensation Act of the Province in which the accident occurred during a period not exceeding twenty-six (26) weeks from the date of the accident; and in addition,
- (b) the cost of supplying or the reasonable renewing of prosthetic or orthopedic appliances as may be necessary for a period not exceeding fifty-two (52) weeks from the date of the accident.

SPECIAL CONDITION

The Insurer shall have the right to examine the person of the injured employee when and as often as may be required while the claim is pending and also in the case of death of the injured employee to make art autopsy subject to any law of the Province relating to autopsies.

Nothing herein contained shall be held to vary, waive or extend any of the declarations, conditions, agreements or limitations of the policy to which this Form it attached, other than as above stated.

Endorsement No. 4

Employee Benefits (Errors & Omissions)

Each Claim

1. Insuring Agreements

- (a) To pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay on account of any claim made against the Insured by an employee, former employee or the beneficiaries or legal representatives thereof and caused by any negligent act, error or omission of the Insured, or any other person for whose acts the Insured is legally liable in the administration of the Insured's Employee Benefit Programs as defined herein.
- (b) It is agreed that in the event of a claim, \$1,000 shall be deducted from the amount of each claim when determined, and the Insurer shall be liable for loss only in excess of the amount deducted.
- (c) It is further agreed that in the event of any claim irrespective of the amount, notice thereof shall be given by or on behalf of the Insured to the Insurer, or any of its authorized agents, in accordance with the terms of the policy and the Insurer may at its option, investigate such claim or negotiate or settle any such claim and the Insured agrees, if the Insurer undertakes to negotiate or settle any such claim, to join the Insurer in such negotiation or settlement to the extent of the amount to be deducted as herein provided, or to reimburse the Insurer for such deductible amount, if and when such claim is paid by the Insurer.

2. Defense, Settlement, Supplementary Payments: As respects such insurance as is afforded by the other terms of this Form, the Insurer shall:

- (a) defend in his name and behalf any suit against the Insured alleging such negligent act, error or omission and seeking damages on account thereof even if such suit is groundless, false or fraudulent; but the Insurer shall have the right to make such investigation and negotiation of any claim or suit as may be deemed expedient by the Insurer. The Insurer, however, shall not make settlement or compromise any claim or suit without the written consent of the Insured;
- (b) pay all premiums on bonds to release attachments for an amount not in excess of the applicable limit of liability of this form, all premiums on appeal bonds required in any such defended suit, but without any obligation to apply for or furnish such bonds, all costs taxed against the Insured in any such suit, all expenses incurred by the Insurer, all interest accruing after entry of judgement until the Insurer has paid tendered or deposited in court such part of such judgement as does not exceed the limit of the Insurer's liability thereof;
- (c) reimburse the Insured for all reasonable expenses, other than loss of earnings, incurred at the Insurer's request.

The Insurer agrees to pay the amounts incurred under this Insuring Agreement, except settlements of claims and suits, in addition to the applicable limit of liability of this form.

3. Policy Period and Territory: This form applies only to claims resulting from negligent acts, errors or omissions of the Insured, or any other person for whose acts the Insured is legally liable in the administration of Employees Benefit Programs occurring within the Dominion of Canada or the United States of America, provided such claim is brought against the Named Insured during the policy period and the Named Insured at the effective date of this Policy, had no knowledge of or could not have reasonably foreseen any circumstances which might result in a claim or suite.

4. Definitions:

- (a) "Insured" - The unqualified word "Insured" wherever used, includes not only the Named Insured, but also any partner, executive officer, directors, stockholder or employee, provided such employee is authorized to act in the administration of the Insured's Employee Benefit Programs.

- (b) "Employee Benefits" - The term "Employee Benefits" shall mean Group Life Insurance, Group Accidents or Health Insurance, Profit Sharing Plans, Pension Plans, Employee Stock Subscription Plans, Workmen's Compensation, Unemployment Insurance, Social Security, and Disability Benefits.
- (c) "Administration" - The unqualified word "Administration" wherever used shall mean:
 - (1) giving counsel to employees with respect to the Employee Benefit Programs;
 - (2) interpreting the Employee Benefit Programs;
 - (3) handling of records in connection with the Employee Benefit Programs;
 - (4) effecting enrollment, termination or cancellation of employees under the Employee Benefit Programs;

Provided all such acts are authorized by the Named Insured.

- 5. Exclusions: This form does not apply:
 - (a) to any dishonest, fraudulent, criminal or malicious act, libel, slander, discrimination, or humiliation;
 - (b) to bodily injury to or sickness, or death, of any person or to injury to or destruction of any tangible property including the loss of use thereof;
 - (c) to any claim for failure or performance of contract by an Insurer, or any other party, including the Insured, obligated to afford the benefits;
 - (d) to any claim based upon:
 - (1) failure of stock, bonds or other securities to perform as represented by an Insured included but not limited to their failure to produce financial gain, profit or growth;
 - (2) advice given by an Insured to an employee to participate or not to participate in stock subscription plans.
- 6. Policy Provisions: No provision of the Policy applies to the insurance under this form
- 7. Limits of Liability: The Limits of Liability, as stated in the Cover Note of this policy as applicable to "Each Claim" is the limit of the Insurer's liability for all damages incurred on account of any claim covered hereunder; the limit of liability sated on the Cover Note of this policy as "Aggregate" is subject to the above provision respecting each claim, the total limit of the Insurer's Liability for all claims covered hereunder and occurring during each Policy year. The inclusion herein of more than one Insured shall not operate to increase the limits of the Insurer's liability.
- 8. Notice of Claim or Suit: As soon as practicable, notice must be given to the Insurer when the Insured receives information as to his alleged negligent act, error or omissions. Such notice shall contain full particulars of any claims arising therefrom. If suit is brought, the Insured must immediately forward to the Insurer every summons or other process received by him.
- 9. Assistance and Co-operations of the Insured: The Insured shall co-operate with the Insurer and, upon the Insurer's request shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits. The Insured shall not, except at his own cost, voluntarily make any payments, assume any obligation or incur any expense.
- 10. Action Against the Company:
 - (a) action shall be brought against the Insurer unless, as a condition precedent thereto, the Insured shall have fully complied with all the terms of this Policy, nor until the amount of the Insured's obligation to pay shall have been finally determined either by judgement against the Insured after actual trial or by written agreement of the Insured, the claimant and the Insurer.
 - (b) Any person or organization or the legal representative thereof, who has secured such judgement or written agreement shall thereafter be entitled to recover under this form to the extent of the insurance afforded by this form. Nothing contained in this form shall give any person or organization any right to join the Insurer as a co-defendant in any action against the Insured to determine the Insured's

liability. Bankruptcy or insolvency of the Insured shall not relieve the Insurer of any of its obligations hereunder.

11. Other Insurance: If the Insured has other insurance against a loss covered by this form, the Insurer shall not be liable under this form for a greater proportion of such loss than the applicable Limit of Liability stated in the Cover Note of this policy bears to the total applicable Limit of Liability of all valid and collectible insurance against such loss.
12. Subrogation: In the event of any payment under this form, the Insurer shall be subrogated to all the Insured's rights of recovery therefore against any person or organization and the Insured /shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing after loss to prejudice such rights.
13. Changes: Notice of any agent or knowledge possessed by any agent or any other person shall not effect a waiver or a change in any part of this Policy or stop the Insurer from asserting any right under the terms of this form; nor shall the terms of this form be waived or changed, except by endorsement issued to form a part of this policy, signed by a duly authorized representative of the Insurer.
14. Non-Assignable: The interest of the Insured under this form shall not be assignable to any other interest.

Endorsement No. 5 Limited Copyright Liability Coverage

(Claims Made Basis)

THIS FORM PROVIDES INSURANCE FOR CLAIMS FIRST MADE AND REPORTED TO US DURING THE POLICY PERIOD

*** THIS IS NOT AN OCCURRENCE BASE FORM ***

Applicable to Canadian Museums Association Insurance Master Policy Number: MCL-CMA1899

Attached to and forming part of the Commercial General Liability Form

1. Insuring Agreements:

- (a) To pay on behalf of the "Insured" all sums which the "Insured" shall become legally obligated to pay on account of any "claim" made against the "Insured" arising out of the infringement of title, slogan, trademark, trade name, trade dress, service mark, service name, copyright, plagiarism, piracy, or misappropriation of ideas under implied contract committed in the utterance or dissemination of "matter" by or with permission of the "Insured" during the Policy Period.
- (b) It is agreed that in the event of a "claim", the Insurer shall be liable only for that portion of the loss equivalent to the percentage of the total loss specified in the Declarations as the Co-Insurance Percentage, subject to the maximum Limit of Liability specified in The Declarations.
- (c) It is further agreed that in the event of any "claim" irrespective of the amount, notice thereof shall be given by or on behalf of the "Insured" to the Insurer, or any of its authorized agents, in accordance with the terms of the policy and the Insurer may at its option, investigate such "claim" or negotiate or settle any such "claim" and the "Insured" agrees, if the Insurer undertakes to negotiate or settle any such "claim", to join the Insurer in such negotiation or settlement to the extent of the amount to be deducted as herein provided, or to reimburse the Insurer for such deductible amount, if and when such "claim" is paid by the Insurer.

2. Defense, Settlement, Supplementary Payments: As respects such insurance as is afforded by the other terms of this Form, the Insurer shall:

- (a) defend in his name and behalf any suit against the "Insured" alleging such negligent act, error or omission and seeking damages on account thereof even if such suit is groundless, false or fraudulent; but the Insurer shall have the right to make such investigation and negotiation of any "claim" or suit as may be deemed expedient by the Insurer. The Insurer, however, shall not make settlement or compromise any "claim" or suit without the written consent of the "Insured";
- (b) pay all premiums on bonds to release attachments for an amount not in excess of the applicable limit of liability of this form, all premiums on appeal bonds required in any such defended suit, but without any obligation to apply for or furnish such bonds, all costs taxed against the "Insured" in any such suit, all expenses incurred by the Insurer, all interest accruing after entry of judgment until the Insurer has paid tendered or deposited in court such part of such judgment as does not exceed the limit of the Insurer's liability thereof;
- (c) reimburse the "Insured" for all reasonable expenses, other than loss of earnings, incurred at the Insurer's request.

The Insurer agrees to pay the amounts incurred under this Insuring Agreement to the applicable limit of liability of this form, inclusive of defense costs and "claims" adjusting expenses.

3. Policy Period and Territory: This form applies only to "claims" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights occurring in Canada or the United States of America, provided such "claim" is brought against the Named "Insured" during the Policy Period and the Named "Insured" at the effective date of this Policy, had no knowledge of or could not have reasonably foreseen any circumstances which might result in a "claim" or suit.

4. Definitions:
- (a) "Claim" means a demand of a suit for money or services, even if the allegations of the "claim" are groundless, false, or fraudulent. "Claim" also means a suit seeking injunctive relief relating to the types of "claims" specified in the Insuring Agreements;
 - (b) The unqualified word "Insured" wherever used, includes the Named "Insured", any partner, executive officer, director, stockholder or employee, but only while acting within the scope of their duties as such;
 - (c) "Matter" means printed, audio, visual or informational content, and the use of such "matter" by others. Exclusions: This form does not apply:
 - (i) to any dishonest, fraudulent, criminal, intentional or malicious act;
 - (ii) to bodily injury to or sickness, or death, of any person or to injury to or destruction of any tangible property including the loss of use thereof;
 - (iii) to any "claim" for breach of contract other than liability assumed under contract;
 - (iv) to any "claim" arising from infringement of patent;
 - (v) to any "claim" for or arising from anti-trust, restraint of trade, or unfair or deceptive business practices;
 - (vi) to any "claim" for or arising from the gathering, acquisition, obtaining, utterance or dissemination of "matter" or any act or repetitions thereof committed prior to the effective date of the first insurance contract issued by the Insurer or after the termination date of the last insurance contract issued by the Insurer;
 - (vii) to any "claim" made by any present, former or prospective employee, partner, joint venturer, co-venturer, officer or director of the "Insured" or any independent contractor supplying "matter", material or services to the "Insured", but only with respect to "claims" involving disputes over the ownership or exercise of rights in the "matter", material or services supplied.
5. Policy Provisions: No provision of the Policy applies to the insurance under this form.
6. Limits of Liability: The Limits of Liability, as stated in the Declaration Page of this policy as applicable to "Each Claim" is the limit of the Insurer's liability for all damages incurred on account of any "claim" covered hereunder; the limit of liability stated on the Declaration Page of this policy as "Aggregate" is subject to the above provision respecting each "claim", the total limit of the Insurer's Liability for all "claims" covered hereunder and occurring during each Policy year. The inclusion herein of more than one "Insured" shall not operate to increase the limits of the Insurer's liability.
7. Notice of "claim" or Suit: As soon as practicable, notice must be given to the Insurer when the "Insured" receives information as to his alleged negligent act, error or omissions. Such notice shall contain full particulars of any "claims" arising therefrom. If suit is brought, the "Insured" must immediately forward to the Insurer every summons or other process received.
8. Assistance and Co-operations of the "Insured": The "Insured" shall co-operate with the Insurer and, upon the Insurer's request shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits. The "Insured" shall not, except at his own cost, voluntarily make any payments, assume any obligation or incur any expense.
9. Action Against the Company:
- (a) action shall be brought against the Insurer unless, as a condition precedent thereto, the "Insured" shall have fully complied with all the terms of this Policy, nor until the amount of the "Insured's" obligation to pay shall have been finally determined either by judgment against the "Insured" after actual trial or by written agreement of the "Insured", the claimant and the Insurer.
 - (b) Any person or organization or the legal representative thereof, who has secured such judgment or written agreement shall thereafter be entitled to recover under this form to the extent of the insurance

afforded by this form. Nothing contained in this form shall give any person or organization any right to join the Insurer as a co-defendant in any action against the “Insured” to determine the “Insured’s” liability. Bankruptcy or insolvency of the “Insured” shall not relieve the Insurer of any of its obligations hereunder.

10. Other Insurance: If the “Insured” has other insurance against a loss covered by this form, the Insurer shall not be liable under this form for a greater proportion of such loss than the applicable Limit of Liability stated in the Declaration Page of this policy bears to the total applicable Limit of Liability of all valid and collectible insurance against such loss.
11. Subrogation: In the event of any payment under this form, the Insurer shall be subrogated to all the “Insured’s” rights of recovery therefore against any person or organization and the “Insured” /shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The “Insured” shall do nothing after loss to prejudice such rights.
12. Changes: Notice of any agent or knowledge possessed by any agent or any other person shall not effect a waiver or a change in any part of this Policy or stop the Insurer from asserting any right under the terms of this form; nor shall the terms of this form be waived or changed, except by endorsement issued to form a part of this policy, signed by a duly authorized representative of the Insurer.
13. Non-Assignable: The interest of the “Insured” under this form shall not be assignable to any other interest.

Endorsement No. 6

Forest Fire Fighting Expenses

Applicable to Canadian Museums Association Insurance Master Policy Number: MCL-CMA1899

Attached to and forming part of the Commercial General Liability Form

1. Insuring Agreement:

In consideration of the premium charged, the Insurer agrees with the Named Insured to pay on behalf of the Insured, all sums which the Insured shall become legally obligated to pay as damages, by reason of the liability imposed upon the Insured by provincial laws concerning forest protection against fire, because of forest fire fighting expenses resulting from a forest fire originating during the period of this insurance.

