

COMMERCIAL GENERAL LIABILITY INSURANCE POLICY

Policy No. TEO79837455



Sovereign General

PROLINK

Canada's Insurance Connection

COMMERCIAL GENERAL LIABILITY - OCCURRENCE BASIS

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under Paragraph 3. of Section II – Who Is An Insured. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured. Other words and phrases that appear in quotation marks have special meaning. Refer to Section V –Definitions.

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

COMMERCIAL GENERAL LIABILITY - OCCURRENCE BASIS

SECTION I – COVERAGES

COVERAGE A. BODILY INJURY and PROPERTY DAMAGE LIABILITY

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

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as "compensatory damages" because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "action" seeking those "compensatory damages". However, we will have no duty to defend the insured against any "action" seeking "compensatory damages" for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "action" that may result. But:

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

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

- b. This insurance applies to "bodily injury" and "property damage" only if:
- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
 - (2) The "bodily injury" or "property damage" occurs during the policy period; and



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- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

 - (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
 - (2) Receives a written or verbal demand or claim for "compensatory damages" because of the "bodily injury" or "property damage"; or
 - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- e. "Compensatory damages" because of "bodily injury" include "compensatory damages" claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

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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.



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d. **Employer's Liability**

"Bodily injury" to an "employee" of the insured arising out of and in the course of:

- (1) Employment by the insured; or
- (2) Performing duties related to the conduct of the insured's business.

This exclusion applies:

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

This exclusion does not apply to:

- (a) Liability assumed by the insured under an "insured contract"; or
- (b) A claim made or an "action" brought by a Canadian resident "employee" on whose behalf contributions are made by or required to be made by you under the provisions of any Canadian provincial or territorial workers' compensation law, if cover or benefits have been denied by any Canadian Workers' Compensation Authority.

e. **Aircraft**

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

- (i) Any aircraft or air cushion vehicle owned or operated by or rented or loaned to any insured; or
- (ii) Any premises for the purpose of an airport or aircraft landing area and all operations necessary or incidental thereto.

Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or

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"property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft that is owned or operated by or rented or loaned to any insured.

f. Watercraft

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

Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any watercraft 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 you own or rent;
- (2) A watercraft you do 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.



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g. **Automobile**

"Bodily injury" or "property damage" arising directly or indirectly, in whole or in part, out of the ownership, maintenance, use or entrustment to others of any "automobile" owned or operated by or rented or loaned to any insured. Use includes operation. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury" or "property damage".

This exclusion applies to any motorized snow vehicle or its trailers and any vehicle while being used in any speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity.

Subject to paragraph **(4)** below, this exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, use or entrustment to others of any "automobile" that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply:

- (1)** To "bodily injury" to an "employee" of the insured on whose behalf contributions are made by or required to be made by the insured under the provisions of any Canadian provincial or territorial workers' compensation law.
- (2)** To "bodily injury" or "property damage" arising out of a defective condition in, or improper maintenance of, any "automobile" owned by the insured while leased to others for a period of 30 days or more provided the lessee is obligated under contract to ensure that the "automobile" is insured.
- (3)** To the ownership, use or operation of machinery, apparatus or equipment mounted on or attached to any "automobile" while at the site of the use or operation of such equipment.
- (4)** If your operations are related to the business of selling, repairing, servicing, parking or storing "automobiles", to liability arising out of a defective condition in or improper maintenance of any "automobile" owned by you while rented, leased or loaned to others, provided, however, coverage shall apply only to "bodily injury" sustained by any person while driving the "automobile", or the son, daughter or spouse of such person

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while being carried in or upon or entering, getting on to or alighting from such "automobile".

h. Damage To Property

"Property damage" to:

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

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

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

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



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i. Damage To Your Product

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

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

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

j. Damage To Your Work

"Property damage" to "your work" arising out of "your work" 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 your behalf by a subcontractor.

k. Damage To Impaired Property or Property Not Physically Injured

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

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

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

l. Recall of Products, Work or Impaired Property

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

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";



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

m. Explosives, Collapse and Underpinning

"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 of support of any property, building or land whether such support be natural or otherwise.

This exclusion does not apply to "property damage":

- (i) Arising out of work performed on your behalf by any contractor or sub-contractor;
- (ii) Included within the "products-completed operations hazard"; or
- (ii) For which liability is assumed by the Insured under an "insured contract" as defined in Section V – Definitions, Item 16, sections (a), (b), (c), (d), (e) and (f) only.

n. 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".

o. Personal and Advertising Injury

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

p. Professional Services

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

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- q. **Abuse**
 - (1) Claims or "actions" arising directly or indirectly from "abuse" committed or alleged to have been committed by an insured, including the transmission of disease arising out of any act of "abuse".
 - (2) Claims or "actions" based on your practices of "employee" hiring, acceptance of "volunteer workers" or supervision or retention of any person alleged to have committed "abuse".
 - (3) Claims or "actions" alleging knowledge by an insured of, or failure to report, the alleged "abuse" to the appropriate authority(ies).
- r. **Asbestos** – see Common Exclusions
- s. **Fungi or Spores** – see Common Exclusions
- t. **Nuclear**– see Common Exclusions
- u. **Pollution** – see Common Exclusions
- v. **Terrorism** – see Common Exclusions
- w. **War Risks** – see Common Exclusions

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COVERAGE B. PERSONAL and ADVERTISING INJURY LIABILITY

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

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as "compensatory damages" because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "action" seeking those "compensatory damages". However, we will have no duty to defend the insured against any "action" seeking "compensatory damages" for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "action" that may result. But:

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

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

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

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.



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- 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 your "advertisement".
- g. Quality Or Performance Of Goods – Failure To Conform To Statements**
"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".
- h. Wrong Description Of Prices**
"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".
- i. Infringement Of Copyright, Patent, Trademark or Trade Secret**
"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.
- j. Insureds In Media and Internet Type Businesses**
"Personal and advertising injury" committed by an insured whose business is:

 - (1) Advertising, broadcasting, publishing or telecasting;
 - (2) Designing or determining content of web-sites for others; or

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- (3) An Internet search, access, content or service provider.

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

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

- k. Electronic Chatrooms or Bulletin Boards**
"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.
- l. Unauthorized Use Of Another's Name or Product**
"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.
- m. Employment Practices**
"Personal and advertising injury" sustained by any person as a result of an offense directly or indirectly arising out of your employment of such person.
- n. Abuse Exclusion**
- (1) Claims or "actions" arising directly or indirectly from "abuse" committed or alleged to have been committed by an insured, including the transmission of disease arising out of any act of "abuse".
- (2) Claims or "actions" based on your practices of "employee" hiring, acceptance of "volunteer workers" or supervision or retention of any person alleged to have committed "abuse".
- (3) Claims or "actions" alleging knowledge by an insured of, or failure to report, the alleged "abuse" to the appropriate authority(ies).
- o. Asbestos** – see Common Exclusions
- p. Fungi or Spores** – see Common Exclusions
- q. Nuclear**– see Common Exclusions

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- r. **Pollution** – see Common Exclusions
- s. **Terrorism** – see Common Exclusions
- t. **War Risks** – see Common Exclusions

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COVERAGE C. MEDICAL PAYMENTS

This Insuring Agreement only applies when a Medical Expense Limit is shown in the Declarations.

