

economical

## ACCOUNT STATEMENT

DATE:  
POLICY NUMBER:  
EXPIRY DATE:

NOV. 5 2019  
040084951D  
JAN. 9 2021

INSURANCE  
ACCOUNT NO.  
9313825

CANADIAN RADIO YACHTING ASSOCIATION  
3906 WEST 13TH AVE  
VANCOUVER, BC V6R 2T2

## PLEASE PAY UPON RECEIPT

(A) FULL PAYMENT \$1,287.00 BY JAN. 9 2020

OR

(B) MINIMUM DUE \$514.80 BY JAN. 9 2020

STATEMENTS WILL BE PROVIDED FOR YOUR  
SUBSEQUENT PAYMENTS.

ITEM NO.	EFFECTIVE DATE	DESCRIPTION OF ACTIVITY	CHARGES	PAYMENTS
1	JAN. 9 2020	COMMERCIAL PROPERTY RENEWAL PREMIUM	\$1,287.00	
<p>WE ARE NO LONGER ABLE TO ACCEPT POST-DATED PAYMENTS. FOR ANY QUESTIONS, CHANGES OR CLAIMS CONTACT YOUR BROKER. COWAN INSURANCE GROUP LTD. 705 FOUNTAIN STREET N, BOX 1510 CAMBRIDGE, ONTARIO N1R 5T2</p>			TOTALS	\$1,287.00
<p>(519)650-6360</p>			ACCOUNT BALANCE	\$1,287.00
<p>BROKER: 8120</p>			OR	
<p>PAYMENT NOT RECEIVED BY DUE DATE COULD RESULT IN YOUR INSURANCE BEING DISCONTINUED.</p>			MINIMUM DUE	\$514.80
<p>KEEP THE UPPER PORTION FOR YOUR RECORDS</p>			PAYABLE UPON RECEIPT	
<p>REMIT BY CURRENT DATED CHEQUE PLEASE MAKE YOUR CHEQUE PAYABLE TO: ECONOMICAL MUTUAL WRITE YOUR INSURANCE ACCOUNT NUMBER ON THE FRONT OF THE CHEQUE. MAIL CHEQUE AND THIS PORTION OF THE STATEMENT IN THE ENCLOSED ENVELOPE.</p>			<p>OR</p> <p>TO MAKE A CREDIT CARD PAYMENT BY VISA, MASTERCARD OR AMERICAN EXPRESS CALL 1-866-858-4040 OR MAKE A SECURE PAYMENT ON OUR WEBSITE AT <a href="http://WWW.ECONOMICALINSURANCE.COM">WWW.ECONOMICALINSURANCE.COM</a> AND FOLLOW THE LINK TO PAY BY CREDIT CARD</p>	
<p>CANADIAN RADIO YACHTING ASSOCIATION 3906 WEST 13TH AVE VANCOUVER, BC V6R 2T2</p>			ACCOUNT NO.	9313825
			DUE DATE	FULL PAYMENT
			CURRENT	\$1,287.00
			MINIMUM DUE	\$514.80
			AMOUNT PAID	

ACCOUNT POLICY

EFF DATE

9313825 40084951 09012015 090120 00128700 00051480 0

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## About Your Premium Payments

### Payment Options

Your insurance premium can be paid through a variety of convenient payment options as listed below. If you'd like to change between our payment plans (Three Pay or Monthly) please contact your independent insurance broker (or Waterloo Insurance Call Centre representative if applicable) before your policy renews.

### Three Pay Plan

This payment option allows you to pay your premium in one to three instalments. Where applicable, you can conveniently pay your premium through your financial institution's:

- Internet banking service
- telephone banking service
- automated teller machine (ATM)
- local branch

You will require:

- your account number, and
- the company name as it appears on your statement (i.e. Economical Mutual, Missisquoi Insurance, Perth Insurance, Waterloo Insurance).

Payments are also accepted by **cheque** and can be mailed in the enclosed return mail envelope. Please ensure the statement stub is included. If you have misplaced the envelope, please send your payment to: **The Economical Insurance Group, PO Box 4537, STN A, Toronto, Ontario, M5W 4P3**. Please do not include additional correspondence when sending payments to this address.

### Monthly Pay Plan

This payment option allows you to automatically pay your premium in monthly instalments from your Financial Institution account. It can be easily arranged by your independent insurance broker (or Waterloo Insurance Call Centre representative if applicable). Under this payment plan a 3% service charge will be applied to your monthly premium. This equates to a 3% annual percentage rate (APR). No service charges apply to Waterloo Insurance.