2. Limits of Liability:

The Limit of Liability stated below, applicable to "Each forest fire" is the total limit of the Insurers liability for all forest fire fighting expenses resulting from any one forest fire or series of forest fires arising out of one event.

Subject to the above provisions, the limit of liability stated below as "Aggregate" is the total limit of the Insurers liability for all forest fire fighting expenses during the policy term or part thereof during such time coverage was afforded for forest fire fighting expenses:

- a) Each Forest Fire: \$250,000
- b) Annual Aggregate: \$250,000

3. Exclusions:

Notwithstanding the exclusions contained in this policy, the following exclusions shall apply to this additional coverage:

- a) Liability assumed by the Insured under any agreement
- b) Forest Fire Fighting Expenses resulting from a forest fire arising out of War, Invasion, Act of Foreign Enemy, Hostilities, Civil War, Rebellion, Revolution, Insurrection of Military Power
- c) Loss or Damage resulting from forest fires caused by contamination by radioactive materials.

4. Definition:

When used in the Endorsement, "Forest Fire Fighting Expenses" means:

- a) All expenses incurred by third parties for fighting a forest fire.
- b) All reasonable expenses incurred by the named insured for fighting a forest fire.

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

Part 5 - Non Owned Automobile Insurance

S.P.F. No.6 – Standard Non-owned Automobile Form

Insuring Agreement

In consideration of the payment of the premium specified and of the statements contained in the application and subject to the limits, terms, conditions, provisions, definitions and exclusions herein stated

Section A – Third Party Liability

The insurer agrees to indemnify the Insured against the liability imposed by law upon the Insured for loss or damage arising from the use or operation of any automobile not owned in whole or in part by or licensed in the name of the Insured, and resulting from **bodily injury or the death of any person or damage to property of others not in the care, custody or control of the insured:**

Provided always the Insurer shall not be liable under this Form:

- (a) for any liability which arises from the use or operation of any automobile while personally driven by the Insured if the Insured is an individual; or
- (b) *for any liability imposed upon any person insured by this Form;
 - (1) by any workmen's compensation law; or
 - (2) by any law for bodily injury to or the death of the Insured or any partner, officer or employee of the Insured while engaged in the business of the Insured; or
- (c) for any liability assumed by any person insured by this Form voluntarily under any contract or agreement; or
- (d) for loss or damage to property carried in or upon as automobile personally driven by any person insured by this Form or to any property owned or rented by, or in the care, custody or control of any such person; or
- (e) for any amount in excess of the limit stated in Item 7 of the application, and expenditures provided for in the Additional Agreements of this Form; subject always to the provisions of the section of the Insurance Act (Automobile Insurance Part) relating to the nuclear energy hazard.

*Not applicable in the province of Ontario

Additional Agreements of Insurer

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

- (a) upon receipt of notice of loss or damage caused to persons or property to serve any person insured by this Form by such investigation thereof, or by such negotiations with the claimant, or by such settlement of any resulting claims, as may be deemed expedient by the Insurer; and

S.P.F. No.6 - Standard Non-owned Automobile Form

- (1) to defend in the name and on behalf of any person insured by this Form and at the cost of the Insurer any civil action which may at any time be brought against such loss or damage to persons or property; and
- (2) to pay all costs taxed against any person insured by this Form in any civil action defended by the Insurer and any interest accruing after entry of judgement upon that part of the judgement which is within the limits of the Insurer's liability; and
- (3) in case the injury be to a person, reimburse any person insured by this Form for outlay for such medical aid as may be immediately necessary at the time of such injury; and
- (4) be liable up to the minimum limit(s) prescribed for that province or territory of Canada in which the accident occurred, if that limit(s) is higher than the limit stated in Section A of Item 7 of the application; and
- (5) not set up any defence to a claim that might not be set up if the policy were a motor vehicle liability policy issued in the province or territory of Canada in which the accident occurred.

Agreements of Insured

Where indemnity is provided by this section, every person insured by this Form:

- (a) by the acceptance of this policy, constitutes and appoints the Insurer his
- (b) irrevocable attorney to appear and defend in any province or territory of Canada in which action is brought against the Insured arising out of the use or operation of an automobile with respect to which insurance is provided hereunder;
- (c) shall reimburse the Insurer, upon demand, in the amount which the Insurer has paid by reason of the provisions of any statute relating to automobile insurance and which the Insurer would not otherwise be liable to pay under this policy.

General Provisions and Definitions

1. Additional Insureds

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

S.P.F. No.6 – Standard Non-owned Automobile Form

2. Territory

This Form applies only to the use or operation of automobile within Canada or United States of America or upon a vessel plying between ports of those Countries.

3. Hired Automobiles Defined.

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

4. Automobiles Operated Under Contract Defined

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

5. Two or More Automobiles

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

6. Premium Adjustment

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

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

The Advance Premiums are subject to adjustment at the end of the Policy Period when the Insured shall deliver to the Insurer a written statement of the total amounts expended for cost of hire during the Policy Period. If such

amounts exceed the estimates stated in the application, the Insured shall immediately pay additional premium at the rates stated therein; if less, the Insurer shall return to the Insured the unearned premium when determined but the Insurer shall, in any event, receive or retain not less than the Minimum Retained premium stated therein.

The Insurer shall have the right and opportunity, whenever the Insurer so desires, to examine the books and records of the Insured to the extent they relate to the premium bases or the subject matter of this Form.

7. Statutory Conditions

The insurance provided under this Coverage is subject to the “Automobile Statutory Conditions” approved by the Superintendent of Insurance for the in is Province in which this policy is issued and upon request the Company will make available a complete copy of same.

Except as provided herein, all the terms and conditions of this policy shall have full force and effect.

S.E.F. No. 94 - Legal Liability For Damage To Hired Automobiles Endorsement

In consideration of the premium herein stated, It is understood and agreed that the policy to which this endorsement is attached is extended, subject always to the condition that the Insurer shall be liable under the subsection or subsections of the Insuring Agreement hereof for which a premium is stated and no other.

SECTION B - LEGAL LIABILITY FOR DAMAGE TO HIRED AUTOMOBILES

The Insurer agrees to indemnify the Insured against the liability imposed by law upon the Insured or assumed by him under any contract or agreement for loss or damage arising from the care, custody or control of "Hired Automobiles" as defined in such policy and resulting from loss or damage thereto, caused solely by:

Subsection 1 -- All Perils -- from all perils

Limit -- As stated on Cover Note (exclusive of interests and costs)

Deductible -- \$1,000.00 any one accident

DEDUCTIBLE CLAUSE:

Each occurrence causing loss or damage covered under any subsection hereof except loss or damage caused by fire or lightning or theft of the entire automobile covered by such subsection shall give rise to a separate claim in respect of which the Insurer's liability shall be limited to the amount of loss or damage in excess of the amount deductible, if any, stated in the applicable subsection hereof.

TWO OR MORE AUTOMOBILES:

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

EXCLUSIONS:

The Insurer shall not be liable

- (1) for loss or damage to any automobile while personally driven by the Insured if the Insured is an Individual; or
- (2) under any subsection hereof for loss or damage
 - (a) to tires or consisting of or caused by mechanical fracture or breakdown of any part of an automobile or by rusting corrosion, wear and tear, freezing or explosion within the combustion chamber, unless the loss or damage is coincident with other loss or damage covered by such subsection or is caused by fire, theft or malicious mischief covered by such subsection; or
 - (b) to any automobile while being used without the consent of the owner thereof; or
 - (c) caused directly or indirectly by contamination by radioactive material; or
 - (d) to radios designed both for transmitting and receiving or their equipment; or
 - (e) to contents of trailers or to rugs or robes; or
 - (f) to tapes and equipment for use with a tape recorder when detached therefrom; or
 - (g) caused directly or indirectly by bombardment, invasion, civil war, insurrection, rebellion, revolution, military or usurped power, or by the operation of armed forces while engaged in hostilities whether war be declared or not; or
 - (h) for any amount in excess of the limit stated in the applicable subsection hereof and expenditures provided for in the Additional Agreements of the policy to which this endorsement is attached.

ADDITIONAL AGREEMENT:

The Insurer further agrees to pay general average, salvage and fire department charges and custom duties of Canada or of the United States of America for which the Insured Is legally liable.

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

S.E.F. No. 96 – Contractual Liability Endorsement

For attachment only to a Non-Owned Policy S.P.F. No. 6

In consideration of the premium for which this policy is issued, it is understood and Agreed that exclusion (c) of the Insuring Agreement of the policy to which this Endorsement is attached is amended to read as follows:

(C) For any liability assumed by any person insured by this policy voluntarily under any contract or agreement other than those stated below:

Date of Contract

Name(s) of other Contracting Party or Parties

As Known to Insurer

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

**S.E.F. No. 99 -
Excluding Long Term Leased Vehicle Endorsement**

(For attachment only to a Non-Owned Policy S.P.F. No. 6)

In consideration of the premium for which this policy is issued, it is understood and agreed that Item 2 (Hired Automobiles Defined) of the General Provisions and Definitions of the policy to which this endorsement is attached is hereby amended to read as follows:

The term "Hired Automobiles" as used in this policy means (a) automobiles hired or leased from others with drivers or (b) hired or leased by the Named Insured from others without driver for periods not exceeding 30 days, used under the control of the Insured in the business stated in the application but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

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

O.E.F. 98B - Reduction of Coverage For Lessees or Drivers of Leased Vehicles Endorsement

(FOR ATTACHMENT ONLY TO THE STANDARD NON-OWNED AUTOMOBILE POLICY S.P.F. NO. 6)

1. **Purpose of this endorsement:**

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

2. **How the policy coverage is changed:**

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

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

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

Part 6 - Abuse Coverage (Occurrence Basis)

Words and Phrases in Quotations Have Special Meaning as Defined in This Form.

Various provisions in this policy restrict coverage. Read the entire policy wording, including conditions, limitations and exclusions to determine rights, duties and what is and is not covered. This policy contains a clause(s) which may limit the amount payable.

Words used in the singular shall, where the context so admits, include the plural, and vice-versa.

Throughout this policy, the word "Insured" refers to the Named Insured as shown in the "Declarations Page".

The word "Insured" also means any person or organization qualifying as such under **SECTION III – WHO IS AN INSURED**.

The word "Insurer" refers to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION VI – DEFINITIONS**.

SECTION I – COVERAGES AND LIMITATIONS

COVERAGE A – BODILY INJURY

Insuring Agreement

1. The Insurer will pay those sums which the Insured becomes legally obligated to pay in an "action" or "claim" because of "bodily injury" to which this insurance applies, arising out of or resulting from actual or threatened "abuse". The Insurer will have the right and duty to defend the Insured, subject to the terms and conditions of Coverage B- Civil Defence Costs, against any "action" seeking "compensatory damages". However, the Insurer will have no duty to defend the Insured against any "action" seeking "compensatory damages" for "bodily injury" to which this insurance does not apply. The Insurer may, at its sole discretion, investigate any "Occurrence" and settle any "claim" or "action" that may result. However;
 - (a) the amount the Insurer will pay for "Compensatory Damages" is limited as described in **SECTION IV – LIMITS OF INSURANCE**, and;
 - (b) the Insurer's right and duty to defend ends when the Insurer has used up the applicable Limit of Insurance in the payment of judgments or settlements under **Coverage A – Bodily Injury**.
2. This insurance applies to "bodily injury" but only if:
 - (a) the "bodily injury" is caused by "abuse" that takes place in the "coverage territory";
 - (b) the "bodily injury" occurs during the "policy period", and;
 - (c) prior to the "policy period", no Insured listed under Paragraph a). of **SECTION III – WHO IS AN INSURED** and no "employee" authorized by the Insured to give or receive notice of an "Occurrence" or "claim", knew that the "abuse" alleged to have caused the "bodily injury" had occurred, in whole or in part. If such a listed Insured or authorized "employee" knew, prior to the "policy period", that the "abuse" had occurred, then any continuation, change or resumption of any "bodily injury" resulting from the "abuse" during or after the "policy period" will be deemed to have been known prior to the "policy period".
3. "Bodily injury" which occurs during the "policy period" and was not, prior to the "policy period", known to have occurred by any Insured listed under Paragraph a) of **SECTION III – WHO IS AN INSURED** or any "employee" authorized by the Insured to give or receive notice of an "Occurrence" or "claim", includes any continuation, change or resumption of that "bodily injury" after the end of the "policy period".

4. "Bodily injury" will be deemed to have been known to have occurred at the earliest time when any Insured listed under Paragraph 1. of **SECTION III – WHO IS AN INSURED** or any "employee" authorized by the Insured to give or receive notice of an "Occurrence" or "claim":
 - (a) reports all, or any part, of the "bodily injury", or the "abuse" alleged to have caused the "bodily injury" to the Insurer or any other Insurer;
 - (b) receives a written or verbal demand or "claim" for "compensatory damages" because of the "bodily injury", or the "abuse" alleged to have caused the "bodily injury"; or
 - (c) becomes aware by any other means that "bodily injury", or the "abuse" alleged to have caused the "bodily injury" has occurred or is occurring.
5. "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 B – CIVIL DEFENSE COSTS

Insuring Agreement

1. With respect to the insurance afforded by **Coverage A– Bodily Injury**, the Insurer further agrees to defend any "action" and to pay the following:
 - (a) all expenses incurred by the Insurer;
 - (b) the cost of bonds to release attachments but only for bond amounts within the applicable Limit of Insurance. The Insurer does not have to furnish these bonds;
 - (c) all reasonable expenses incurred by the Insured at the Insurer's request to assist the Insurer in the investigation or defence of the "claim" or defence of the "action" including actual loss of earnings up to One Thousand dollars (\$1,000) a day because of time off work, and;
 - (d) all costs assessed against the Insured in the "action" and any interest accruing after entry of judgment upon that part of the judgment which is within the applicable Limit of Insurance.

These payments will not, under any circumstances, exceed the Limit of Insurance specified under **Coverage A– Bodily Injury** and **Coverage B – Civil Defence Costs**. Once the Limit of Insurance under **Coverages A – Bodily Injury** and **Coverage B – Civil Defence Costs** is exhausted, the Insurer's duty to defend ceases.

COVERAGE C – CRIMINAL DEFENSE COSTS

Insuring Agreement

1. The Insurer will reimburse the Insured for reasonable costs incurred and paid by the Insured in defending charges brought against the Insured under the Criminal Code of Canada or the corresponding statute in the jurisdiction in which the charges were laid alleging "abuse", provided that:
 - (a) the criminal charges are in respect of, or arise from, or are related to, "abuse" entirely taking place within the "coverage territory" and during the "policy period";
 - (b) the Insured notifies the Insurer immediately, and in any event, as soon as practicable when:
 - (i) any charges are laid against any Insured;
 - (ii) the Insured is acquitted of all charges, or;
 - (iii) all charges are withdrawn or stayed by the responsible authorities, and;
 - (c) the reimbursement of costs incurred and paid by the Insured will only be made following the acquittal or withdrawal of all charges.