1. Insuring Agreement

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

- (1) On premises you own or rent;
- (2) On ways next to premises you own or rent; or
- (3) Because of your operations;

provided that:

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

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance as described in Section III – Limits of Insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

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2. Exclusions

We will not pay expenses for "bodily injury":

- a. **Any Insured**
To any insured, except "volunteer workers".
- b. **Hired Person**
To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. **Injury On Normally Occupied Premises**
To a person injured on that part of premises you own or rent that the person normally occupies.
- d. **Workers Compensation and Similar Laws**
To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or 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.

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COVERAGE D. TENANTS' LEGAL LIABILITY

This Insuring Agreement only applies when a Tenants' Legal Liability Limit is shown in the Declarations.

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as "compensatory damages" because of "property damage" to which this insurance applies. This insurance applies only to "property damage" to premises of others rented to you or occupied by you. We will have the right and duty to defend the insured against any "action" seeking those "compensatory damages". However, we will have no duty to defend the insured against any "action" seeking "compensatory damages" for "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "action" that may result. But:

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

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

b. This insurance applies to "property damage" only if:

- (1) The "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "property damage" occurred, then any continuation, change or resumption of such



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"property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "property damage" after the end of the policy period.
- d. "Property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
 - (1) Reports all, or any part, of the "property damage" to us or any other insurer;
 - (2) Receives a written or verbal demand or claim for "compensatory damages" because of the "property damage"; or
 - (3) Becomes aware by any other means that "property damage" has occurred or has begun to occur.

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

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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. Wear and Tear**
"Property damage" for wear and tear, gradual deterioration, normal upkeep, latent defect, or inherent vice.
- d. Faulty Workmanship, Material or Design**
"Property damage" for the cost of making good:
- (i) Faulty or improper material;
 - (ii) Faulty or improper workmanship;
 - (iii) Faulty or improper design;
- provided, however, to the extent otherwise insured and not otherwise excluded under this policy, resultant "property damage" to the property is insured.
- e. Asbestos** – see Common Exclusions
- f. Fungi or Spores** – see Common Exclusions
- g. Nuclear**– see Common Exclusions
- h. Pollution** – see Common Exclusions
- i. Terrorism** – see Common Exclusions
- j. War Risks** – see Common Exclusions

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COMMON EXCLUSIONS – COVERAGES A, B, C and D

This insurance does not apply to:

1. Asbestos

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

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

2. Fungi or Spores

- a. "Bodily injury", "property damage", "personal and advertising injury" or medical expenses under Coverage **C**. or any other cost, loss or expense incurred by others, arising directly or indirectly, from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any "fungi" or "spore(s)" however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of "fungi" or "spore(s)"; or
- b. Any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with **a.** above; or
- c. Any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in **a.** or **b.** above

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

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This exclusion shall not apply to "bodily injury" or "property damage" which results directly from a "products-completed operations hazard" not otherwise excluded by this policy subject to the following limits:

Each Occurrence: \$250,000.

Fungi Liability Aggregate Limit: \$250,000

The Aggregate Limit is the most we will pay for "compensatory damages" because of "bodily injury" and "property damage" included in the "products-completed operations hazard" in each consecutive annual period and any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the limit of insurance that applies.

This exclusion does not apply to any "fungi" or "spores" that are, are on, or are contained in "your product", if "your product" is intended for ingestion by humans or animals and is included in the "products-completed operations hazard".

3. Nuclear Energy Liability

- a. Liability imposed by or arising from any nuclear liability act, law, statute, or regulation, or any law amendatory thereof;
- b. "Bodily injury", "property damage" or "personal and advertising injury" with respect to which an insured under this policy is also insured under a contract of nuclear energy liability insurance (whether the insured is unnamed in such contract and whether or not it is legally enforceable by the insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability;
- c. "Bodily injury", "property damage" or "personal and advertising injury" resulting directly or indirectly from the "nuclear energy hazard" arising from:
 - 1) The ownership, maintenance, operation or use of a "nuclear facility" by or on behalf of an insured;
 - 2) The furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility";



COMMERCIAL GENERAL LIABILITY - OCCURRENCE BASIS

- 3) The possession, consumption, use, handling, disposal or transportation of "fissionable substances", or of other "radioactive material" (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be useable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an insured.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

4 Pollution

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":

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

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- c. Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible; or

- d. At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapours from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

- e. At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for,

COMMERCIAL GENERAL LIABILITY - OCCURRENCE BASIS

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".

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SUPPLEMENTARY PAYMENTS – COVERAGES A, B and D

1. We will pay, with respect to any claim we investigate or settle, or any "action" against an insured we defend:
 - a. All expenses we incur.
 - b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "action", including actual loss of earnings up to \$250 a day because of time off from work.
 - d. All costs assessed or awarded against you in the "action".
 - e. Any interest accruing after entry of judgment upon that part of the judgment which is within the applicable limit of insurance and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against an "action" and an indemnitee of the insured is also named as a party to the "action", we will defend that indemnitee if all of the following conditions are met:
 - a. The "action" against the indemnitee seeks "compensatory damages" for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - d. The allegations in the "action" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;



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- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "action" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "action";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the action";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "action"; and
 - (b) Conduct and control the defense of the indemnitee in such "action".

So long as the above conditions are met, legal fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2. b. (2) of Section I – Coverage A – Bodily Injury and Property Damage Liability, such payments will not be deemed to be "compensatory damages" for "bodily injury" and "property damage" and will not reduce the limits of insurance.

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

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or

COMMERCIAL GENERAL LIABILITY - OCCURRENCE BASIS

- b.** The conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

COMMERCIAL GENERAL LIABILITY - OCCURRENCE BASIS

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership, limited liability partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, limited liability partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your shareholders are also insureds, but only with respect to their liability as shareholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
 - a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, limited liability partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
 - (1) "Bodily injury" or "personal and advertising injury":
 - (a) To you, to your partners or members (if you are a partnership, limited liability partnership or joint venture), to your members (if you are a limited liability company) to a co-"employee" while in the course of his or her employment or performing duties related to the



COMMERCIAL GENERAL LIABILITY - OCCURRENCE BASIS

conduct of your business or to your other "volunteer workers" while performing duties related to the conduct of your business;

- (b) For which there is any obligation to share "compensatory damages" with or repay someone else who must pay "compensatory damages" because of the injury described in Paragraph (1)(a) above;
- (c) Arising out of his or her providing or failing to provide professional health care services; or
- (d) To any person who at the time of injury is entitled to benefits under any workers' compensation or disability benefits law or a similar law.