About preauthorized payments:

- Monthly withdrawals are made on the day selected.
- New statements are issued to you if additional payments are required or if the withdrawal amount changes.
- Changes to your banking information must be received at least 14 days prior to your withdrawal date. Please ensure you keep banking information up-to-date with us to avoid any possible interruption in coverage.

### Additional Information

- Down payments received but not yet applied will show on the next statement.
- Payments are applied to your oldest outstanding account balance at the time of receipt.
- Premium credits may only be issued to the named policyholder or applied to the account balance.
- If a preauthorized payment withdrawal returns, a second attempt to obtain the funds may be made a minimum of three days after our financial institution has been notified. In addition, an NSF charge may apply if the second attempt to withdraw funds is unsuccessful.
- Depending on legislation in your province of residence, a payment not received by the due date, or returned as NSF, may result in cancellation of your policy.
- **QEF34** - The tax on this personal insurance endorsement has been eliminated for all contracts. The premium therefore has been reduced to compensate for the tax exemption.

### Policy Changes?

Keeping us informed of changes that may affect your policy is essential. Please remember to notify your independent insurance broker (or Waterloo Insurance Call Centre representative if applicable) immediately if any of the following change on your policy:

- named insureds
- vehicle or property the insurance is for
- address
- banking information (if paid by preauthorized payments)
- contact information
- changes/sale in business (commercial policies)

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economical

# Economical Mutual Insurance Company

(HEREINAFTER CALLED THE INSURER)

## EXPERT Business Insurance Policy

Policy No. 040084951 D

### NAME OF INSURED

CANADIAN RADIO YACHTING ASSOCIATION

### POSTAL ADDRESS OF INSURED

3906 WEST 13TH AVE  
VANCOUVER, BC  
V6R 2T2

BROKER / AGENT 08120

COWAN INSURANCE GROUP LTD.  
CAMBRIDGE, ONTARIO N1R 5T2  
(519) 650-6360

### INSURANCE PERIOD

FROM

TO

12:01 A.M. Standard Time at  
the Postal Address of the  
Named Insured as stated herein

09 01 2020  
Day Mo. Year

09 01 2021  
Day Mo. Year

### TOTAL PREMIUM FOR THIS

RENEWAL

\$ 1,287

Acct. No. 9313825

This policy is made and accepted subject to forms 4225 Additional Exclusions; 2180 Standard Conditions and 2184 Statutory Conditions which are hereby specially referred to and made a part of this policy together with such other provisions, agreements or conditions as may be endorsed hereon or added hereto.

In return for the payment of the premium the Policy Number indicated is renewed for Insurance period stated. The wordings attached replace existing Riders. Please contact your Broker if you require an explanation of coverage.

### Loss, if any, payable to insured

#### COVERAGES:

FORM	CO-INS	DEDUCTIBLE	LIMIT	RATE	PREMIUM
------	--------	------------	-------	------	---------

#### A COMMERCIAL GENERAL LIABILITY

OPERATIONS: RADIO YACHTING CLUB - TOY BOATS REMOTE CONTROLLED  
FROM SHORE. MEMBERSHIP DUES ARE APPROXIMATELY \$2500.  
MINIMUM PREMIUM

2294		1,000	2,000,000		Included
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PRODUCTS AND COMPLETED OPERATIONS AGGREGATE

2,000,000

#### B PERSONAL AND ADVERTISING INJURY

2294			2,000,000		Included
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#### C MEDICAL PAYMENTS

ANY ONE PERSON

2294			25,000		Included
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#### D TENANTS LEGAL LIABILITY

ANY ONE LOCATION

2294		1,000	250,000		Included
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**NOTICE TO INSURED**

Consumer and previous insurer reports containing personal, credit, factual, investigative or previous claim and loss information about the insured may be sought in connection with this policy of insurance or a renewal, extension or variation thereof.

In Witness Whereof the INSURER has executed this policy as evidenced by the signature of the authorized representative of the Insurer.



President and Chief Executive Officer

**CANCELLATION OF POLICY**

The undersigned Insured named in Policy no. .... and renewal certificates (if any), hereby acknowledges the cancellation thereof effective as of ..... 20 ..... at 12:01 A.M. standard time and agrees that all liability of the Insurer with respect to accidents, losses, or damage occurring on or after that date is hereby terminated.