These payments will not, under any circumstances, exceed the Limit of Insurance specified in the "Declarations Page" under **Coverage C – Criminal Defence Costs**.

COVERAGE D – MEDICAL, REHABILITATION & COUNSELLING COSTS

Insuring Agreement

1. The Insurer will reimburse the Insured for reasonable medical, rehabilitation and counselling expenses paid by the Insured for “bodily injury” to which this insurance applies but only if:
 - (a) the expenses are authorized in writing by the Insurer prior to being incurred, and;
 - (b) the expenses are in respect of, or arise from, or are related to, “abuse” entirely taking place within the “coverage territory” and during the “policy period”.

The reimbursement by the Insurer under **Coverage D - Medical, Rehabilitation & Counselling Costs** will be made regardless of fault. However, the reimbursement will not, under any circumstances exceed the Limit of Insurance specified under **Coverage D – Medical, Rehabilitation & Counselling Costs**.

COVERAGE E – ABUSE CRISIS MANAGEMENT EXPENSE COSTS

Insuring Agreement

1. The Insurer will reimburse the Insured for reasonable “Abuse Crisis Management Expense Costs” paid by an Insured for a “Crisis” to which this insurance applies only if:
 - (a) the “Abuse Crisis Management Expense Costs” are incurred in the “coverage territory” and during the “policy period”;
 - (b) the “Abuse Crisis Management Expense Costs” are in respect of, arise from, or are related to, an act, event, incident, situation, circumstance or happening entirely taking place during the “policy period”;
 - (c) the “Abuse Crisis Management Expense Costs” are authorized in writing by the Insurer prior to being incurred;
 - (d) the amount the Insurer will pay for “Abuse Crisis Management Expense Costs” is limited as described in **SECTION IV – LIMITS OF INSURANCE**, and;
 - (e) the “Abuse Crisis Management Expense Costs” as described and limited herein arise from any “claim” of actual or alleged “abuse”.

Additional Terms and Conditions:

With respect to any expenses payable through this coverage, the following conditions apply:

1. The reimbursements by the Insurer under **Coverage E – Abuse Crisis Management Expense Costs** will be made regardless of fault. However, the reimbursements will not, under any circumstances exceed the Limit of Insurance specified under **Coverage E – Abuse Crisis Management Expense Costs**.
2. Indemnification shall only be made as described in the Insuring Agreement for **Coverage E – Abuse Crisis Management Expense Costs** which are incurred and reported to the Insurer within One (1) year of the date the Insurer was first advised of:
 - (a) the notice of “claim” or “action” because of “bodily injury” to which insurance outlined in **Coverage A- Bodily Injury** applies;
 - (b) an actual or alleged act of “abuse” indemnifiable under **Coverage A – Bodily Injury**, if “action” were to be brought against any “Insured”
3. The written notice must include proof of loss and other information as may be required by the Insurer to substantiate that coverage applies.
4. Any indemnity under this coverage will constitute notice of a “claim” under **Coverage A – Bodily Injury**.

SECTION II – EXCLUSIONS

The following exclusions apply regardless of any other cause or event that contributes directly or indirectly, in whole or in part, concurrently or in any sequence, to the loss or damage. This Insurance does not apply to:

1. “bodily injury” arising directly or indirectly from any cause other than “abuse”;
2. any Insured who allegedly or actually participated in, or had actual knowledge of and failed to take steps to report or prevent the “abuse”. If, however the Insured is eventually found by a Court of Law not to have participated in, or to have had actual knowledge of and failed to take steps to report or prevent the “abuse”, the Insurer will reimburse the Insured’s reasonable defence costs in accordance with the provisions of **Coverage B – Civil Defence Costs** or **Coverage C – Criminal Defence Costs** or both, as may be applicable;
3. any Insured who allegedly or actually committed an offence under the Criminal Code of Canada, or who allegedly or actually committed an offence under the corresponding statute in any other jurisdiction in which charges are laid, alleging “abuse”, except as set out in **Coverage C – Criminal Defence Costs**;
4. “bodily injury” allegedly or actually arising from the intentional failure of any Insured to comply with the obligations prescribed by the *Child and Family Services Act* RSO 1990, c.C-11 or any corresponding statute in the applicable jurisdiction;
5. “bodily injury” allegedly or actually, directly or indirectly caused by a person with respect to whom any “employee” of the “Named Insured” having “supervisory authority” either knew, or had reasonable grounds to suspect that that person either had previously committed or was likely to commit “abuse”, and;
6. “claims” made or “actions” brought by the Insured, who is older than the prescribed age of majority in the relevant jurisdiction as of the date or dates on which the “abuse” is alleged to have occurred, against another Insured.

7. **Asbestos**

"Bodily 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".

8. **Fungi or Spores**

- (a) "Bodily Injury", or any other cost, loss or expense incurred by others, arising directly or indirectly from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any "fungi" or "spores" 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 "spores";
- (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.

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.

Spores includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".

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

9. Nuclear Energy Liability

- (a) Liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof;
- (b) "Bodily 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", resulting directly or indirectly from the "nuclear energy hazard" arising from:
 - i) The ownership, maintenance, operation or use of a "nuclear facility" by or on behalf of an Insured, or;
 - ii) 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", or;
 - iii) The possession, consumption, use, handling, disposal or transportation of "fissionable substances", or of other "radioactive material" (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be useable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an Insured.

Nuclear energy hazard means the radioactive, toxic, explosive, or other hazardous properties of radioactive material;

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, or;
 - ii) 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 Twenty-Five grams (25gr) of plutonium or uranium 233 or any combination thereof, or more than Two Hundred and Fifty grams (250gr) of uranium 235, or;
- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste radioactive material, and;
- (e) Includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.

This exclusion applies regardless of any other contributing or aggravating cause or event that contribute concurrently or in any sequence to the "bodily injury".

10. Pollution

- (1) "Bodily 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 or occupied by, or rented or loaned to, any Insured.
 - (b) At or from any premises, site or location which is or was at any time used by or for any Insured or others for the handling, storage, disposal, processing or treatment of waste;

- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any Insured, or;
 - (ii) Any person or organization for whom the Insured may be legally responsible;
 - (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, or;
 - (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".

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

11. **Terrorism**

"Bodily 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".

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.

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

12. **War Risks**

"Bodily 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".

SECTION III – WHO IS AN INSURED

“**Insured**” means;

- (a) a Named Insured;
- (b) any partner, officer, director, trustee, Board member or “employee” thereof while acting within the scope of his or her duties as such;
- (c) corporations, boards, organizations, committees or persons which manage, operate, control or supervise any activity on behalf of the Named Insured or are directly or indirectly subject to the control of a Named Insured but only while acting within the scope of their duties for or on behalf of the Named Insured; and

- (d) “employees” and “volunteers” belonging to a Named Insured’s organization but only while acting within the scope of their duties.

The inclusion of more than one Insured shall not increase the Limit of Insurance.

The first Named Insured herein shall be the Insured within the meaning of any policy conditions which may require the giving of any notice by the Insurer to the Insured.

SECTION IV – LIMITS OF INSURANCE

The Limit of Insurance stated in the “Declarations Page” and the provisions stated below determine the maximum the Insurer will pay.

1. The Each “Occurrence” limit provided by Coverage A- Bodily Injury is the most the Insurer will pay because of “bodily injury” arising out of all “claims” or “actions” resulting from or relating to any actual or threatened “abuse”.
2. The Annual Aggregate Limit of Insurance specified in the “Declarations Page” is the most the Insurer will pay in total for all damages, inclusive of prejudgment interest, because of “bodily injury” for all coverages and endorsements provided within this policy, arising out of all “claims” or “actions” resulting from or relating to any actual or threatened “abuse” for the “policy period” regardless of the number of:
 - (a) Insureds;
 - (b) persons or organizations making “claims” or bringing “actions”, or;
 - (c) persons causing or alleged to have caused “abuse”
3. All “claims” first made and/or “actions” brought by the same person, group of persons or organization to which this insurance applies shall be deemed to constitute a single “claim” or “action” for the purpose of establishing limits of coverage.
4. In the event any Insured is covered under any other policy of insurance issued by or on behalf of the Insurer, whether on a sole or subscription basis, or in the event that any Insured is entitled to coverage under any other section of this policy of insurance, total limits available to the Insured under all such policies shall not be greater than the limits available under this policy. This limitation applies whether such other policy, or other section of this policy, provides coverage for commercial general liability, errors and omissions liability, directors and officers liability, employment practices liability, or on any other basis.
5. The LIMITS OF INSURANCE of this policy apply separately to each consecutive “policy period”, starting with the beginning of the “policy period” shown in the “Declarations Page” and to any remaining period of less than Twelve (12) months.
6. If the “policy period” is extended after issuance for an additional period of less than twelve months, the additional period will be deemed part of the last preceding period for the purpose of determining the LIMITS OF INSURANCE.

SECTION V – POLICY CONDITIONS

1. **Bankruptcy**

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

All Limits of Insurance, premiums and other amounts as expressed in this policy of insurance are in Canadian Currency.
3. **Cancellation**

The following cancellation provisions apply:

- (a) The Named Insured shown in the “Declarations Page” may cancel this policy of insurance by mailing or delivering to the Insurer, in advance, written notice of cancellation. Cancellation takes effect at the time the written notice was mailed or delivered or at a later date named therein as the case may be;
- (b) The Insurer may cancel this policy of insurance by registered mail or by personally delivering to the first Named Insured written notice of cancellation at least:
 - (i) Fifteen (15) days before the effective date of cancellation if the Insurer cancels for nonpayment of premium; or
 - (ii) Thirty (30) days before the effective date of cancellation if the Insurer cancels for any other reason;

Except in Quebec, if notice is mailed, cancellation takes effect Fifteen (15) or Thirty (30) days after actual or attempted delivery of the letter by the postal service, depending upon the reason for cancellation. Proof of mailing will be sufficient proof of notice.

In Quebec, cancellation takes effect either Fifteen (15) or Thirty (30) days after actual or attempted delivery of the notice at the last known address of the first Named Insured depending upon the reason for cancellation;
- (c) The Insurer will mail or deliver notice to the first Named Insured’s last mailing address known to the Insurer, and that will constitute notice to all Insureds;
- (d) The “policy period” will end on the date cancellation takes effect, and;
- (e) If this policy of insurance is cancelled, the Insurer will send the first Named Insured any premium refund due. If the Insurer cancels, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if the Insurer has not made or offered a refund.

4. **Changes**

This policy of insurance contains all the agreements between the Insured and the Insurer concerning the insurance afforded. The first Named Insured shown in the “Declarations Page” is authorized on behalf of all Insureds to make changes in the terms of this policy of insurance subject to the Insurer’s consent. This policy’s terms can be amended or waived only by endorsement issued by the Insurer and made a part of the policy. Any changes agreed to between the Named Insured and the Insurer are binding upon any and all Insureds.

5. **Duties in The Event of a “Claim” Or “Action”**

The following duties in the event of a “claim” or “action” apply:

- (a) If information is received by the Insured concerning any known or suspected “abuse” by any Insured, the Insured shall give notice as soon as practicable to the Insurer, or this insurance will not apply. Such notice shall contain all available information pertaining to the actual, alleged or suspected “abuse”;
- (b) If any “claim” is received by the Insured, or if any “action” is commenced against any Insured, the Insured must immediately give written notice of any such “claim” and/or “action” to the Insurer, and must immediately forward to the Insurer copies of every demand, notice, summons or other process received by the Insured;
- (c) The Named Insured and any other involved Insured must:
 - (i) immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with any “claim” or any “action”;
 - (ii) authorize the Insurer to obtain records and other information relevant to any “claim” or any “action”;
 - (iii) co-operate with the Insurer in the investigation, defence and settlement of any “claim” or any “action”, and;
 - (iv) assist the Insurer upon the Insurer’s request, in the enforcement of any right against any person or organization which may be liable to the Insured;

- (d) The Insured shall co-operate with the Insurer and, upon the Insurer's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the Insured because of injury or damage with respect to which insurance is afforded under this Policy; and the Insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses;
- (e) The Insured shall not, except at the Insured's own cost, voluntarily make any payment, assume any obligation or incur any expenses other than for first aid or other urgent medical relief at the time of or in the immediate aftermath of "abuse" and only where it is not reasonably possible to obtain the Insurer's written consent in accordance with **Coverage D – Medical, Rehabilitation & Counselling Costs** and;
- (f) If the Insurer is not notified, of any known or suspected "abuse", of any "claim" or any suit, such that the Insurer's position is prejudiced, then no coverage is provided by this policy for such "abuse", or any "claim" or suit arising from or related to "abuse".

6. Examination of the Insured's Books and Records

The Insurer may examine and is entitled to copies of any documents in the possession or control of any Insured which the Insurer deems relevant to investigation, defence or handling of "claims" under this policy of insurance or coverage available under this policy of insurance, including without limitation, employment records, human resources records, records pertaining to any alleged instances of "abuse", reports or documents prepared in connection with any internal or external investigation, and financial and accounting books and records.

7. Legal Action Against the Insurer

No person or organization has a right under this policy:

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

A person or organization may sue the Insurer to recover on an agreed settlement or on a final judgment against the Insured; but the Insurer 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 the Insurer, the Insured and the claimant or the claimant's legal representative.

8. Exclusive Choice of Law and Jurisdiction:

The construction, validity and performance of this policy of insurance will solely be governed by the laws of the Canadian Province or Territory in which it was issued. The Insurer and the Insured hereby expressly agree that all legal proceedings and disputes will exclusively be brought for adjudication in that Province or Territory.

9. Other Insurance

This Insurance shall apply in excess of:

- (a) any other valid and collectible insurance available to any Insured, including, but not limited to, any commercial general liability, errors and omissions, directors and officers, and employment practices liability cover, including any deductible(s) or self-insured retention(s) in connection with any such insurance; and
- (b) any self insured retention(s) or deductible(s) applicable to other insurance written as specific excess insurance over the limit of liability of this policy, and where this policy is specifically described as underlying insurance in the "Declarations Page" of such other policy.

10. Premium Audit

The following provisions apply:

- (a) the Insurer will compute all premiums for this policy of insurance in accordance with its rules and rates.

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

11. **Premiums**

The first Named Insured shown in the “Declarations Page”:

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

12. **Representations**

By accepting this policy of insurance, the Insured agrees that:

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

13. **Transfer of Rights of Recovery Against Others to the Insurer**

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

14. **Transfer Of The Insured’s Rights And Duties Under This Policy**

The Insured’s rights and duties under this policy of insurance may not be transferred without written consent of the Insurer except in the case of death of an individual Named Insured.

If the Insured dies, the Insured’s rights and duties will be transferred to the Insured’s legal representative but only while acting within the scope of duties as the Insured’s legal representative. Until the Insured’s legal representative is appointed, anyone having proper temporary custody of the Insured’s property will have the Insured’s rights and duties but only with respect to that property.

SECTION VI – DEFINITIONS

These definitions apply exclusively to the coverage provided by this “Abuse” Coverage. No General Policy definitions or definitions contained in any other part of this policy apply to this “Abuse” Coverage.