(2) "Property damage" to property:

- (a) Owned, occupied or used by,
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership, limited liability partnership or joint venture), or any member (if you are a limited liability company).

b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

3. Any organization you newly acquire or form, other than a partnership, limited liability partnership or joint venture or limited liability company, and over which you maintain

COMMERCIAL GENERAL LIABILITY - OCCURRENCE BASIS

ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage **A** and **D** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, limited liability partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations or added by endorsement hereon.

COMMERCIAL GENERAL LIABILITY - OCCURRENCE BASIS

SECTION III – LIMITS OF INSURANCE

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

The Limits of Insurance of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.
7. **Deductible**
 - a. Our obligation under Coverage **A** and Coverage **D** to pay "compensatory damages" on your behalf applies only to the amount of "compensatory damages" in excess of any deductible amounts stated in the Declarations as applicable to



COMMERCIAL GENERAL LIABILITY - OCCURRENCE BASIS

such coverages, and the limits of insurance applicable to each "occurrence" for Coverage **A** and any one premises for Coverage **D** will be reduced by the amount of such deductible. The Aggregate Limit under Coverage **A** shall not be reduced by the application of such deductible amounts.

- b.** The deductible amount applies as follows:

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

COMMERCIAL GENERAL LIABILITY - OCCURRENCE BASIS

- f.** The terms of this insurance, including those in respect to:
 - 1)** Our right and duty to defend any "action" seeking those "compensatory damages"; and
 - 2)** Your duties in the event of an "occurrence", claim or "action" apply irrespective of the application of the deductible amount.

- g.** We may pay any part or all of the deductible amount to effect settlement of any claim or "action" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

COMMERCIAL GENERAL LIABILITY - OCCURRENCE BASIS

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

- 1. Bankruptcy**
Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this policy.
- 2. Canadian Currency Clause**
All limits of insurance, premiums and other amounts as expressed in this policy are in Canadian currency.
- 3. Changes**
This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.
- 4. Duties In The Event Of Occurrence, Offense, Claim or Action**
 - a.** You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1)** How, when and where the "occurrence" or offense took place;
 - (2)** The names and addresses of any injured persons and witnesses; and
 - (3)** The nature and location of any injury or damage arising out of the "occurrence" or offense.
 - b.** If a claim is made or "action" is brought against any insured, you must:
 - (1)** Immediately record the specifics of the claim or "action" and the date received; and

COMMERCIAL GENERAL LIABILITY - OCCURRENCE BASIS

(2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "action" as soon as practicable.

c. You and any other involved insured must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "action";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation or settlement of the claim or defense against the "action"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

5. Examination Of Your Books and Records.

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

6. Inspections and Surveys

1. We have the right to:

a. Make inspections and surveys at any time;

b. Give you reports on the conditions we find; and

c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide

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for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
 4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under provincial or municipal statutes, ordinances, bylaws or regulations, of boilers, pressure vessels or elevators.

7. Legal Action Against Us

No person or organization has a right under this policy:

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

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for "compensatory damages" that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

8. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A**, **B** or **D** of this policy, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also

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primary. Then, we will share with all that other insurance by the method described in **c.** below.

b. Excess Insurance

This insurance is excess over:

- (1)** Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (a)** That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (b)** That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (c)** If the loss arises out of the maintenance or use of watercraft or "automobiles" to the extent not subject to Exclusions **f.** or **g.** of Section **I** – Coverage **A** – Bodily Injury and Property Damage Liability.
- (2)** Any other primary insurance available to you covering liability for "compensatory damages" arising out of the premises or operations or products-completed operations for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under Coverages **A**, **B** or **D** to defend the insured against any "action" if any other insurer has a duty to defend the insured against that "action". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

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

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

c. Method Of Sharing

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

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

9. Premium Audit

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

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

10. Premiums

The first Named Insured shown in the Declarations:

- a. Is responsible for the payment of all premiums; and

COMMERCIAL GENERAL LIABILITY - OCCURRENCE BASIS

- b. Will be the payee for any return premiums we pay.

11. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

12. Separation Of Insureds, Cross Liability

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "action" is brought.

13. Termination

- a. The first Named Insured shown in the Declarations may terminate this policy by mailing or delivering to us advance written notice of termination.
- b. Subject to c. below, we may terminate this policy by mailing or delivering to the first Named Insured:
 - (1) 5 days written notice of termination personally delivered, or
 - (2) 15 days notice of termination by registered mail if termination is for non-payment of premium, or
 - (3) 30 days notice of termination by registered mail if termination is for any other reason.

Registered mail termination takes effect 15 or 30 days after the registered letter or notification of it is delivered to the first Named Insured's postal address. Proof of mailing will be sufficient proof of notice.

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- c. To the extent that the Civil Code of the Province of Quebec (the "Civil Code") is applicable to this policy, the notice provisions in the General Conditions and Provisions as set out in the Civil Code apply. Accordingly, we may terminate this policy by giving written notice sent by registered mail to the first Named Insured at the last known address of the first Named Insured, which termination shall take effect as follows:
 - (1) For non-payment of premium, 15 days following receipt of the notice;
 - (2) For all other reasons, 30 days following receipt of the notice.
- d. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- e. The policy period will end on the date termination takes effect.
- f. If this policy is terminated, we will send the first Named Insured any premium refund due. If we terminate, the refund will be pro rata. If the first Named Insured terminates, the refund may be less than pro rata. The termination will be effective even if we have not made or offered a refund.

14. **Transfer Of Rights Of Recovery Against Others To Us**

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

15. **Transfer Of Your Rights and Duties Under This Policy**

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

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

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SECTION V – DEFINITIONS

1. "Abuse" means any act or threat involving molestation, harassment, corporal punishment or any other form of physical, sexual or mental abuse.
2. "Action" means a civil proceeding in which "compensatory damages" because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Action" includes:
 - a. An arbitration proceeding in which such "compensatory damages" are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such "compensatory damages" are claimed and to which the insured submits with our consent.
3. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
4. "Automobile" means a land motor vehicle, trailer or semi-trailer that is required by law to be insured under a contract evidenced by a motor vehicle liability policy, or any vehicle insured under such a contract, including any attached machinery or equipment.
5. "Bodily injury" means bodily injury, 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.