1. **Abuse** means any act or threat involving molestation, harassment, corporal punishment, assault or battery or any other form of sexual, physical, mental, psychological or emotional abuse.
2. **Abuse Crisis Management Expense Costs** means the actual and necessary expenses incurred to mitigate, prevent, or decrease “harm” resulting from a “crisis” and shall include:
 - (a) the costs for the services of public relations advisors or media consultants in response to the “crisis”;
 - (b) grief counselling for persons directly affected by the “crisis” other than the actual victim of the alleged abuse, including family members, employees, volunteers and members of the congregation if applicable;
 - (c) media costs directly associated with the response to the “crisis”;
 - (d) extraordinary costs associated with the attendance of directors, officers, trustees, ministers or employees of the Insured at the scene of the “crisis”, or;

- (e) the additional costs incurred to conduct an internal investigation directly relating to allegation of actual or alleged “abuse”.
- “Abuse Crisis Management Expense Costs” do not include ordinary salary and wage costs.
3. **Action** means a civil proceeding in which “compensatory damages” because of "bodily 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 the Insurer’s consent, or;
 - (b) any other alternative dispute resolution proceeding in which such “compensatory damages” is claimed and to which the Insured submits with the Insurer’s consent.
4. **Bodily Injury** means bodily injury, sickness, disease, mental anguish, psychological or psychiatric conditions sustained by a claimant who is not an “Insured”.
5. **Claim** means a written or oral notice, or notice of an “action”, alleging that the Insured is legally liable for “compensatory damages” for “bodily injury” to which the insurance applies.
6. **Compensatory Damages** does not include aggravated, punitive, exemplary, or similar type damages and does not include fines, penalties or monetary sanctions of any kind.
7. **Coverage Territory** means:
- (a) Canada and the United States of America (including its territories and possessions);
 - (b) International waters or airspace provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in (a) above, or;
 - (c) All parts of the world if the injury arises out of the activities of the insured person whose home is in the territory described in (a) above but is away for a short time on the Insured’s business 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 the Insurer agrees to.
8. **Crisis** means **any event which**:
- (a) is unexpected;
 - (b) occurs infrequently;
 - (c) causes “harm” to the Insured; and
 - (d) arises from any claim of actual or alleged “abuse”.
9. **Declarations** means the Declarations Page applicable to this form.
10. **Employee** includes a "leased worker" and a "temporary worker".
11. **Harm** means:
- (a) disruption in the services provided by the Insured;
 - (b) a real or imagined threat to the Insured;
 - (c) an impediment to the Insured’s usual ability to withstand the pressures of daily operation;
 - (d) an unusually intense emotional reaction;
 - (e) an interference in the Insured’s ability to function during or after the “crisis”, or;
 - (f) damage or potential damage to the Insured’s reputation.
12. **Leased Worker** means a person leased to the Insured by a labour leasing firm under an agreement between the Insured and the labour leasing firm, to perform duties related to the conduct of the Insured’s business. Leased worker does not include a "temporary worker".
13. **Occurrence** means “abuse” and includes continuous or repeated actual or threatened “abuse” of the same person by the same Insured(s) and will be deemed to be a single occurrence.

14. **Policy Period** means the period from 12:01 a.m. inception date to 12:01 a.m. expiry date as defined on the “Declarations Page” or included in any attached endorsement amending inception and expiry date.
15. **Supervisory Authority** means a person or persons who have the authority to employ or terminate the employment of other “employees” or “volunteers”.
16. **Temporary Worker** means a person who is furnished to the Insured to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
17. **Volunteer** means a person who is not an “employee” of the Named Insured, and who donates his or her work and acts at the direction of and within the scope of duties determined by the Named Insured, and is not paid a fee, salary, or other compensation by the Named Insured or anyone else for their work performed for the Named Insured.

Endorsement No. 1

Crisis Management Expense Costs Endorsement

Applicable to Canadian Museums Association Insurance Master Policy Number: MCL-CMA1899

This Endorsement Modifies Coverage(s) Provided Under Part 6 – Abuse Coverage, of This Policy.

Words and Phrases in Quotations Have Special Meaning as Defined in This Form.

Subject to the conditions, limitations and exclusions set forth in the policy and wordings and endorsements attached hereto, the following is hereby made part of this policy.

Unless otherwise stated in this form, all of the terms, conditions, definitions and exclusions applicable to Part 6 – Abuse Coverage shall apply to the coverage provided herein.

COVERAGE E – CRISIS MANAGEMENT EXPENSE COSTS

Insuring Agreement:

1. The Insurer will reimburse an Insured for reasonable “Crisis Management Expense Costs” paid by an Insured for a “Crisis” to which this insurance applies but only if:
 - (a) the “Crisis Management Expense Costs” takes place in the “coverage territory” and during the policy period;
 - (b) the “Crisis Management Expense Costs” are in respect of, or arise from, or are related to, an act, event, incident, situation, circumstance or happening entirely taking place during the “policy period”;
 - (c) the “Crisis Management Expense Costs” are authorized in writing by the Insurer prior to being incurred;
 - (d) the amount the Insurer will pay for “Crisis Management Services Expense” is limited as described in SECTION IV – LIMITS OF INSURANCE; or
 - (e) the “Crisis Management Expense Costs” as described and limited herein, arise from any claim of actual or alleged “abuse”.

Additional Terms and Conditions:

With respect to any expenses payable through this coverage, the following conditions apply:

1. The reimbursement by the Insurer under Coverage E will be made regardless of fault. However, the reimbursements will not, under any circumstances exceed the Limit of Insurance specified under Coverage E – Crisis Management Services Expense.
2. Indemnification shall only be made as described in the Insuring Agreement for Coverage E, above, which are incurred and reported to the Insurer within two (2) years of the date the insurer was first advised of:
 - (i) the notice of “claim” or “action” because of “bodily injury” to which insurance outlined in **COVERAGE A – BODILY INJURY** applies;
 - (ii) actual or alleged act of abuse indemnifiable under **COVERAGE A – BODILY INJURY** if action were to be brought against any insured.
3. The written notice must include proof of loss and other information as may be required by the insurer to substantiate that coverage applies.
4. Any indemnity under this coverage will constitute notice of claim under **COVERAGE A – BODILY INJURY**.

SECTION IV – LIMITS OF INSURANCE

6. With respect to the limits of insurance applicable to Section I, **COVERAGE E – CRISIS MANAGEMENT EXPENSE COSTS**, the limit of insurance applicable to this coverage for loss of any or all items insured under this extension shall be an aggregate of Twenty-Five Thousand dollars (\$25,000) per occurrence and in the aggregate for the policy term, regardless of the number of acts of “abuse”, claimants, persons or organizations making claims.
7. With respect to the limits of insurance applicable to Section I, **COVERAGE E – CRISIS MANAGEMENT EXPENSE COSTS**, there shall be no stacking of limits for coverage related to “Crisis Management” coverage

SECTION VI – DEFINITIONS

2. **“Crisis Management Expense Costs”** means the actual and necessary expenses incurred to mitigate, prevent, or decrease “harm” resulting from a “crisis” and shall include:
- (a) the costs for the services of public relations advisors or media consultants in response to the “crisis”;
 - (b) grief counselling for persons directly affected by the “crisis” other than the actual victim of the alleged abuse, including family members, employees, volunteers and members of the congregation;
 - (c) media costs directly associated with the response to the “crisis”;
 - (d) extraordinary costs associated with the attendance of directors, officers, trustees, ministers or employees of the Insured at the scene of the “crisis”; or
 - (e) the additional costs incurred to conduct an internal investigation directly relating to allegation of actual or alleged “abuse”.
8. **“Crisis” means any event which:**
- (a) is unexpected;
 - (b) occurs infrequently;
 - (c) causes “harm” to the Insured; and
 - (d) arises from any claim of actual or alleged “abuse”.
11. **“Harm” means:**
- (a) disruption in the services provided by the Insured;
 - (b) a real or imagined threat to the Insured;
 - (c) an impediment to the Insured’s usual ability to withstand the pressures of daily operation;
 - (d) an unusually intense emotional reaction;
 - (e) an interference in the Insured’s ability to function during or after the “crisis”; or
 - (f) damage or potential damage to the Insured’s reputation.

Part 7 - Blanket Crime - Insuring Agreements

This Part covers:

29. Employee Dishonesty Coverage

Loss of Money, Securities and other property, excluding “Art”, which the Insured shall sustain, to an amount not exceeding in the aggregate the amount stated in the Cover Note applicable to this Insuring Agreement I, through any fraudulent or dishonest act or acts committed by any of the Employees, acting alone or in collusion with others.

Dishonest or fraudulent acts as used in Insuring Agreement I shall mean only dishonest or fraudulent acts committed by such Employee with the manifest intent:

- (a) To cause the Insured to sustain such loss, and
- (b) to obtain financial benefit for the Employee, or for any other person or organisation intended by the Employee to receive such benefit, other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment.

30. Loss Inside The Premises Coverage

Loss of Money and securities by the actual destruction, disappearance or wrongful abstraction thereof within the Premises or within any Banking Premises or similar recognised places of safe deposit or by theft while within a Night Depository Safe provided by a Bank or Trust Company for the use of its customers.

Loss of other property, excluding “Art”, by Safe Burglary or Robbery within the Premises or attempt thereat, and loss of a locked cash drawer, cash box or cash register by felonious entry into such container within the Premises or attempt thereat or by felonious abstraction of such container from within the Premises or attempt thereat, and damage to the Premises by Safe Burglary, Robbery or felonious abstraction, or by or following burglarious entry into the Premises or attempt thereat, provided with respect to damage to the Premises the Insured is the owner thereof or is liable for such damage.

31. Loss Outside The Premises Coverage

Loss of Money and Securities by the actual destruction, disappearance or wrongful abstraction thereof outside the Premises while being conveyed by a Messenger or any armoured motor vehicle company or while within the living quarters in the home of any Messenger.

Loss of other property, excluding “Art”, by Robbery outside the Premises or attempts thereat while such property is being conveyed by a Messenger or any armoured motor vehicle company or by theft while within the living quarters in the home of any Messenger.

32. Money Orders And Counterfeit Paper Currency Coverage

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

33. Depositors Forgery Coverage

Loss which the Insured or any bank which is included in the Insured’s proof of loss and in which the Insured carries a chequing or savings account, as their respective interests may appear, shall sustain through forgery or alteration of, on or in any cheque, draft, promissory note, bill of exchange, or similar written promise, order or direction to pay a sum certain in money, made or drawn by or drawn upon the Insured, or made or drawn by one acting as agent of the Insured, or purporting to have been made or drawn as hereinbefore set forth, including

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

whether or not any endorsement mentioned in (a), (b), or (c) be a forgery within the law of the place controlling the construction thereof. Mechanically reproduced facsimile signatures are treated the same as hand-written signatures.

The Insured shall be entitled to priority of payment over loss sustained by any bank aforesaid. Loss under this Insuring Agreement, whether sustained by the Insured or such bank, shall be paid directly to the Insured in its own names, except in cases where such bank shall have already fully reimbursed the Insured for such loss. The liability of the Insurer to such bank for such loss shall be a part of and not in addition to the amount of insurance applicable to the Insured's office to which such loss would have been allocated had such loss been sustained by the Insured.

If the Insured or such bank shall refuse to pay any one of the foregoing instruments made or drawn as hereinbefore set forth, alleging that such instruments are forged or altered, and such refusal shall result in suit being brought against the Insured or such bank to enforce such payment and the Insurer shall give its written consent to the defense of such suit, then any reasonable attorneys' fees, court costs, or similar legal expenses incurred and paid by the Insured or such bank in such defense shall be constructed to be a loss under this Insuring Agreement and the liability of the Insurer for such loss shall be in addition to any other liability under this Insuring Agreement.

34. Incoming Cheque Forgery Coverage

Loss which the Insured shall sustain through forgery or alteration of, on or in any cheque or draft drawn upon or by any bank, or any cheque or draft drawn by any corporation upon itself or any cheque or written order or direction to pay a sum certain in money drawn by any public body upon itself or any warrant drawn by any public body, which the Insured shall receive at any office, while such office is covered under this Insuring Agreement VI, in payment or purported payment for personal property sold and delivered or in payment or purported payment for services rendered, but excluding all loss caused by forgery or alteration of, on or in any instrument received by the Insured in purported payment for property previously sold and delivered on credit.

The liability of the Insurer on account of any instrument covered under this Insuring Agreement VI shall be seventy-five percent (75%) of the Insured's pecuniary interest in the instrument (not to exceed, however, the amount of insurance as hereinafter set forth applicable to the office at which such instrument was received), such pecuniary interest to be determined by

- (a) the amount paid or purporting to have been paid to the Insured for the property,
- (b) the amount paid or purporting to have been paid to the Insured for the services rendered, and
- (c) the amount of cash, if any, delivered against such instrument, over and above (a) and (b) immediately preceding.

Mechanically reproduced facsimile signatures are treated the same as hand written signatures.

35. Computer Fraud Or Funds Transfer Fraud

Loss resulting directly from "Computer Fraud" or "Funds Transfer Fraud".

36. Credit Card Forgery

- A. Loss or losses which the Insured shall sustain through forgery or alteration of, on or in any written instrument required in conjunction with any Credit Card issued to the Insured or to any partner, officer or employee of the Insured, or to the Insured's spouse or any dependant residing permanently in the

residents of the Insured provided, however, that the Credit Card holder shall fully comply with the provisions, conditions and other terms under which such Credit Card shall have been issued.

B. Court Costs an Attorney's Fees Coverage

Responsible attorneys' fees, court costs or similar legal expenses incurred and paid by the Insured in the defence of any suit brought against the Insured to enforce payment on any written instrument specified in the preceding paragraph, alleging that such instrument is forged or altered; provided, however, that such suit shall have resulted from the refusal of the Insured to pay such instrument that the Insurer shall have given its written consent to the defence of such suit and that the Insured shall have fully complied with the provisions, conditions and other terms under which any credit card, as aforesaid, shall have been issued. The liability of the Insurer under this Insuring Agreement for such attorneys' fees court costs or similar legal expense shall be in addition to any other liability under this Insuring Agreement.

ADDITIONAL COVERAGE (APPLICABLE TO ALL INSURING AGREEMENTS)

Audit Expense

Subject to a Limit of \$25,000, the Insurer hereby agrees to indemnify the Insured for reasonable expenses incurred by the Insured for services of outside auditors, accountants or investigators, provided the Insurer's consent is obtained in advance to establish loss as required by the terms of this Policy.

GENERAL AGREEMENTS

A. Consolidation - Merger:

If, through consolidation or merger with, or purchase of assets of, some other concern, any persons shall become Employees or if the Insured shall thereby acquire the use and control of any additional Premises, the insurance afforded by this Part shall also apply as respects such Employees and Premises, provided the Insured shall give the Insurer written notice thereof within ninety (90) days thereafter and shall pay the Insurer an additional premium computed pro rata from the date of such consolidation, merger or purchase to the end of the current premium period. However, should the assets represented by such other concern acquired by the Insured be less than ten per cent (10%) of the Insured's assets prior to consolidation, merger or purchase, then the reporting requirement and additional premium are waived for the balance of the premium period.