COMMERCIAL GENERAL LIABILITY - OCCURRENCE BASIS

7. "Coverage territory" means:
- a. Canada and the United States of America (including its territories and possessions).
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in a. above;
 - (2) The activities of an insured person whose home is in the territory described in a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communicationprovided the insured's responsibility to pay "compensatory damages" is determined in an "action" on the merits, in the territory described in a. above or in a settlement we agree to in writing.
8. "Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
9. "Employee" includes a "leased worker" and a "temporary worker".
10. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
11. "Fissionable substance" means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
12. "Fungi" includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "fungi" or "spores" or resultant mycotoxins, allergens or pathogens.

COMMERCIAL GENERAL LIABILITY - OCCURRENCE BASIS

- 13.** "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
- 14.** "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to 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 "your product" or "your work"; or
 - b. Your fulfilling the terms of the contract or agreement.
- 15.** "Incidental medical malpractice injury" means "bodily injury" arising out of the rendering of or failure to render, during the Policy Period, the following services:
- i) Medical, surgical, dental, x-ray or nursing services or treatment or the furnishing of food or beverages in connection therewith; or
 - ii) The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
- by any insured or any indemnitee causing the "incidental medical malpractice injury" who is not engaged in the business or occupation of providing any of the services described in **i)** and **ii)** above.
- 16.** "Insured contract" means:
- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
 - b. A sidetrack agreement;
 - c. An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;

COMMERCIAL GENERAL LIABILITY - OCCURRENCE BASIS

- d. Any other easement agreement;
- e. An obligation, as required by ordinance or bylaw, to indemnify a municipality, except in connection with work for a municipality;
- f. An elevator maintenance agreement;
- g. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "compensatory damages" because of "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

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

- (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render "professional services", including those listed in (1) above and supervisory, inspection, architectural or engineering activities.

- 17. "Leased worker" means a person leased to you by a labour leasing firm under an agreement between you and the labour leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
- 18. "Loading or unloading" means the handling of property:
 - a. After it is moved from the place where it is accepted for movement into or onto an aircraft or watercraft;
 - b. While it is in or on an aircraft or watercraft; or



COMMERCIAL GENERAL LIABILITY - OCCURRENCE BASIS

- c. While it is being moved from an aircraft or watercraft to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft or watercraft.

19. "Nuclear energy hazard" means the radioactive, toxic, explosive, or other hazardous properties of radioactive material.
20. "Nuclear facility" means:
- a) Any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
 - b) Any equipment or device designed or used for:
 - (i) Separating the isotopes of plutonium, thorium and uranium or any one or more of them,
 - (ii) Processing or utilizing spent fuel, or
 - (iii) Handling, processing or packaging waste.
 - c) Any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
 - d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste radioactive material;

and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.

COMMERCIAL GENERAL LIABILITY - OCCURRENCE BASIS

21. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
22. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - f. The use of another's advertising idea in your "advertisement"; or
 - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
23. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, odour, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
24. "Products-completed operations hazard":
 - a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

COMMERCIAL GENERAL LIABILITY - OCCURRENCE BASIS

- (a) When all of the work called for in your contract has been completed.
- (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
- (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of the existence of tools, uninstalled equipment or abandoned or unused materials.

25. "Professional services" shall include but not be limited to:

- a. Medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection therewith, however the furnishing of food or beverages as the sole function of the Insured is not "professional services";
- b. Any professional service or treatment conducive to health;
- c. Professional services of a pharmacist;
- d. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
- e. The handling or treatment of deceased human bodies including autopsies, organ donations or other procedures;
- f. Any cosmetic, body piercing, tonsorial, massage, physiotherapy, chiropody, hearing aid, optical or optometrical services or treatments;
- g. Engineering, designing, architectural, draftsperson or surveying services, including:

COMMERCIAL GENERAL LIABILITY - OCCURRENCE BASIS

- (1) The preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (2) Supervisory, inspection, architectural, design or engineering activities;
 - h. Accountant's, advertiser's, notary's (Quebec), public notary's, paralegal's, lawyer's, real estate broker's or agent's, insurance broker's or agent's, travel agent's, financial institution's, or consultant's professional advices or activities;
 - i. Any computer programming or re-programming, consulting, advisory or related services; or
 - j. Claim investigation, adjustment, appraisal, survey or audit services.
- 26.** "Property damage" means:
- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.
- For the purposes of this insurance, "electronic data" is not tangible property.
- 27.** "Radioactive material" means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances which may be designated by any nuclear liability act, law or statute, or any law amendatory thereof, as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy.
- 28.** "Spores" includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".
- 29.** "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- 30.** "Terrorism" means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s),

COMMERCIAL GENERAL LIABILITY - OCCURRENCE BASIS

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

- 31.** "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
- 32.** "Your product":
- a.** Means:
 - (1)** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a)** You;
 - (b)** Others trading under your name; or
 - (c)** A person or organization whose business or assets you have acquired; and
 - (2)** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
 - b.** Includes
 - (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - (2)** The providing of or failure to provide warnings or instructions.
 - c.** Does not include vending machines or other property rented to or located for the use of others but not sold.

COMMERCIAL GENERAL LIABILITY - OCCURRENCE BASIS

33. "Your work":

a. Means:

- (1)** Work or operations performed by you or on your behalf; and
- (2)** Materials, parts or equipment furnished in connection with such work or operations.

b. Includes

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
- (2)** The providing of or failure to provide warnings or instructions.

COMMERCIAL GENERAL LIABILITY - OCCURRENCE BASIS

SECTION VI – DESCRIPTION OF TERMS USED FOR PREMIUM BASES

1. “Area” means the total number of square metres of floor space at the insured premises, excluding that portion of the basement used exclusively for storage or that portion of the premises used for heating or air conditioning plant purposes.

Rates apply per 100 square metres of area.

2. “Cost of work” means the total cost of all operations performed for you during the policy period by independent contractors, including the cost of materials furnished, used or delivered for use in the execution of the work. This does not include maintenance or ordinary alterations and repairs on premises owned or rented by you.

Rates apply per \$1,000. of cost of work.

3. “Flat” means the rate charged for exposure not related to other criteria.

4. “Gross Revenue” means the gross amount of money charged for all work or services performed by you or on your behalf or goods and products sold and distributed by you or by others trading under your name.

Rates apply per \$1,000. of revenue.

5. “Payroll” means the total earnings for each owner, partner, executive officer and employee.

Rates apply per \$1,000. of payroll.

EMPLOYERS' LIABILITY EXTENSION

APPLICABLE TO THE COMMERCIAL GENERAL LIABILITY FORM

With respect only to "bodily injury" to an "employee" of yours arising out of and in the course of employment by you in the business described in the Declarations as "Operations", **Exclusions d., f. and g. of Section I – Coverage A.** are deleted.