B. Joint Insured:

If more than one Insured is covered under this Part, the Insured first named shall act for itself and for every other Insured for all purposes of this Part. Knowledge possessed or discovery made by any Insured or by any partner or officer thereof shall, for the purposes of Condition 7, 8 and 15, constitute knowledge possessed or discovery made by every Insured. Cancellation of the insurance hereunder as respects any Employee as provided in Part 15 shall apply to every Insured. If, prior to the cancellation or termination of this Part, this Part or any Insuring Agreement thereof is cancelled or terminated as to any Insured, there shall be no liability for any loss sustained by such Insured unless discovered within one year from the date of such cancellation or termination. Payment by the Insurer to the Insured first named of any loss under the Part shall fully release the Insurer on account of such loss. If the insured first named ceases for any reason to be covered under this Part, then the Insured next named shall thereafter be considered as the Insured first named for all purpose of this Part.

C. Loss Under Prior Bond Or Policy:

If the coverage of an Insuring Agreement of this Part, other than Insuring Agreements V and VI, is substituted for any prior bond or policy of insurance carried by the Insured or by any predecessor in interest of the Insured, which prior bond or policy is terminated, cancelled or allowed to expire as of the time of such substitution, the Insurer agrees that such Insuring Agreement applies to loss which is discovered as provided in Condition 1 of the Conditions and Limitations and which would have been recoverable by the Insured or such predecessor under such prior bond or policy except for the fact that the time within which to discover loss thereunder had expired; provided:

- (1) the insurance under this General Agreement C shall be a part of and not in addition to the amount of insurance affordable by the applicable Insuring Agreement of this Part;

- (2) such loss would have been covered under such Insuring Agreement had such Insuring Agreement with its agreements, conditions and limitations as of the time of such substitution been in force when the acts or events causing loss were committed or occurred; and

recovery under such Insuring Agreement on account of such loss shall in no event exceed the amount which would have been recoverable under such Insuring Agreement in the amount for which it is written as of the time of such substitution, had such Insuring Agreement been in force when such acts or events were committed or occurred, or the amount which would have been recoverable under such prior bond or policy had such prior bond or policy continued in force until the discovery of such loss, if the latter amount be smaller.

Insuring Agreements V and VI shall also cover loss sustained by the Insured at any time before the termination or cancellation of Insuring Agreements V and VI, which would have been recoverable under the coverage of some similar form of forgery insurance (exclusive of fidelity insurance) carried by the Insured or any predecessor in interest of the Insured, had such prior forgery insurance given all of the coverage afforded under Insuring Agreements V and VI; provided, with respect to loss covered by this paragraph:

- (a) the coverage of Insuring Agreements V and VI is substituted on or after the date hereof for such prior forgery coverage and the Insured or such predecessor, as the case may be, carried such prior forgery coverage on the office at which such loss was sustained continuously from the time such loss was sustained to the date coverage of Insuring Agreements V and VI was substituted therefor;
- (b) at the time of discovery of such loss, the period for discovery of loss under all such prior forgery insurance has expired; and
- (c) if the amount of insurance carried under Insuring Agreements V and VI applicable to the office at which such loss is sustained is larger than the amount applicable to such office under such prior forgery insurance, and in force at the time such loss is sustained, then liability hereunder for such loss shall not exceed the smaller amount.

The foregoing Insuring Agreements and General Agreements are subject to the following Conditions and Limitations:

Condition 1. Policy Period, Territory, Discovery

Loss is covered under this Part only if discovered not later than one year from the end of the Policy Period or termination date.

Subject to General Agreement C, this part applies to loss which occurs anywhere in the world during the policy period.

Condition 2. Exclusions

This Part does not apply:

- (a) to loss due to any fraudulent, dishonest or criminal act by any Insured or a partner therein, whether acting alone or in collusion with others;
- (b) under Insuring Agreements I and VII to loss, or to that part of any loss, as the case may be, the proof of which, either as to its factual existence or as to its amount, is dependent upon an inventory computation or a profit and loss computation, provided, however, that this paragraph shall not apply to loss of Money, Securities or other property which the Insured can prove, through evidence wholly apart from such computations, is sustained by the Insured through any fraudulent or dishonest act or acts committed by any one or more of the Employees;
- (c) under Insuring Agreements II and III to loss due to any fraudulent, dishonest or criminal act by an Employee, director, trustee or authorised representative of any Insured, whether acting alone or in collusion with others; provided, this Exclusion does not apply to Safe Burglary or Robbery or attempt thereat;
- (d) under Insuring Agreements II and III to loss due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing;
- (e) under Insuring Agreement II and III to loss (1) due to the giving or surrendering of Money or Securities in any exchange or purchase; (2) due to accounting or arithmetical errors or omissions; or (3) of manuscripts, books of account or records;

- (f) under Insuring Agreement II, to loss of Money contained in coin operated amusement devices or vending machines, unless the amount of Money deposited within the device is recorded by a continuous recording instrument therein;
- (g) under Insuring Agreement III, to loss of insured property, while in the custody of any armoured motor vehicle company, unless such loss is in excess of the amount recovered or received by the Insured under (1) the Insured's contract with said armoured motor vehicle company, (2) insurance carried by said armoured motor vehicle company for the benefit of users of its service, and (3) all other insurance and indemnity in force in whatsoever form carried by or for the benefit of users of said armoured motor vehicle company's service, and then this Part shall cover only such excess;
- (h) under Insuring Agreement II, to loss, other than to Money, Securities, a safe or vault, by fire whether or not such fire is caused by, contributed to by or arises out of the occurrence of a hazard insured against;
- (i) under Insuring Agreements II, III, VII and VIII to loss due to nuclear reaction, nuclear radiation or radioactive contamination, or to any act or condition incident to any one of the foregoing;
- (j) to loss due to the surrender of Money, Securities or other property away from the Premises as a result of a threat to do
 - (1) bodily harm to any person or
 - (2) damage to the Premises or Property owned by the Insured or held by the Insured in any capacity; provided, however, these exclusions do not apply
 - (a) to Insuring Agreement I if coverage is afforded thereunder, or
 - (b) under Insuring Agreement III if coverage is afforded thereunder, to loss of Money, Securities or other property while being conveyed by a Messenger when there was no knowledge by the Insured of any such threat at the time conveyance was initiated;
- (k) to potential income, including but not limited to interest and dividends, not realised by the Insured because of a loss covered under this Part;

Condition 3. Definitions

The following terms, as used in this Part, shall have the respective meanings stated in this Condition:

“Money” means currency, coins, bank notes, bullion, traveller's cheques, register cheques and money orders held for sale to the public.

“Securities” means all negotiable and nonnegotiable instruments or contracts representing either Money or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include Money.

“Employee” means any natural person (except a director or trustee of the Insured, if a corporation, who is not also an officer or employee thereof in some other capacity) while in the regular service of the Insured in the ordinary course of the Insured's business during the Policy Period and whom the Insured compensates by salary, wages or commissions and has the right to govern and direct in the performance of such service, but does not mean any broker, factor, commission merchant, consignee, contractor or other agent or representative of the same general character. Employee also means any Natural Person assigned to the Insured through an intervening Employer, any student engaged in a work experience program, any volunteer or non compensated directors or trustees while such Person is performing services for the Insured under the direction and control of the Insured, whether or not compensated by salary, wages or commissions.

Employee also includes any employee of any associated, affiliated or subsidiary company of the Named Insured while performing services for the Insured.

As applied to loss under Insuring Agreement I, the above words “while in the regular service of the Insured” shall include the first 30 days thereafter, subject, however, to Conditions 15 and 16

“Premises” means the interior of that portion of any building that is occupied by the Insured in conducting its business. As respects to “robbery” only, the premises shall also include the space immediately surrounding such building

“Banking Premises” means the interior of that portion of any building that is occupied by a banking institution in conducting its business or a night depository.

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

“Custodian” means the Insured or a partner of the Insured or any Employee who is duly authorized by the Insured to have the care and custody of the insured property within the Premises, excluding any person while acting as a watchman, porter or janitor.

“Robbery” means the taking of insured property (1) by violence inflicted upon a Messenger or a Custodian; (2) by putting him in fear of violence; (3) by any other overt felonious act committed in his presence and of which he was actually cognizant, provided such other act is not committed by a partner or Employee of the Insured; (4) from the person or direct care and custody of a Messenger or Custodian who has been killed or rendered unconscious; (5) from within the Premises by means of compelling a Messenger or Custodian by violence or threat of violence while outside the Premises to admit a person into the Premises or to furnish him with means of ingress into the Premises; or (6) from a showcase or show window within the Premises while regularly open for business, by a person who has broken the glass thereof from outside the Premises.

“Safe Burglary” means the felonious abstraction of (1) a safe from within the Premises, or (2) insured property from within a vault or safe located within the Premises by a person making felonious entry into such vault or such safe and any vault containing the safe, when all doors thereof are duly closed and locked by at least one combination or time lock thereon, provided such entry shall be made by actual force and violence, of which force and violence there are visible marks made by tools, explosives, electricity or chemicals upon the exterior of (a) all of said doors of such vault or such safe and any vault containing the safe, if entry is made through such doors, or (b) the top, bottom or walls of such vault or such safe and any vault containing the safe through which entry is made, if not made through such doors.

“Loss”, except under Insuring Agreements I, V, VI and VII includes damage.

“Computer Fraud” means the wrongful abstraction of Money, Securities or other Property, excluding “Art”, through the use of any computer system by means of (1) the fraudulent accessing of such computer system; (2) the insertion of fraudulent data or instructions into such computer system; or (3) the fraudulent alteration of data, programs or routines in such computer system.

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

“Transfer Account” means an account maintained by the Insured at a Financial Institution from which the Insured can initiate the transfer, payment or delivery of Money or Securities (1) by means of electronic, telegraphic, cable, teletype, facsimile or telephone instructions communicated directly or through an electronic funds transfer system, or (2) by means of written instructions (other than those described in Insuring Agreement V) establishing the conditions under which such transfers are to be initiated by such Financial Institution through an electronic funds transfer system.

“Financial Institution” means (1) a banking, savings or thrift institution, trust company, credit union, insurance company, or (2) a stock broker, mutual fund, pension fund, securities fund, liquid assets fund or similar investment institution at which the Insured maintains a Transfer Account.

“Art” includes all types of ‘art’ but is not limited to artifacts, antiques, libraries, manuscripts, photographs, memorabilia, natural history items or historical items, archaeological items, rugs, hangings, statues, sculptures and the physical results of academic research, and any equipment used for exhibition purposes

Condition 4. Loss Caused By Unidentifiable Employees

If a loss is alleged to have been caused by the fraud or dishonesty of any one or more of the Employees and the Insured shall be unable to designate the specific Employee or Employees causing such loss, the Insured shall nevertheless have the benefit of Insuring Agreement I, subject to the provisions of Part 2(b) of this Part, provided that the evidence submitted reasonably proves that the loss was in fact due to the fraud or dishonesty of one or more of the said

Employees, and provided, further, that the aggregate liability of the Insurer for any such loss shall not exceed the Limit of Liability applicable to Insuring Agreement I.

Condition 5. Ownership Of Property; Interests Covered

The insured property may be owned by the Insured, or held by the Insured in any capacity whether or not the Insured is liable for the loss thereof, or may be property as respects which the Insured is legally liable; provided, Insuring Agreements II, III and IV apply only to the interest of the Insured in such property, including the Insured's liability to others, and does not apply to the interest of any other person or organisation in any of said property unless included in the Insured's proof of loss, in which event the third paragraph of Condition 8 is applicable to them.

Condition 6. Books And Records

The Insured shall keep records of all the insured property in such manner that the Insured can accurately determine therefrom the amount of loss.

Condition 7. Prior Fraud, Dishonesty Or Cancellation:

The coverage of Insuring Agreement I shall not apply to any Employee from and after the time that the Insured or any partner or officer thereof not in collusion with such Employee shall have knowledge or information that such Employee has committed any fraudulent or dishonest act in the service of the Insured, or before the date of employment by the Insured, provided such conduct involved Money, securities or other property valued at \$25,000 or more.

If, prior to the issuance of this Part, any fidelity insurance in favour of the Insured or any predecessor in interest of the Insured and covering one or more of the Insured's Employees shall have been cancelled as to any of such Employees by reason of the giving of written notice of cancellation by the insurer issuing such fidelity insurance, whether the Insurer or not, and if such Employees shall not have been reinstated under the coverage of said fidelity insurance or superseding fidelity insurance, the Insurer shall agree in writing to include such Employees within the coverage of Insuring Agreement I.

Condition 8. Loss-Notice-Proof-Action Against Insurer

Upon knowledge or discovery of loss or of an occurrence which may give rise to a claim for loss, the Insured shall: (a) give notice thereof as soon as practicable to the Insurer in accordance with General Condition 8 and, except under Insuring Agreements I, V and VI, also to the police if the loss is due to a violation of law; (b) file detailed proof of loss, duly sworn to, with the Insurer within four months after the discovery of loss.

Proof of loss under Insuring Agreements V and VI shall include the instrument which is the basis of claim for such loss, or if it shall be impossible to file such instrument, the affidavit of the Insured or the Insured's bank of deposit setting forth the amount and cause of loss shall be accepted in lieu thereof.

Upon the Insurer's request, the Insured shall submit to examination by the Insurer, subscribe the same, under oath if required, and produce for the Insurer's examination all pertinent records, all at such reasonable times and places as the Insurer shall designate, and shall co-operate with the Insurer in all matters pertaining to loss or claims with respect thereto.

No action shall lie against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Part, nor until ninety days after the required proofs of loss have been filed with the Insurer, nor at all unless commenced within two years from the date when the Insured discovers the loss. If any limitation of time for notice of loss or any legal proceeding herein contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this Part, the shortest permissible statutory limitation of time shall govern and shall supersede the time limitation herein stated.

Condition 9. Valuation-Payment-Replacement

In no event shall the Insurer be liable as respects Securities for more than the actual cash value thereof at the close of business on the business day next preceding the day on which the loss was discovered, nor as respects other property, for more than the actual cash value thereof at the time of loss; provided, however, the actual cash value of such other property held by the Insured as a pledge, or as collateral for an advance or a loan, shall be deemed not to exceed the value of the property as determined and recorded by the Insured when making the advance or the loan, or, in the absence of such record, the unpaid portion of the advance or loan plus accrued interest thereon at legal rates.

The Insurer may, with the consent of the Insured, settle any claim for loss of property with the owner thereof. Any property for which the Insurer has made indemnification shall become the property of the Insurer.

In case of damage to the Premises or loss of property other than Securities, the Insurer shall not be liable for more than the actual cash value of such property, or for more than the actual cost of repairing such premises or property or of replacing same with property or material of like quality and value. The Insurer may, at its election, pay such actual cash value, or make such repairs or replacements. If the Insurer cannot agree upon such cash value or such cost of repairs or replacements, such cash value or such cost shall be determined by arbitration.

Condition 10. Recoveries

If the Insured shall sustain any loss covered by this Part which exceeds the applicable amount of insurance hereunder, the Insured shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security or indemnity taken by or for the benefit of the Insurer) by whomsoever made, on account of such loss under this Part until fully reimbursed, less the actual cost of effecting the same; and any remainder shall be applied to the reimbursement of the Insurer, provided, however, that if the Insured shall sustain a loss under Insuring Agreement VI, any reimbursement or recovery, whether recovered before or after payment of such loss, less the expense of collection, shall be divided between the Insured and the Insurer in such proportion that the net loss to the Insured and the Insurer after deducting such reimbursement or recovery shall be twenty-five percent (25%) and seventy five percent (75%), respectively, the net loss of the Insurer, after deducting any reimbursement or recovery, not in any event to exceed the amount of insurance carried under Insuring Agreement VI applicable to such loss.

Condition 11. Limits Of Liability

Payment of loss under Insuring Agreements I or V, VI, VII and VIII shall not reduce the Insurer's liability for other losses under the applicable Insuring Agreement whenever sustained. The Insurer's total liability (a) under Insuring Agreement I for any loss caused by any Employee or in which such Employee is concerned or implicated or (b) under Insuring Agreements V and VI for any loss by forgery or alteration committed by any person or in which such person is concerned or implicated, whether such forgery or alteration involves one or more instruments, is limited to the applicable amount of insurance specified in the Table of Limits of Liability or endorsement amendatory thereto. The liability of the Insurer for loss sustained by any or all of the Insured shall not exceed the amount for which the Insurer would be liable had all such loss been sustained by any one of the Insured.

Except under Insuring Agreements I, V and VI the applicable limit of liability stated in the Table of Limits of Liability is the total limit of the Insurer's liability with respect to all loss of property of one or more persons or organizations arising out of any one occurrence. Any loss caused by any person or in which such person is concerned or implicated, or any loss incidental to an actual or attempted burglary or Robbery, shall be deemed to arise out of one occurrence.

Under Insuring Agreement VII all loss or series of losses involving the fraudulent acts of one individual, or involving fraudulent acts in which one individual is implicated, whether or not that individual is specifically identified, shall be treated as a single loss. A series of losses involving unidentified individuals, but arising from the same method of operation shall be deemed to involve the same individual and in that event shall be treated as a single loss.

Regardless of the number of years this Part shall continue in force and the number of premiums that shall be payable or paid, the limit of the Insurer's liability as specified in the Table of Limits of Liability shall not be cumulative from year to year or period to period.

Condition 12. Limit Of Liability Under This Part And Prior Insurance

This Condition shall apply only to Insuring Agreements I, V and VI. With respect to loss caused by any person (whether one of the Employees or not) or in which such person is concerned or implicated or which is chargeable to any Employee as provided in Condition 4 and which occurs partly during the Policy Period and partly during the period of other bonds or policies issued by the Insurer to the Insured or to any predecessor in interest of the Insured and terminated or cancelled or allowed to expire and in which the period for discovery has not expired at the time any such loss thereunder is discovered, the total liability of the Insurer under this Part and under such other bonds or policies shall not exceed, in the aggregate, the amount carried under the applicable Insuring Agreement of this Part on such loss or the amount available to the Insured under such other bonds or policies, as limited by the terms and conditions thereof, for any such loss, if the latter amount be the larger.

Condition 13. Other Insurance

Except in the province of Quebec, if there is available to the Insured any other insurance or indemnity covering any loss covered by Insuring Agreements I or V and VI, the Insurer shall be liable hereunder only for that part of such loss which is in excess of the amount recoverable or recovered from such other insurance or indemnity, except that if such other insurance or indemnity is a bond or policy of fidelity insurance, any loss covered under both such fidelity insurance and Insuring Agreements V and VI shall first be paid under Insuring Agreements V and VI. Any loss covered under all Insuring Agreements I, V and VI shall first be paid under Insuring Agreements V and VI and the excess, if any, shall be paid under Insuring Agreement I. The Insurer waives any right of contribution that it may have against any forgery insurance carried by any depository bank that is indemnified under Insuring Agreements V and VI.

Under any other Insuring Agreement, if there is any other valid and collectible insurance which would apply in the absence of such Insuring Agreement, the insurance under this Part shall apply only as excess insurance over such other insurance; provided, the insurance shall not apply to property otherwise insured unless such property is owned by the Insured.

If this policy is governed by the laws of the province of Quebec, each of the Insurers under its respective contract is liable to the Insured for its rateable portion of the loss.

Condition 14. Subrogation

In the event of any payment under this Part, the Insurer shall be subrogated to all the Insurer's rights of recovery therefor against any person or organization. The Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing after loss to prejudice such rights.

Condition 15. Cancellation As To Any Employee

Insuring Agreement I shall be deemed cancelled as to any Employee: (a) immediately upon discovery by the Insured, or by any partner or officer thereof not in collusion with such Employee, of any fraudulent or dishonest act on the part of such Employee; or (b) except in the province of Quebec, at 12:01 a.m., standard time as aforesaid, upon the effective date specified in a written notice mailed to the Insured. Such date shall be not less than thirty (30) days after the date of mailing. The mailing by the Insurer of notice as aforesaid to the Insured at the address shown in the Cover Note shall be sufficient proof of notice. Delivery of such written notice by the Insurer shall be equivalent to mailing. In the province of Quebec, cancellation shall be made by endorsement only.

Condition 16. Cancellation Of Part Or Insuring Agreement

This Part or any Insuring Agreement may be cancelled by the Insured by mailing to the Insurer written notice stating when thereafter the cancellation shall be effective. This Part or any Insuring Agreement may be cancelled by the Insurer by mailing to the Insured at the address shown in the Cover Note written notice stating when not less than ninety (90) days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date of cancellation stated in the notice shall become the end of the Policy Period for any affected Insuring Agreement.

Delivery of such written notice either by the Insured or by the Insurer shall be equivalent to mailing.

If the Insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Insurer cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation become effective, but payment or tender of unearned premium is not a condition of cancellation.

Condition 17. Assignment

Assignment of interest under this Part shall not bind the Insurer until its consent is endorsed hereon; if, however, the Insured shall die, or in the province of Quebec be declared bankrupt, this Part shall cover the Insured's legal representative, or in the province of Quebec the trustee in bankruptcy as Insured; provided that notice of cancellation addressed to the Insured named in the Cover Note and mailed to the address shown in the Cover Note shall be sufficient notice to effect cancellation of this Part.

Condition 18. No Benefit To Bailee

This section shall apply only to Insuring Agreements II and III.

It is warranted by the Insured that this insurance shall in not inure directly or indirectly to the benefit of any carrier or other bailee.

Condition 19. Changes

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Part or estop the Insurer from asserting any right under the terms of this Part; nor shall the terms of this Part be waived or changed, except by endorsement issued to form a part of this Part signed by an authorised person of the Insurer.

By acceptance of this Part the Insured agrees that it embodies all agreements existing between the Insured and the Insurer or any of its agents relating to this insurance. The General Conditions applicable in the Province of Quebec specifically apply to this Part.

Endorsement No. 1

Social Engineering Fraud

Crime Extension Endorsement

Applicable to Canadian Museums Association Insurance Master Policy Number: MCL-CMA1899

This Endorsement Modifies Coverage(s) Provided Under Part 7 – Blanket Crime, Of This Policy.

Words and Phrases in Quotations Have Special Meaning as Defined in This Form.

Subject to the conditions, limitations and exclusions set forth in the policy and wordings and endorsements attached hereto, the following is hereby made part of this policy, provided the individual Cover Note for this policy includes “Social Engineering Fraud” coverage under Part 7 – Blanket Crime.

Unless otherwise stated in this form, all of the terms, conditions, definitions and exclusions applicable to Part 7 – Blanket Crime shall apply to the coverage provided herein.

It is understood and agreed that Part 7 – Blanket Crime is hereby extended by this endorsement to include the following additional terms and conditions:

- (A) Insuring Agreements is amended to include the following additional Insuring Agreement 9. Social Engineering Fraud Coverage:

9. Social Engineering Fraud Coverage

- a. **Coverage Extension** - Loss resulting from an Insured having transferred, paid, or delivered any “Money” or “Securities” as the direct result of “Social Engineering Fraud” committed by a person purporting to be a “vendor”, “client”, or an “Employee” who was authorized by the Insured to instruct other “Employees” to transfer “Money” or “Securities”;
- b. **Limit of Insurance** – The Insurer’s maximum liability for this coverage is Ten Thousand dollars (\$10,000) per “Occurrence” and in the annual aggregate or as otherwise indicated in the Cover note;
- c. **Requirement Callback Verification Warranty** – If stated in the Cover Note as a Requirement, the following condition is warranted under this coverage extension:

Warranted:

Prior to transferring, paying or delivering Money or Securities, the Insured performed a “Callback Verification” with respect to each “Communication”. Such Callback Verification must be recorded, logged, or otherwise documented by the Insured.

- (B) Conditions and Limitations, Condition 2 – Exclusions is amended with respect to exclusion f) and only for the purposes of this endorsement to read as follows:

f) under Insuring Agreements II and III, to loss (1) due to accounting or arithmetical errors or omissions; or (2) of manuscripts, books of account or records, except for blank value;

It is further agreed that no coverage shall be available under this extension endorsement for:

- a) Loss or damage due to Employee Dishonesty, Forgery, Computer Fraud, Funds Transfer Fraud, Money Orders and Counterfeit Currency Fraud or Credit Card Fraud;
- b) Loss of or damage to “Money” or “Securities” while in the mail or in the custody of any carrier for hire, including but not limited to any armored motor vehicle company;
- c) Loss due to any investments, or ownership in any corporation, partnership, real property, or similar instrument, whether or not such investment is genuine;
- d) Loss due to the failure, malfunction, inadequacy or illegitimacy of any product or service;
- e) Loss due to the failure of any party to perform, in whole or in part, under any contract;

- f) Loss due to the extension of any loan, credit or similar promise to pay;
 - g) Loss due to any gambling, game of chance, lottery, or similar game;
 - h) Loss of or damage to any property;
 - i) Loss due to any party's use of or acceptance of any credit card, debit card or similar instrument, whether or not genuine;
 - j) Loss or damage as a result of a kidnap, ransom, or other extortion (as distinct from "robbery") surrendered to any person as a result of a threat to do bodily harm to any person or a threat to damage the "premises" or other property;
- (C) Conditions and Limitations, Condition 3. Definitions is amended to include the following additional definitions:

Callback Verification means a verbal conversation with a purported "Vendor" or "Client", using a "Pre-Determined Telephone Number", to verify the identity of the "Vendor" or "Client" and the authenticity of a "Communication".

Client means any entity or natural person to whom the Insured has provided goods or services under a legitimate pre-existing arrangement or written agreement. However, client does not include any financial institution, asset manager, broker-dealer, armored motor vehicle company, or any similar entity.

Communication means an electronic, telegraphic, cable, teletype, telephone, or written instruction received by an "employee" that:

- (i) directs the "employee" to transfer, pay, or deliver Money or Securities;
- (ii) contains a misrepresentation of a material fact; and
- (iii) is relied upon by the "employee", believing the material fact to be true.

Pre-Determined Telephone Number means a telephone number that:

- (i) was provided by the "Vendor" or "Client" when the written agreement or other arrangement was first established with the Insured;
- (ii) replaced a telephone number previously provided by the "Vendor" or "Client", provided that confirmation of the legitimacy of the charge was achieved through verbal contact with the "Vendor" or the "Client at the previously provided telephone number, or
- (iii) replaced a telephone number previously provided by the "Vendor" or "Client" and was received by the Insured at least Thirty (30) days prior to the receipt of a "Communication".

Social Engineering Fraud means the intentional misleading of an "employee", through misrepresentation of a material fact which is relied upon by an "employee", believing it to be genuine.

Vendor means any entity or natural person that has provided goods or services to an Insured under a legitimate pre-existing arrangement or written agreement. However, vendor does not include any financial institution, asset manager, broker-dealer, armored motor vehicle company, or any similar entity.

- (D) Conditions and Limitations, Condition 8. — LOSS – NOTICE – PROOF – ACTION AGAINST INSURER is extended for this endorsement only to include the following:

Proof of loss under the Social Engineering Fraud Coverage must include an electronic recording or other documentation evidencing the "Callback Verification", if stated in the Cover Note that Requirement Callback Verification Warranty is a Requirement.

- (E) Conditions and Limitations, Condition 11. Limits of Liability is extended for this endorsement only to include the following:

The applicable limit of insurance stated on the Cover Note is the total limit of the Insurer's liability with respect to all loss of arising out of any one "Occurrence" and in a single policy term.

- (F) Condition 20. Deductible, is hereby added to Conditions and Limitations for this endorsement as follows:

Condition 20. Deductible

- 1) The Insurer shall not be liable under Social Engineering Fraud Coverage on account of any loss, except to the extent such loss is in excess of the amount of the deductible specified in the Cover Note, with the insurance then applying to such excess only, subject otherwise to the applicable limit of the Insurer's liability.

Except as otherwise provided in this endorsement, all the terms and conditions of the policy shall have full force and effect.

Part 8 - Commercial Umbrella Liability Policy Insuring Agreements

37. Coverage

The Insurer will pay on behalf of the Insured the Ultimate Net Loss in excess of the Underlying Limit or Retained Limit which the Insured shall become legally obliged to pay as compensatory damages, including liability assumed under any contract, or agreement by the Named Insured or by any officer, director, stockholder, partner or employee or the Named Insured while acting within the scope of that person's duties as such, for damages because of:

- (i) Personal Injuries
- (ii) Property Damage
- (iii) Advertising Liability

caused by or arising out of each Occurrence which takes place during the Policy Period happening anywhere in the world.

In jurisdictions where the Insurer may be prevented by law from carrying out the agreement to pay on behalf of the Insured, the Insurer will indemnify the Insured in accordance with this agreement.

38. Defence, Settlement, And Supplementary Payments

With respect to any Occurrence not covered by the underlying policy(ies) of insurance described in the Cover Note hereof or any other underlying insurance collectible by the Insured, but covered by terms and conditions of this Policy except for the amount of Retained Limit specified in the Cover Note, the Insurer will, in addition to the amount of the Ultimate Net Loss payable:

- (a) Defend any suit against the Insured seeking damages on account of Personal Injuries, Property Damage or Advertising Liability even if such suit is groundless, false, or fraudulent; and may make such investigation, negotiation and settlement of any claim or suit as it deems expedient;
- (b) Pay premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability on this Policy, pay premiums on appeal bonds required in any such defended suit, and the cost of bail bonds required of the Insured because of accident or traffic law violation arising out of the use of any vehicle to which this Policy applies, but without any obligation to apply for or furnish any such bonds;

Pay all expenses incurred by the Insured, all costs taxed against the Insured in any such suit defended by the Insurer and all interest on the entire amount of any judgment therein which accrues after entry of judgment and before the Insurer has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the Insurer's liability thereon;

Pay reasonable expenses incurred by the Insured at the Insurer's request, including actual loss of wages or salary (but not loss of other income) not to exceed \$100.00 per day because of his/her attendance at Hearings or Trials at such request.

This insuring agreement shall also apply to occurrences not covered by any underlying insurance due to exhaustion of any aggregate limits.

In jurisdictions where the Insurer may be prevented by law or otherwise from carrying out this agreement, the Insurer shall pay any expense incurred with its written consent in accordance with this Agreement.