The insurance provided by this extension does not apply to:

- (a) "Bodily injury" resulting from the acts or omissions of, or "bodily injury" sustained by, any person employed by you in violation of the law as to age;
- (b) "Bodily injury" arising out of structural alterations which involve changing the size of or moving buildings or other structures, new construction or demolition operations.

All other terms and conditions of the policy remain unchanged.

EMPLOYEE BENEFITS INSURANCE ENDORSEMENT

APPLICABLE TO THE COMMERCIAL GENERAL LIABILITY FORM

INSURING AGREEMENTS

It is agreed that this Policy is extended to include the following provisions:

I. COVERAGE:

We will pay on behalf of the insured all sums which the insured shall become legally obligated to pay on account of any claim made against the insured by an “employee”, former “employee” or the beneficiaries or legal representatives thereof and caused by the 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 Benefits programs as defined herein.

II. DEDUCTIBLE:

It is agreed that in the event of claim, the amount shown in the Declarations shall be deducted from the amount of each claim when determined, and we shall be liable for loss only in excess of the amount deducted.

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 us or any of our authorized agents, in accordance with the terms of the Policy and we may at our option, investigate such claim or negotiate or settle any such claim and the insured, agrees, if we undertake to negotiate or settle any such claim to join us in such negotiation or settlement to the extent of the amount to be deducted as herein provided, or to reimburse us for such deductible amount, if and when such claim is paid by us.

III. POLICY PERIOD AND TERRITORY:

This endorsement 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 Employee Benefits Programs occurring within Canada, United States of America, its territories or possessions, provided such claim is brought against you during the policy period, and you 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.

EMPLOYEE BENEFITS INSURANCE ENDORSEMENT

APPLICABLE TO THE COMMERCIAL GENERAL LIABILITY FORM

DEFINITIONS

- (a) **"Insured"** - The unqualified word "Insured", wherever used, includes not only you, but also any partner, "executive officer", director, stockholder or "employee", provided such "employee" is authorized to act in the administration of the insured's Employee Benefit Programs.
- (b) **"Employee Benefits"** - The terms "Employee Benefits" shall mean Group Life Insurance, Group Accident, or Health Insurance, Profit Sharing Plans, Pension Plans, Employee Stock Subscription Plans, Workers' 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 enrolment, termination or cancellation of "employees" under the Employee Benefit Programs;

provided all such acts are authorized by you.

EMPLOYEE BENEFITS INSURANCE ENDORSEMENT

APPLICABLE TO THE COMMERCIAL GENERAL LIABILITY FORM

EXCLUSIONS

This endorsement does not apply:

- (a) To any dishonest, fraudulent, criminal or malicious act, libel, slander, discrimination, or humiliation;
- (b) To bodily injury to, or sickness, disease, 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 of performance of contract by an Insurer, or any other party, including the insured, obligated to afford the benefits;
- (d) To any claim based upon the insured's failure to comply with any law concerning Workers' Compensation, Unemployment Insurance, Social Security or Disability Benefits;
- (e) To any claim based upon:
 - (1) Failure of stock, bonds, or other securities to perform as represented by an insured including 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.
- (f) To any claim based on the insured's failure to comply with requirements of the Pension Reform Act of 1974 (Employee Retirement Income Security Act of 1974) or amendment thereto applicable in the United States of America.

EMPLOYEE BENEFITS INSURANCE ENDORSEMENT

APPLICABLE TO THE COMMERCIAL GENERAL LIABILITY FORM

CONDITIONS

The Limit of Liability stated in the Declarations hereof as applicable to "Each Claim" is the limit of our liability for all damages incurred as the result of any one claim insured hereunder but each claim made shall be subject to the deductible amount set forth in the Declarations and we shall be liable only for the difference between such deductible amount and the limit of liability for "Each Claim"; the limit of such liability stated in the schedule as "Aggregate" is, subject to the above provisions respecting each claim, the total limit of our liability for all damages insured hereunder.

The payment of any deductible amount by the insured shall not operate to reduce the aggregate limit of our liability.

The aggregate limit of liability shall apply separately to each annual period this insurance is in force

Any act or omission on the part of one or another of the insureds under this Policy shall not prejudice the rights or interests of any other insured. The insurance afforded by this Endorsement, subject to the limits of liability stated herein, shall apply to each insured in the same manner to the same extent as if a separate policy had been issued to each.

The inclusion herein of more than one insured shall not operate to increase the limits of our liability.

When the insured becomes aware of any act of negligence, error, mistake or omission he or someone on his behalf shall give written notice thereof to us or any of our authorized agents 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 negligence, error, mistake or omission.

If claim is made or suit is brought against the insured, the insured shall immediately forward to us every demand, notice, summons, or other process received by him or his representative.

All other terms and conditions of the policy remain unchanged.

VOLUNTARY COMPENSATION BENEFITS

APPLICABLE TO THE COMMERCIAL GENERAL LIABILITY FORM

We agree to pay voluntarily the benefits herein set out either to or on behalf of an “employee” of the insured on account of “bodily injury” 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:

- (a) 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 we shall be permitted, at any time at our discretion and without notice, to withdraw such offer to pay the said benefits, under which circumstances we will no longer be bound by the undertakings expressed in the said preceding paragraph.

If any claim of demand is made upon, or any suit instituted against the insured for damages for such injuries, each claim, demand or suit shall be considered a refusal to accept such Voluntary Compensation benefits and such refusal shall abrogate in its entirety our agreement to pay such Voluntary Compensation benefits. In such event our obligation as expressed in the other parts of the Policy shall be and remain our obligation as fully and completely as if this endorsement had not been written.

- (b) 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 specified in the Declarations.
- (c) That we shall in no event be liable hereunder for any claims arising from hernia, however caused.
- (d) That we shall in no event be liable hereunder for any claims arising from war, invasion, act of a 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 endorsement shall mean two thirds of the “employee’s” weekly wage at the date of the accident but not exceeding in any event the sum of one hundred dollars (\$100) per week, unless there is a different limit shown in the Declaration Page for Voluntary Compensation Benefits - Weekly Indemnity Limit.

VOLUNTARY COMPENSATION BENEFITS

APPLICABLE TO THE COMMERCIAL GENERAL LIABILITY FORM

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 we will pay:

- (a) To the dependents of the said "employee" who are wholly dependent on 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 one thousand dollars (\$1000).

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 we 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 seven (7) 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 and prevented from performing any and every duty pertaining to any occupation or employment, by medical evidence satisfactory to us, we 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" we 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.