The Insured shall promptly reimburse the Insurer for any amount of Ultimate Net Loss paid on behalf of the Insured within the Retained Limit specified in the Cover Note.

39. Underlying Limit – Retained Limit

The Insurer shall be liable only for the Ultimate Net Loss resulting from any one occurrence in excess of either:

- (a) The total of the applicable limits of liability of the underlying insurance as stated in the schedule of underlying insurance in the Cover Note and the applicable limits of any other underlying insurance collectible by the Insured, less the amount, if any, by which any aggregate limit of such insurance has been reduced by payment of loss during the period of this Policy, hereinafter called the underlying limit; or
- (b) If the insurance afforded by such underlying insurance is inapplicable to the occurrence, the amount stated in the Cover Note as the Retained Limit; whichever is greater.

The limits of liability of any underlying insurance shall be deemed applicable irrespective of (1) any defence which the underlying insurer may assert because of the Insured's failure to comply with any condition of any underlying insurance subsequent to an occurrence, or (2) the inability of the underlying insurer to pay by reason of bankruptcy or insolvency.

40. Limits Of Liability

Regardless of the number of persons and organizations who are Insureds under this Policy and regardless of the number of claims made and suits brought against any or all of the Insured, the total limit of the Insurer's liability for Ultimate Net Loss resulting from any one Occurrence shall be the Occurrence limit stated in the Cover Note: provided, however, that the Insurer's liability shall be further limited to the amount stated as the aggregate limit in the Cover Note with respect to Ultimate Net Loss caused by one or more Occurrences during each annual period while this Policy is in force commencing from its effective date and arising out of any hazard for which an aggregate limit of liability applies to the underlying policies.

In the event of the reduction or exhaustion of the aggregate limit(s) of liability of the underlying policy(ies) listed in the declaration by reason of losses paid thereunder, this policy, subject to the above limitations, (1) in the event of reduction, shall pay the excess of the reduced underlying limit(s), or (2) in the event of exhaustion of underlying limit(s), shall continue in force as underlying insurance.

EXCLUSIONS

1. This Policy shall not apply to:

- (a) Any obligation for which the Insured or any company as its insurer may be held liable under any Workmen's Compensation, Unemployment Compensation or Disability Benefits law or under any similar law provided, however, that this exclusion does not apply to liability of others assumed by the Named Insured under contract;
- (b) Property Damage to property owned by the Insured;
- (c) Property Damage to the Insured's products arising out of such products or any part of such products;
- (d) Property Damage to work performed by or on behalf of the Insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;
- (e) To loss of use of tangible property which has not been physically injured or destroyed resulting from:
 - (i) A delay in or lack of performance by or on behalf of the Insured of any contract or agreement, or
 - (ii) The failure of the Insured's products or work performed by or on behalf of the Insured to meet the level of performance, quality, fitness or durability warranted or represented by the Insured;but this exclusion does not apply to a loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the Insured's products or work performed by or on behalf of the Insured after such products or work have been put to use by any person or organization other than an Insured;
- (f) Damages claimed for the withdrawal, inspection, repair, replacement or loss of use of the Insured's products or work completed by or for the Insured or of any property of which such products or work

form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;

- (g) With respect to advertising activities, claims made against the Insured for:
 - (i) Failure of performance of contract, but this shall not relate to claims for unauthorized appropriation of ideas based upon alleged breach of an implied contract;
 - (ii) Infringement of Registered Trade Mark, Service Mark or Trade Name by use thereof as the Registered Trade Mark, Service Mark or Trade Name of goods or services sold, offered for sale or advertised, but this shall not relate to titles or slogans;
 - (iii) Incorrect description of any article or commodity;
 - (iv) Mistake in advertised price;
- (h) Any liability of the Insured directly or indirectly occasioned by, happening through or in consequence of war, invasion, act of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority;
- (i) Damages arising out of a claim by an Insured against another Insured hereunder for Property Damage to property rented to, used by, or in the care, custody or control of the other Insured or as to which the other Insured is for any purpose exercising physical control when the Insured is the owner or lessee of the property.

2. This Policy shall not apply, except in so far as coverage is available to the Insured in underlying insurance as set out in the attached Schedule and then not for broader coverage than is afforded by such insurance:

- (a) To Personal Injuries or Property Damage arising out of the ownership, maintenance, operation, use, loading or unloading of:
 - (i) Watercraft, if the Occurrence takes place away from premises owned, rented or controlled by the Named Insured, or
 - (ii) Aircraft;however, this exclusion shall not apply (i) if such watercraft or aircraft is loaned or rented to or hired with crew by or on behalf of the Named Insured, nor (ii) for Personal Injuries to the employees of the Named Insured, arising out of and in the course of his employment by the Named Insured, unless such liability is already excluded under exclusion 1.(a) above;
- (b) To any employee with respect to injury to or the death of another employee of the same employer injured in the course of such employment.

3. This Policy shall not apply:

- (a) To liability imposed by or arising under the Nuclear Liability Act;
- (b) To Personal Injuries or Property Damage with respect to which an Insured under this Policy is also insured under a contract of nuclear energy liability insurance (whether the Insured is unnamed in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an insured under such policy but for its termination upon exhaustion of its limit of liability; or
- (c) To Personal Injuries or Property Damage resulting directly or indirectly from the Nuclear Energy Hazard arising from:
 - 1. the ownership, maintenance, operation or use of a Nuclear Facility by or on behalf of an Insured;
 - 2. the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any Nuclear Facility;

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.
4. This Policy shall not apply to any liability for Personal Injury or Property Damage arising out of the actual, alleged or threatened discharge, dispersal, release or escape of Pollutants:
 - (d) At or from premises owned, rented or occupied by the Insured;
 - (e) At or from any site or location used by or for the Insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (f) Which are at any time transported, handled, stored, treated, disposed of, or processed as waste by or for the Insured or any person or organization for whom the Insured may be legally responsible; or
 - (g) At or from any site or location on which the Insured or any contractors or subcontractors working directly or indirectly on behalf of the Insured are performing operations:
 - (i) if the Pollutants are brought on or to the site or location in connection with such operations; or
 - (ii) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the Pollutants.

This Policy shall not apply to any loss, cost or expense arising out of any governmental direction or request that the Insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the Pollutants. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Sub-paragraphs (a) and (d) (i) of this exclusion do not apply to Personal Injuries or Property Damage caused by heat, smoke or fumes from a Hostile Fire. As used in this exclusion a "Hostile Fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

5. Abuse Exclusion. This Policy shall not apply to:

"Personal injuries", "property damage", advertising liability" or any other cost, loss or expense incurred by others arising out of or resulting from :

- (h) 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".
- (i) Claims or "actions" based on the Named Insured's practices of employee hiring, acceptance of "volunteers" or supervision or retention of any person alleged to have committed "abuse".
- (j) Claims or "actions" alleging knowledge by an Insured of, or failure to report, the alleged "abuse" to the appropriate authority(ies).

"Abuse" means any act or threat involving molestation, harassment, corporal punishment or any other form of physical, sexual or mental abuse.

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

The Insurer shall not have any duty to defend any suit against the Insured, employees or volunteers of the Insured whose actions give rise to a claim seeking damages on account of "abuse".

6 Terrorism Exclusion. This Policy shall not apply to:

“Personal injuries”, “property damage”, advertising liability” or any other cost, loss or expense incurred by others, 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 or to terminate “Terrorism”.

“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.

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

7. Fungi and Fungal Derivatives Exclusion. This Policy shall not apply to:

- (a) “Personal injuries”, “property damage”, advertising liability” 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 “spores” 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 “spores”; or
- (b) Any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with a. above; or
- (c) Any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in a. or b. above.

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

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

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

“Spores” includes but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any “fungi”.

8. Asbestos Exclusion. This insurance shall not apply to:

- (a) “Personal injuries”, “property damage”, “advertising liability” or any other cost, loss or expense incurred by others, arising directly or indirectly, from the actual, alleged, threatened or fears of the consequences of, exposure to, inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, discharge of “Asbestos” however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, assess or otherwise deal with or dispose of “Asbestos”; or
- (b) Any supervision, instruction, recommendations, warnings, or advice given or which should have been given in connection with a. above; or
- (c) Any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in a. or b. above.

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

For the purpose of this endorsement, the definition of “Asbestos” is as follows:

“Asbestos” means, asbestos, asbestos fibres or any derivative of asbestos including any product containing any asbestos, asbestos fibres or any derivatives of asbestos.

DEFINITIONS

1. **Named Insured And Insured**

The words "Named Insured" means any person or organization named in the Cover Note and includes any subsidiary company of the Named Insured and any other company coming under the Named Insured's control of which it assumes active management.

The unqualified word "Insured", wherever used in this Policy, includes not only the Named Insured but also:

- (a) Any officer, director, stockholder, partner or employee of the Named Insured, while acting in his capacity as such, and any person or organization with respect to real estate management for the Named Insured;
- (b) Any person, organization, trustee or estate to whom the Named Insured is obligated by virtue of a written contract to provide insurance such as is afforded by this Policy, but only with respect to operations by or on behalf of the Named Insured or to facilities owned or used by the Named Insured;
- (c) Any additional Insured (not being the Named Insured under this Policy) included in the underlying insurances, subject to the provisions in condition B.; but not for broader coverage than is available to such additional Insured under any underlying insurances as set out in the Cover Note;
- (d) With respect to any automobile owned by the Named Insured or hired for use on behalf of the Named Insured, or to any aircraft hired with crew for use on behalf of the Named Insured, any person while using such automobile or aircraft and any person or organization legally responsible for the use thereof, provided that the actual use of the automobile or aircraft is with the permission of the Named Insured. The insurance extended by this paragraph (d), with respect to any person or organization other than the Named Insured, shall not apply:
 - (i) To any person or organization, or to any agent or employee thereof, operating an automobile repair shop, storage garage, sales agency, service station, or public parking place, with respect to any occurrence arising out of the operation thereof;
 - (ii) To any manufacturer of aircraft, engines, or aviation accessories, or any aviation sales or service or repair organization or airport or hangar operator or their respective employees or agents with respect to any occurrence arising out of the operation thereof;
 - (iii) With respect to any hired automobile or aircraft, to the owner or lessor thereof or any agent or employee of such owner or such lessor.

Item (iii), immediately above, shall not apply if it restricts the insurance granted under Definition 1(c).

If the Named Insured is designated in the Cover Note as a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such.

This Policy does not apply to Personal Injuries, Property Damage or Advertising Offense arising out of the conduct of any partnership or joint venture of which the Insured is a partner or member and which is not designated in this Policy as a Named Insured.

2. **Personal Injuries**

Except when it arises out of Advertising Liability, the term "Personal Injuries" wherever used herein means Bodily Injury, Mental Injury, Mental Anguish, Shock, Sickness, Disease, Disability, including death resulting at anytime therefrom, False Arrest, False Imprisonment, Wrongful Eviction, Wrongful Detention, Malicious Prosecution, Discrimination (unless prohibited by law), Humiliation, Libel, Slander or Defamation of Character or Invasion of Rights of Privacy.

3. **Property Damage**

"Property Damage" means (1) Physical Injury to or destruction of tangible property which occurs during the Policy Period including the loss of use thereof at any time resulting therefrom, or (2) Loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an occurrence during the Policy Period.

4. Advertising Liability

The term "Advertising Liability" wherever used herein shall mean:

- (1) Libel, slander or defamation;
- (2) Any infringement of copyright or of title or of slogan;
- (3) Piracy or unfair competition or idea misappropriation under an implied contract;
- (4) Any invasion of rights of privacy; committed or alleged to have been committed in any advertisement, article, broadcast or telecast and arising out of the Named Insured's advertising activities.

5. Occurrence

The term "Occurrence" means an accident, including continuous or repeated exposure to conditions, which results in Personal Injuries, Property Damage or Advertising Liability neither expected nor intended from the standpoint of the Insured.

6. Retained Limit

The term "Retained Limit" is the amount of Ultimate Net Loss, stated as such in the Cover Note, which the Named Insured shall be obligated to pay for the settlement of losses insured by this Policy, but not insured by the underlying insurance. The Named Insured shall promptly reimburse the Insurer for any amount of Ultimate Net Loss paid on behalf of the Insured within the Retained Limit. The Retained Limit does not include (1) defense costs or (2) Ultimate Net loss arising from the reduction or exhaustion of primary occurrence or aggregate limits of liability.

7. Ultimate Net Loss

The term "Ultimate Net Loss" means all sums which the Insured shall become legally obligated to pay as damages whether by final adjudication or settlement with the Insurer's written consent after making proper deduction for all recoveries and salvages collectible. "Ultimate Net Loss" does not include legal expenses (including lawyers' fees), salaries and expenses of employees of the Insured and costs and expenses which an underlying Insurer has paid or incurred or is obligated to pay to or on behalf of the Insured.

8. Aircraft

The term "Aircraft", wherever used herein shall mean any heavier-than-air or lighter-than-air Aircraft designed to transport persons or property, including air cushion vehicles.

9. Automobile

"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. But "automobile" does not include "mobile equipment".

10. Products Hazard

"Products Hazard" means Personal Injuries and Property Damage arising out of goods or products, including containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products, manufactured, sold, handled, distributed or disposed of by the Named Insured or by others trading under the Named Insured's name, other than equipment rented to or located for use of others but not sold, and any representation or warranty made at anytime with respect thereto, but only if the Personal Injuries or Property Damage occurs away from premises owned by or rented to the Named Insured and after physical possession of such goods or products has been relinquished to others.

11. Completed Operations Hazard

"Completed Operations Hazard" means Personal Injuries or Property Damage arising out of operations by or on behalf of the Named Insured or reliance upon a representation or warranty made at anytime with respect thereto, but only if the Personal Injuries or Property Damage occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the Named Insured. Operations include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

- (i) When all operations to be performed by or on behalf of the Named Insured under the contract have been completed; or
- (ii) When all operations to be performed by or on behalf of the Named Insured at the site of the operations have been completed; or
- (iii) When the portion of the work out of which the Personal Injuries or Property Damage arises has been put to its intended use by any persons or organization other than another contractor or sub-contractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work; or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed completed.

The Completed Operations Hazard shall not include:

- (i) Operations in connection with the pick up and delivery of property;
- (ii) The existence of tools, uninstalled equipment or abandoned or unused materials.

12. Nuclear Energy Hazard

- (1) The term "Nuclear Energy Hazard" means the radioactive, toxic, explosive, or other hazardous properties of Radioactive Material;
- (2) The term "Radioactive Material" means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances that the Atomic Energy Control Board may, by regulation, designate as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy;
- (3) The term "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 packing 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; 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;

- (4) The term "Fissionable Substance" means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission;

13. Action

"Action" means a civil proceeding in which "compensatory damages" because of "Personal Injuries", "Property Damage" or "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 the Insured submits with our consent.

14. Cover Note

"Cover Note" means the Cover Note applicable to this Form.

CONDITIONS

A. Premium

The premium for this Policy shall be computed on the basis set forth under Item 3 of the Policy Cover Note. At the end of each Policy Period the earned premium shall be computed as thus defined. If the earned premium thus computed is more than the advance premium paid, the Named Insured shall immediately pay the excess to the Insurer. If less, the Insurer shall return the difference to the Named Insured, but the Insurer shall receive and retain the annual minimum premium for each Annual Period.

B. Additional Insureds

In the event of additional Named Insured being added to the coverage under the underlying insurance during currency hereof, prompt notice shall be given to the Insurer and if an additional premium has been charged for such addition on the underlying insurance, the insurer shall be entitled to charge an appropriate additional premium hereon.

C. Severability Of Interests

The insurance afforded applies separately to each Insured against whom claim is made or suit is brought, but the inclusion herein of more than one Insured shall not operate to increase the limit of the Insurer's liability.

D. Inspection And Audit

The Insurer shall be permitted but not obligated to inspect the Insured's property and operations at any time. Neither the Insurer's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of the Insured or others, to determine or warrant that such property or operations are safe.

The Insurer may examine and audit the Insured's books and records at any time during the Policy Period and extensions thereof, and within three (3) years after the final termination of this Policy, as far as they relate to the subject matter of this insurance.

E. Cross Liability

In the event of claims being made by reason of Personal Injuries and/or Property Damage suffered by one Insured herein for which another Insured herein is or may be liable, this Policy shall cover such Insured against whom a claim is made or may be made in the same manner as if separate policies had been issued to each Insured herein. Nothing contained herein shall operate to increase the Insurer's limit of liability as set forth in Insuring Agreement 4.

F. Notice Of Occurrence

Whenever it appears that an Occurrence covered hereunder is likely to involve the Insurer, written notice shall be sent to the Insurer as soon as practicable. Such notice shall contain particulars sufficient to identify the Insured and also reasonably obtainable information respecting the time, place and circumstances of the Occurrence, the names and addresses of the injured and available witnesses.

G. Assistance And Co-Operation

Except as provided in Insuring Agreement 2., the Insurer shall not be called upon to assume charge of the settlement or defence of any claim made, suit brought or proceeding instituted against the Insured; but the Insurer shall have the right and shall be given the opportunity to associate with the Insured in the defence and control of any claim suit or proceeding which involves or appears reasonably likely to involve the Insurer. In such event the Insured and the Insurer shall co-operate in all things in defence of such claim, suit or proceeding.

H. Right Of Insurer To Appeal

In the event the Insured or the Insured's underlying insurers elect not to appeal a judgment in excess of the underlying or retained limits, the Insurer may elect to make such appeal at their cost and expense, and shall be liable for the taxable costs and disbursements and interest incidental thereto, but in no event shall the liability of the Insurer for Ultimate Net Loss exceed the amount set forth in Item 1 of the Cover Note for any one Occurrence and in addition the cost and expense of such appeal.

I. Action Against Insurer

No action shall lie against the Insurer with respect to any one Occurrence unless as a condition precedent thereto the Insured shall have fully complied with all the terms of this Policy nor until the amount of the Insured's obligation to pay an amount of Ultimate Net Loss in excess of the underlying insurance or retained limit shall have been finally determined either by judgment against the Insured after actual trial or by written agreement of the Insured, the claimant and the Insurer. The Insured shall make a definite claim for any loss for which the Insurer may be liable within twelve (12) months after such final determination. Claim for any subsequent payments made by the Insured on account of the same occurrence shall be similarly made. All losses covered by this Policy shall be due and payable within thirty (30) days after they are respectively claimed and proven in conformity with this Policy.

If this Policy is governed by the law of Quebec, every action or proceeding against the Insurer shall be commenced within three (3) years from the time the right of action arises.

J. Bankruptcy Or Insolvency

Bankruptcy or Insolvency of the Insured shall not relieve the Insurer of any of its obligations hereunder.

K. Other Insurance

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

L. Subrogation

In the event of any payment under this Policy, the Insurer shall participate with the Insured and any underlying Insurer in the exercise of the Insured's right of recovery against any person or organization liable therefor. Recoveries shall be applied first to reimburse any interest (including the Insured) that may have paid any amount, with respect to liability in excess of the limit of the Insurer's liability hereunder; then to reimburse the Insurer up to the amount paid hereunder; and lastly to reimburse such interests (including the Insured) of whom this insurance is excess, as are entitled to claim the residue, if any. Reasonable expenses incurred in the exercise of rights of recovery shall be apportioned among all interests in ratio to their respective recoveries as finally settled.

M. Changes

Notice to or knowledge possessed by any person shall not affect a waiver or change in any part of this Policy or estop the Insurer from asserting any right under the terms of this Policy; nor shall the terms of this Policy be waived or changed, except by endorsement issued to form a part of this Policy.

N. Assignment

Assignment of interest under this Policy shall not bind the Insurer until its consent is endorsed hereon. If, however, the Named Insured shall die or be adjudged bankrupt or insolvent within the Policy Period, this Policy, unless cancelled, shall cover the Insured's legal representative for the unexpired portion of such period.

O. Cancellation

This Policy may be cancelled by the Named Insured by mailing to the Insurer written notice stating when thereafter the cancellation shall be effective. This Policy may be cancelled by the Insurer by mailing to the Named Insured at the address shown in this Policy written notice stating when not less than thirty (30) days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall become the end of the Policy Period. Delivery of such written notice either by the Named Insured or by the Insurer shall be equivalent to mailing.

If the Named Insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Insurer cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

If this Policy insures more than one Named Insured, the first of such Named Insured in the Cover Note is authorized to act on behalf of all Named Insured and other Insureds with respect to the giving and receiving of Notice of Cancellation and to the receiving of any return premium that may become payable under this Policy.

P. Maintenance Of Underlying Insurance

Each policy referred to in the attached Schedule of Underlying Insurance or renewal or replacement thereof not more restrictive in their terms or conditions, shall be maintained in full effect during this Policy Period, except for any reduction of the aggregate limits contained therein solely by payment of losses during this Policy Period. Failure of the Named Insured to comply with the foregoing shall not invalidate this Policy but in the event of such failure the Insurer shall be liable only to the extent that it would have been liable had the Named Insured complied therewith.

Q. Canadian Currency Clause

All limits of insurance, premiums and other amounts as expressed in this Form are in Canadian currency.

Except as provided herein, all the terms and conditions of this policy shall have full force and effect.

S.P.F. No. 7- Standard Excess Automobile Rider

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

Application

Item 1.

Full name and postal address of the applicant (including country or district) as per Cover Note. Occupation or business: as per Cover Note

Item 2.

The policy period: as per Cover Note 12:01 a.m. Standard time at the applicant's address stated herein as to each of said dates.

Item 3.

The Insured is warned that by status this excess contract automatically terminates concurrently with the termination of any policy mentioned in Item 5.

Item 4.

This application is for excess insurance against legal liability for bodily injury or death or damage to property of others upon the terms and conditions of the Excess Insurer's standard policy form for excess insurance and for the following specified limit:

LIMIT as per Cover Note (exclusive of costs) excess of underlying limits as per policy Cover Note.

LIMIT as per Cover Note being the amount of the first loss and underlying excess insurance described in Item 5, for loss or damage resulting from bodily injury to or death of one or more persons and for loss or damage to property regardless of the numbers of claims arising from any one accident.

Item 5.

Description of first loss motor vehicle liability insurance.

Name of insurer: as per Cover Note

Policy #: as per Cover Note

Type of policy: as per Cover Note

Limit(s): as per Cover Note

Description of underlying excess insurance(s) if any.

Name of Insurer(s): as per Cover Note

Policy #: as per Cover Note

Limit(s): as per Cover Note

Policy Period: as per Cover Note

Item 6.

Premium: as per Cover Note

Minimum retained premium: as per Cover Note

NOTE: If the premium is subject to adjustment, an appropriate endorsement will be attached to this policy.

Item 7.

Claims must be reported to: THE BROKER OR THE INSURER.

Refer to special provisions (7) and (9) of this policy.

Special Provisions

The Excess Insurer's ultimate net loss liability shall not exceed the limit stated in Item 4 of the application in excess of the limit(s) of the first loss policy and the underlying excess policy(ies) stated in Item 5 thereof, or such amount as the first loss Insurer and the underlying excess insurer shall be liable to pay under statute, whichever is greater.

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

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

The Excess Insurer agrees to pay incurred by or on behalf of the insured where these costs are not covered by the first loss or underlying excess policies on the following basis:

Should any claim or claims become adjustable prior to the commencement of trial for not more than the first loss and underlying excess policy(ies) limit(s) then no costs shall be payable by the Excess Insurer.

Should, however the amount for which said claim or claims may be so adjustable exceed the first loss and underlying excess policy(ies) limit(s) then the Excess Insurer shall contribute to the costs incurred on behalf of the insured in the ratio that the Excess Insurer's proportion of the ultimate net odd as finally adjusted bears to the whole amount of such ultimate net loss;

Should, however the amount for which said claim or claims may be so adjustable in the event that the Insured or the Insurer under the first loss policy elects not to appeal a judgement in the excess of the limit(s) of the first loss and underlying excess policy (ies) the Excess Insurer may elect to conduct such appeal and shall be liable for the taxable costs and interest incidental thereto; but in no event shall the total liability of the Excess Insurer exceed the limit of liability stated in Item 4 of the application, plus the expense of such appeal.

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

Should, however the amount for which said claim or claims may be adjustable Liability to pay under this policy shall not attach unless and until the first loss and underlying Excess Insure(s) shall have admitted liability for the first loss and underlying excess limit(s) or unless and until the Insured has by final judgement been adjudged to pay an amount which exceeds such first loss and underlying excess limit(s) and then only after the first loss and underlying excess Insurer(s) has/have paid or has/have been held liable to pay the full amount of the first loss and underlying excess limit(s).

Neither the inclusion of more than one entity in the name of the insured nor the addition of any additional Insured \s under this policy shall in any way operate to increase the limit of liability set forth in Item 4 of the application.

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

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

- (b) Where this policy is terminated by the Excess Insurer
 - (i) The Excess Insurer shall refund the excess of premium actually paid by the Insured over the prorated premium for the expired time, but in no event shall the pro-rata premium for the expired time be deemed to be less than any minimum retained premium specified; and
 - (ii) The refund shall accompany the notice unless the premium is subject to adjustment or termination as to amount, in which case the refund shall be made as practicable.
- (c) Where this policy is terminated by the Insured the Excess Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
- (d) The refund may be made by money, postal or express company money order, or by cheque payable at par.
- (e) The fifteen days mentioned in clause (1) of sub-section (a) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.
- (f) Nothing in this special provision shall in any way affect the operation of the statutory provision in the Insurance Act providing that where the contract is automatically terminated. In the event that this policy is automatically terminated, the Excess Insurer agrees to refund the excess of premium actually paid over the pro-rata premium for the expired term (subject to any minimum retained premium specified) as soon as practicable, but if there is any pro-rata premium unpaid the Insured agrees to pay this.

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

In witness whereof the Insurer has executed and attested these papers, but this policy shall not be valid until countersigned by a duly Authorized Representative of the Insurer.

Except as provided herein, all the terms and conditions of this policy shall have full force and effect.

Endorsement No. 1

Automobile Liability Limitation Endorsement

Applicable to Canadian Museums Association Insurance Master Policy Number: MCL-CMA1899

Attached to and forming part of the Commercial Umbrella Liability Form

It is agreed that this policy shall not apply to any liability for personal injuries or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of any automobile unless such liability is covered by valid and collectible underlying insurance as described in the schedule of underlying insurance, and then only for such hazards for which coverage is afforded under said underlying insurance.

Except As Otherwise Stated, All The Terms, Provisions And Conditions Of The Commercial Umbrella Liability Form To Which This Is Attached, Shall Have Full Force And Effect.

Endorsement No. 2 Care Custody Or Control Exclusion (Real And Personal Property)

Applicable to Canadian Museums Association Insurance Master Policy Number: MCL-CMA1899

Attached to and forming part of the Commercial Umbrella Liability Form

It is agreed that this policy does not apply to property damage to:

- (a) Real property rented to, occupied or used by or in the care, custody or control of the Insured.
- (b) Personal property rented to, used by or in the care, custody or control of the Insured.

Except as otherwise stated, all the terms, provisions and conditions of the Commercial Umbrella Liability Form to which this is attached, shall have full force and effect.

Endorsement No. 3 Directors and Officers Exclusion

Applicable to Canadian Museums Association Insurance Master Policy Number: MCL-CMA1899

Attached to and forming part of the Commercial Umbrella Liability Form

This Insurance shall not apply to any wrongful act, breach of duty, neglect, error, misstatement, misleading statement, omission or other act done or wrongfully attempted by the Insured or Insureds as a Director or Officer of any company, corporation, partnership, or organization.

Except as otherwise stated, all the terms, provisions and conditions of the Commercial Umbrella Liability Form to which this is attached, shall have full force and effect.

Endorsement No. 4 Employers' Liability (Follow Form)

Applicable to Canadian Museums Association Insurance Master Policy Number: MCL-CMA1899

Attached to and forming part of the Commercial Umbrella Liability Form

It is agreed that this policy shall not apply to any liability for personal injuries sustained by an employee of the Insured and arising out of and in the course of his/her employment by the Insured,

unless such liability is covered by valid and collectible underlying insurance and then only for such hazards for which coverage is afforded under said underlying insurance.

Except as otherwise stated, all the terms, provisions and conditions of the Commercial Umbrella Liability Form to which this is attached, shall have full force and effect.

Endorsement No. 5

Professional Liability Exclusion

Applicable to Canadian Museums Association Insurance Master Policy Number: MCL-CMA1899

Attached to and forming part of the Commercial Umbrella Liability Form

The coverage provided by this policy shall not apply to Professional Liability of the Insured arising out of the performance of professional services for others, and caused by any negligent act, error or omission of the Insured or of any other person or entity for whose acts or omissions the Insured is legally liable.

Except as otherwise stated, all the terms, provisions and conditions of the Commercial Umbrella Liability Form to which this is attached, shall have full force and effect.

Endorsement No. 6 Publishing and Advertising Exclusion

Applicable to Canadian Museums Association Insurance Master Policy Number: MCL-CMA1899

Attached to and forming part of the Commercial Umbrella Liability Form

This Insurance shall not apply to any claim arising out of the utterance or dissemination of any printed or published material in the conduct of the publishing or advertising activities of the Insured.

Except as otherwise stated, all the terms, provisions and conditions of the Commercial Umbrella Liability Form to which this is attached, shall have full force and effect.

Endorsement No. 7 Limited Copyright Liability Exclusion

(Claims Made Basis)

Applicable to Canadian Museums Association Insurance Master Policy Number: MCL-CMA1899

Attached to and forming part of the Commercial Umbrella Liability Form

This Insurance shall not apply to all sums which the “Insured” shall become legally obligated to pay on account of any “claim” made against the “Insured” arising out of the infringement of title, slogan, trademark, trade name, trade dress, service mark, service name, copyright, plagiarism, piracy, or misappropriation of ideas under implied contract committed in the utterance or dissemination of “matter” by or with permission of the “Insured”.

Except as otherwise stated, all the terms, provisions and conditions of the Commercial Umbrella Liability Form to which this is attached, shall have full force and effect.