VOLUNTARY COMPENSATION BENEFITS

APPLICABLE TO THE COMMERCIAL GENERAL LIABILITY FORM

SCHEDULE OF INCAPACITIES

<u>Loss or Total Irrecoverable Loss of use of:</u>	<u>No. Of Weeks</u>
1. Arm	
(a) At or above elbow	100
(b) Below elbow	80
2. Hand, at wrist	80
3. Thumb	
(a) At or above the second phalangeal joint	25
(b) Below the second phalangeal joint, involving a portion of the second phalange	18
4. Index finger	
(a) At or above the second phalangeal joint	25
(b) At or above the third phalangeal joint	18
(c) Below the third phalangeal joint, involving a portion of the third phalange	12
5. Any other finger	
(a) At or above the second phalangeal joint	15
(b) At or above the third phalangeal joint	8
(c) Below the third phalangeal joint, involving a portion of the third phalange	5
6. Leg	
(a) At or above the knee	100
(b) Below the knee	75
7. Foot or ankle	75
8. Great Toe	
(a) At or above the second phalangeal joint	15
(b) Below the second phalangeal joint	8
9. Any other toe	
(a) At or above the second phalangeal joint	10
(b) At or above the third phalangeal joint	5
(c) Below the third phalangeal joint, involving a portion of the third phalange	3
10. One eye	50
11. Both eyes	100
12. Hearing of one ear	25
13. Hearing of both ears	100

VOLUNTARY COMPENSATION BENEFITS

APPLICABLE TO THE COMMERCIAL GENERAL LIABILITY FORM

NOTE:

For a combination of two or more incapacities as listed under items **3, 4** and **5** the total amount payable under this section shall not exceed eighty (80) times the weekly indemnity.

For a combination of two or more incapacities as listed under items **8** and **9** the total amount payable under this section shall not exceed thirty-five (35) times the weekly indemnity.

Section 5. Medical, Surgical, Pharmaceutical and Hospital Expenses

If such "bodily injury" shall necessitate medical or surgical treatment or confinement to hospital, we will pay in addition to other benefits provided by this endorsement:

- (a)** The cost of necessary medical, surgical, pharmaceutical and hospital services (excluding all services available under any hospital insurance act) incurred during the period not exceeding twenty-six (26) weeks from the date of the accident, in accordance with the scale of charges provided by the Worker's Compensation Act of the Province in which the accident occurred, and in addition:
- (b)** The cost of supplying or the reasonable renewing of prosthetic or orthopedic appliances for a period of time not exceeding fifty-two (52) weeks from the date of the accident.

SPECIAL CONDITIONS

We 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 an autopsy subject to any law of the Province relating to autopsies.

NON-OWNED AUTOMOBILE POLICY S.P.F. NO. 6

INSURING AGREEMENT

Now, therefore, subject to the limits, terms, conditions, provisions, definitions and exclusions herein stated, and those stated in the Declarations.

SECTION A - THIRD PARTY LIABILITY

The Insurer agrees to indemnify the Insured against the liability imposed by law upon the Insured for loss or damage arising from the use or operation of any automobile not owned in whole or in part by or licensed in the name of the Insured, and resulting from

BODILY INJURY TO OR THE DEATH OF ANY PERSON OR DAMAGE TO PROPERTY OF OTHERS NOT IN THE CARE, CUSTODY OR CONTROL OF THE INSURED:

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

- (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 policy:
 - (1) By any workers' 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 policy voluntarily under any contract or agreement; or
- (d) for loss or damage to property carried in or upon an automobile personally driven by any person insured by this policy or to any property owned or rented by, or in the care, custody or control of any such person; or
- (e) for any amount in excess of the limit stated in the Declarations, and expenditures provided for in the Additional Agreements of this policy; subject always to the provisions of the section of the Insurance Act (Automobile Insurance Part) relating to the nuclear energy hazard.

*Not applicable in the Province of Ontario.

NON-OWNED AUTOMOBILE POLICY S.P.F. NO. 6

ADDITIONAL AGREEMENTS OF INSURER

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

- (1) upon receipt of notice of loss or damage caused to persons or property to serve any person insured by this policy by such investigation thereof, or by such negotiations with the claimant, or by such settlement of any resulting claims, as may be deemed expedient by the Insurer; and
- (2) to defend in the name and on behalf of any person insured by this policy and at the cost of the Insurer any civil action which may at any time be brought against such person on account of such loss or damage to persons or property; and
- (3) to pay all costs taxed against any person insured by this policy in any civil action defended by the Insurer and any interest accruing after entry of judgment upon that part of the judgement which is within the limits of the Insurer's liability; and
- (4) in case the injury be to a person, reimburse any person insured by this policy for outlay for such medical aid as may be immediately necessary at the time of such injury; and
- (5) be liable up to the minimum limit(s) prescribed for that province or territory of Canada in which the accident occurred, if that limit(s) is higher than the limit stated in the Declarations; and
- (6) not set up any defense to a claim that might not be set up if the policy were a motor vehicle liability policy issued in the province or territory of Canada in which the accident occurred.

AGREEMENTS OF INSURED

Where indemnity is provided by this section, every person insured by this policy

- (a) by the acceptance of this policy, constitutes and appoints the Insurer his irrevocable attorney to appear and defend in any province or territory of Canada in which action is brought against the Insured arising out of the use or operation of an automobile with respect to which insurance is provided hereunder;
- (b) 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.

NON-OWNED AUTOMOBILE POLICY S.P.F. NO. 6

GENERAL PROVISIONS AND DEFINITIONS

1. ADDITIONAL INSUREDS

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

2. TERRITORY

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

3. HIRED AUTOMOBILES DEFINED

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

4. AUTOMOBILES OPERATED UNDER CONTRACT DEFINED

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

5. TWO OR MORE AUTOMOBILES

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

STATUTORY CONDITIONS

The Statutory Conditions for Non-Owned Automobile Insurance as set out in the Insurance Act of the province in which this policy covers shall form part of the policy.

S.E.F. NO. 94 LEGAL LIABILITY FOR DAMAGE TO HIRED AUTOMOBILES ENDORSEMENT

APPLICABLE TO THE NON-OWNED AUTOMOBILE POLICY S.P.F. NO. 6

This endorsement contains a partial payment of loss clause.

In consideration of the premium stated in the Declarations, 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;

Subsection 2 - COLLISION OR UPSET - caused by collision with another object or by upset;

Subsection 3 - COMPREHENSIVE - from any peril other than by collision with another object or by upset;

The words "another object" as used in this subsection shall be deemed to include (a) a vehicle to which the automobile is attached and (b) the surface of the ground and any other object therein or thereon.

Loss or damage caused by missiles, falling or flying objects, fire, theft, explosion, earthquake, windstorm, hail, rising water, malicious mischief, riot or civil commotion shall be deemed loss or damage for which insurance is provided under this subsection 3.

Subsection 4 - SPECIFIED PERILS - caused by fire, lightning, theft or attempt thereof, windstorm, earthquake, hail, explosion, riot or civil commotion, falling or forced landing of aircraft or of parts thereof, rising water, or the stranding, sinking, burning, derailment or collision of any conveyance in or upon which the automobile is being transported on land or water.

S.E.F. NO. 94 LEGAL LIABILITY FOR DAMAGE TO HIRED AUTOMOBILES ENDORSEMENT

APPLICABLE TO THE NON-OWNED AUTOMOBILE POLICY S.P.F. NO. 6

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, for the applicable subsection as listed in the Declarations.

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 the 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

S.E.F. NO. 94
LEGAL LIABILITY FOR DAMAGE TO HIRED AUTOMOBILES
ENDORSEMENT

APPLICABLE TO THE NON-OWNED AUTOMOBILE POLICY S.P.F. NO. 6

- (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 engaging in hostilities whether war be declared or not; or
 - (h) for any amount in excess of the limit stated for the applicable subsection in the Declarations and expenditures provided for in the Additional Agreements of the policy to which this endorsement is attached; or
- (3) under subsections 3 (Comprehensive), 4 (Specified Perils) for a collision loss or damage occurring after theft by any person or persons residing in the same dwelling premises as the Insured, or by any employee of the Insured engaged in the operation, maintenance or repair of the automobile whether the theft occurs during the hours of such service or employment or not unless the policy provides insurance under subsections 1 or 2.

ADDITIONAL AGREEMENTS

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.

S.E.F. NO. 94
LEGAL LIABILITY FOR DAMAGE TO HIRED AUTOMOBILES
ENDORSEMENT

APPLICABLE TO THE NON-OWNED AUTOMOBILE POLICY S.P.F. NO. 6

COVERAGE LIMITS

When any of the following Subsections are listed in the Declarations, coverage shall apply only for those Limit(s) or Amount(s) and for those Type(s) of Automobiles as listed in the Declarations for such Subsections:

- Subsection 1 - All Perils
- Subsection 2 - Collision and Upset
- Subsection 3 - Comprehensive
- Subsection 4 - Specified Perils

The advance premiums for this endorsement are subject to adjustment in the same manner as those stated in the Declarations.

Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions 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 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 AUTOMOBILE POLICY S.P.F. NO. 6)

In consideration of the premium for which this policy is issued, it is understood and agreed that Item 3 (Hired Automobiles Defined) of General Provisions and Definitions of the policy to which 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 Item 3 of the application but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

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

ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION

APPLICABLE TO THE COMMERCIAL GENERAL LIABILITY FORM

This endorsement changes the policy.

- 1.** Section II - Who Is An Insured is amended to include the party or parties named in the Declarations as an additional insured but only with respect to liability for “bodily injury”, “property damage” or “personal and advertising injury” caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf.
- 2.** The insurance provided to the additional insured herein is limited. This insurance does not apply:
 - a.** To any:
 - (1)** Lessor of equipment after the equipment lease expires; or
 - (2)** Managers or lessors of premises or land if:
 - (a)** The “occurrence” takes place after you cease to be a tenant in the premises or cease to lease the land; or
 - (b)** The “bodily injury”, “property damage” or “personal and advertising injury” arises out of structural alterations, new construction or demolition operations performed by or on behalf of the manager or lessor;
 - b.** To “bodily injury, “property damage” or “personal and advertising injury” arising out of the sole negligence of the additional insured.
- 3.** The Limits of Insurance applicable to the additional insured are those specified in the written contract or written agreement where applicable or in the Declarations, whichever is less. These Limits of Insurance are inclusive of, and not in addition to, the Limits of Insurance shown in the Declarations.

All other terms and conditions of the policy remain unchanged.

E.R.I.S.A. & U.S.A. Employer's Liability Exclusion

APPLICABLE TO THE COMMERCIAL GENERAL LIABILITY FORM

This endorsement changes the policy.

This insurance does not apply to any obligation of the insured because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974 (ERISA), as now or hereafter amended, or by any similar federal, state or local laws of the United States of America.

Solely with respect to any "employee" of the insured who is domiciled in the United States of America (including its territories and possessions) Exclusion **2. (d)** – Employer's Liability of SECTION I – COVERAGE **A** – BODILY INJURY AND PROPERTY DAMAGE LIABILITY is amended as follows:

This insurance does not apply to:

(d) Employer's Liability

"Bodily injury" to:

- (1)** An "employee" of the insured arising out of and in the course of:
 - (i)** Employment by the insured; or
 - (ii)** 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 **(1)** above.

This exclusion applies:

- (1)** Whether the insured may be liable as an employer or in any other capacity; and
- (2)** To any obligation to share "compensatory damages" with or repay someone else who must pay "compensatory damages" because of the injury.

All other terms and conditions of the policy remain unchanged.

STATUTORY CONDITIONS

These Statutory Conditions apply to policyholders and policies covering risks in jurisdictions other than Alberta, British Columbia and Quebec.

If any condition below or in the policy, contains a variation, omission or an addition to the Statutory Condition established by the applicable provincial or territorial statute, then the interpretation most favourable to the Insured shall prevail.

All of the Statutory Conditions below apply to the peril of fire and, as modified or supplemented by forms or endorsements attached, apply as Policy Conditions to all other perils insured by property coverage on this policy.

1. MISREPRESENTATION

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

2. PROPERTY OF OTHERS

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

3. CHANGE OF INTEREST

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

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



5. TERMINATION

- (1)** This contract may be terminated:
 - (a)** by the Insurer giving to the Insured 15 days' notice of termination by registered mail or 5 days written notice of termination personally delivered;
 - (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 proportional premium for the expired time, but in no event shall the proportional premium for the expired time be deemed to be less than any minimum retained premium specified; and
 - (b)** the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
- (3)** Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of the premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be considered to be less than any minimum retained premium specified.
- (4)** The refund may be made by money, postal or express company money order, or cheque payable at par.
- (5)** The 15 days mentioned in clause (a) of sub-paragraph (1) of this condition starts to run on the day following the receipt of the registered letter at the post office to which it is addressed.

6. 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)** immediately give notice of the loss or damage in writing to the Insurer;
 - (b)** deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration,



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

7. 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.

8. WHO MAY GIVE NOTICE AND PROOF

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

9. SALVAGE

(1) The Insured, in the event of any loss or damage to any insured property, shall take all reasonable steps to prevent further damage to such property and to prevent damage to other insured property, including, if necessary, removal to a secure location.

(2) The Insurer shall contribute proportionately, according to the respective interests of the parties, towards any reasonable and proper expenses in connection with steps taken by the Insured and required under subsection (1) of this condition.

10. ENTRY, CONTROL, ABANDONMENT

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

11. APPRAISAL

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

12. 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.



13. REPLACEMENT

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

14. ACTION

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

15. NOTICE

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

N.B. To the extent that the Civil Code of the Province of Quebec is applicable to this contract General Conditions and Provisions as set out in the Civil Code of the Province of Quebec apply. These General Conditions and Provisions apply to all of the perils insured by this policy and to the liability coverage, except where such conditions and provisions may be modified or supplemented by forms or endorsements attached to this policy. A copy of the General Conditions and Provisions is available on request from the Insurer.

POLICY CONDITIONS

(Applicable only to Alberta and British Columbia)

The following applies where the Insured is domiciled or where the insured property is located in Alberta or British Columbia.

LIMITATION OF ACTION

Every action or proceeding against an Insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the *Insurance Act*.

RECOVERY BY INNOCENT PERSONS

- (1) Where this policy contains a term or condition excluding coverage for loss or damage to property caused by a criminal or intentional act or omission of an Insured or any other person, the exclusion applies only to the claim of a person:
 - (a) whose act or omission caused the loss or damage,
 - (b) who abetted or colluded in the act or omission,
 - (c) who
 - (i) consented to the act or omission, and
 - (ii) knew or ought to have known that the act or omission would cause the loss or damage, or
 - (d) who is in a class prescribed by regulation.
- (2) Nothing in section (1) allows a person whose property is insured under the contract to recover more than their proportionate interest in the lost or damaged property.
- (3) A person whose coverage under a contract would be excluded but for section (1) must comply with any requirements prescribed by regulation.

Coverage provided by this condition only applies to the extent of coverage provided under the relevant legislation set out in the applicable provincial Insurance Act.

STATUTORY CONDITIONS

(Applicable only to Alberta and British Columbia)

These Statutory Conditions apply where the Insured is domiciled or where the insured property is located in Alberta or British Columbia and are applicable to all coverages unless otherwise indicated. If any condition below or in the policy, contains a variation, omission or an addition to the Statutory Condition established by the applicable provincial, then the interpretation most favourable to the Insured shall prevail.

1. MISREPRESENTATION

(applicable to insurance against loss or damage to property only)

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

2. PROPERTY OF OTHERS

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

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

3. CHANGE OF INTEREST

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

4. MATERIAL CHANGE IN RISK

(1) The Insured must promptly give notice in writing to the Insurer or its agent of a change that is:

- (a) material to the risk, and
 - (b) within the control and knowledge of the Insured.
- (2) If an Insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.



- (3) If an Insurer or its agent is notified of a change under subparagraph (1) of this condition, the Insurer may:
 - (a) terminate the contract in accordance with Statutory Condition 5, or
 - (b) notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within 15 days after receipt of the notice, pay to the Insurer an additional premium specified in the notice.
- (4) If the Insured fails to pay an additional premium when required to do so under subparagraph (3) (b) of this condition, the contract is terminated at that time and Statutory Condition 5 (2) (a) applies in respect of the unearned portion of the premium.

5. **TERMINATION OF INSURANCE**

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



6. REQUIREMENTS AFTER LOSS

(applicable to insurance against loss or damage to property only)

- (1)** On the happening of any loss of or damage to insured property, the Insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Conditions 9,
 - (a)** immediately give notice in writing to the Insurer,
 - (b)** deliver as soon as practicable to the Insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration,
 - (i)** giving a complete inventory of that property and showing in detail quantities and costs of that property and particulars of the amount of loss claimed,
 - (ii)** stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes,
 - (iii)** stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the Insured,
 - (iv)** stating the amount of other insurances and the names of other Insurers,
 - (v)** stating the interest of the Insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
 - (vi)** stating any changes in title, use, occupation, location, possession or exposures of the property since the contract was issued, and
 - (vii)** stating the place where the insured property was at the time of loss,
 - (c)** if required by the Insurer, give a complete inventory of undamaged property, showing in detail quantities and cost of that property, and
 - (d)** if required by the Insurer and if practicable,
 - (i)** produce books of account and inventory lists,



- (ii) furnish invoices and other vouchers verified by statutory declaration, and
 - (iii) furnish a copy of the written portion of any other relevant contract.
- (2) The evidence given, produced or furnished under subparagraphs (1) (c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

7. FRAUD

(applicable to insurance against loss or damage to property only)

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

8. WHO MAY GIVE NOTICE AND PROOF

(applicable to insurance against loss or damage to property only)

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

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

9. SALVAGE

(applicable to insurance against loss or damage to property only)

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

10. ENTRY, CONTROL, ABANDONMENT

(applicable to insurance against loss or damage to property only)

After loss or damage to insured property, the Insurer has

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

11. IN CASE OF DISAGREEMENT

(applicable to insurance against loss or damage to property only)

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

12. WHEN LOSS PAYABLE

(applicable to insurance against loss or damage to property only)

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

13. REPAIR OR REPLACEMENT

(applicable to insurance against loss or damage to property only)

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

14. NOTICE

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

N.B. To the extent that the Civil Code of the Province of Quebec is applicable to this contract General Conditions and Provisions as set out in the Civil Code of the Province of Quebec apply. These General Conditions and Provisions apply to all of the perils insured by this policy and to the liability coverage, except where such conditions and provisions may be modified or supplemented by forms or endorsements attached to this policy. A copy of the General Conditions and Provisions is available on request from the Insurer.

SHORT RATE TABLE

Attached to and forming part of this policy. The following Table applies when termination of the policy is requested by the Insured.

Days to Expiry	% of Premium Returned	Days to Expiry	% of Premium Returned	Days to Expiry	% of Premium Returned
365-362	92	245-243	61	126-123	30
361-358	91	242-239	60	122-120	29
357-354	90	238-235	59	119-116	28
353-350	89	234-231	58	115-112	27
349-346	88	230-227	57	111-108	26
345-342	87	226-223	56	107-104	25
341-339	86	222-219	55	103-100	24
338-335	85	218-216	54	99-97	23
334-331	84	215-212	53	96-93	22
330-327	83	211-208	52	92-89	21
326-323	82	207-204	51	88-85	20
322-319	81	203-200	50	84-81	19
318-316	80	199-196	49	80-77	18
315-312	79	195-193	48	76-73	17
311-308	78	192-189	47	72-69	16
307-304	77	188-185	46	68-66	15
303-300	76	184-181	45	65-62	14
299-296	75	180-177	44	61-58	13
295-292	74	176-173	43	57-54	12
291-289	73	172-170	42	53-50	11
288-285	72	169-166	41	49-47	10
284-281	71	165-162	40	46-43	9
280-277	70	161-158	39	42-39	8
276-273	69	157-154	38	38-35	7
272-269	68	153-150	37	34-31	6
268-266	67	149-146	36	30-27	5
265-262	66	145-143	35	26-24	4
261-258	65	142-139	34	23-20	3
257-254	64	138-135	33	19-16	2
253-250	63	134-131	32	15-12	1
249-246	62	130-127	31	11-0	0