\_\_\_\_\_  
Signature of Mortgagee

\_\_\_\_\_  
Signature of Insured

**24 HOUR EMERGENCY CLAIMS SERVICE  
IN CANADA/U.S.A.: 1 - 800 - 607 - 2424**



economical

**Economical Mutual Insurance Company**

(HEREINAFTER CALLED THE INSURER)

**EXPERT Business Insurance Policy**

Policy No. 040084951 D

**COVERAGES:**

FORM	CO-INS	DEDUCTIBLE	LIMIT	RATE	PREMIUM
------	--------	------------	-------	------	---------

**E ADDITIONAL INSURED ENDORSEMENT**

AS PER ACCEPTABLE CERTIFICATES OF INSURANCE ON FILE WITH INSURER

2069			Included		Included
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**F BODILY INJURY AND PROPERTY DAMAGE DEDUCTIBLE ENDORSEMENT**

PER OCCURRENCE

2296		1,000	Included		Included
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**G EXPERT CYBER LIABILITY 50**

LIMITS AND RETENTIONS AS PER WORDING

4358			50,000		Included
------	--	--	--------	--	----------

**Total Renewal Premium \$ 1,287**

**NOTICE TO INSURED**

Consumer and previous insurer reports containing personal, credit, factual, investigative or previous claim and loss information about the insured may be sought in connection with this policy of insurance or a renewal, extension or variation thereof.

In Witness Whereof the INSURER has executed this policy as evidenced by the signature of the authorized representative of the Insurer.



President and Chief Executive Officer

**CANCELLATION OF POLICY**

The undersigned Insured named in Policy no. .... and renewal certificates (if any), hereby acknowledges the cancellation thereof effective as of ..... 20 ..... at 12:01 A.M. standard time and agrees that all liability of the Insurer with respect to accidents, losses, or damage occurring on or after that date is hereby terminated.

\_\_\_\_\_  
Signature of Mortgagee

\_\_\_\_\_  
Signature of Insured

**24 HOUR EMERGENCY CLAIMS SERVICE**  
**IN CANADA/U.S.A.: 1 - 800 - 607 - 2424**

• • •  
economical

**Re: Form 4225 – Additional Exclusions Update**

Hello:

This policy includes form 4225 – Additional Exclusions. We have added the following exclusions to this form:

**Part IV – ILLEGAL DRUG OPERATIONS EXCLUSION** (previously The Controlled Drugs and Substances Act Exclusion)

This policy does not insure loss or damage caused directly or indirectly by or resulting from:

- a) illegal "Drug Operations"; or
- b) any activity or decision of any Government Agency or other entity to prevent, respond to, or terminate illegal "Drug Operations";

where an insured or any agent of an insured knew or ought to have known of the illegal "Drug Operations" prior to the loss or damage.

Unless an insured or agent of an insured already knows that loss or damage has occurred, this exclusion does not apply if, upon becoming aware of illegal "Drug Operations", an insured or any agent of the insured immediately notifies the police and the insurer.

"Drug Operations" means cultivating, harvesting, processing, manufacturing, distributing, or selling, on the premises, any substance falling within the *Controlled Drugs and Substance Act* or the *Cannabis Act* or any successor legislation.

**Part V – CANNABIS EXCLUSION**

Unless specifically endorsed, this policy does not insure loss of or damage to any cannabis or cannabis products.

If you have any questions about this change, please contact your broker.

**ECONOMICAL INSURANCE, HEAD OFFICE**

111 Westmount Road South, P.O. Box 2000, Waterloo ON Canada N2J 4S4  
T 519.570.8200 T VOICEMAIL 519.570.8500 F 519.570.8389

[economical.com](http://economical.com)

## Additional Exclusions

These Additional Exclusions modify the Coverages provided by this Policy

Words and Phrases in Quotation Have Special Meaning as Defined in This Form or in the Policy to Which This Form Attaches

### Part I - DATA EXCLUSION

#### Section A: Applicable to all Coverages Other Than Noted in Section B & C:

1.
  - (a) This form does not insure "Data"
  - (b) This form does not insure loss or damage caused directly or indirectly by a "Data Problem", regardless of any other cause or event that contributes concurrently or in any sequence to such loss or damage.

However, if loss or damage caused by a "Data Problem" results in the occurrence of further loss of or damage to property insured that is directly caused by "Insured Perils" as defined in this endorsement, this exclusion 1(b) shall not apply to such resulting loss or damage.
2. The following paragraph is deleted from any form to which this endorsement is applicable:  
"Nor does this form insure disturbance or erasure of electronic recordings by electric or magnetic injury except by lightning."
3. Special Basis of Settlement, paragraph (b) is changed to read as follows:
  - (a) **Records:** The liability of the Insurer for loss or damage to:
    - (a) books of accounts, drawings, card index systems and other records, other than as described in (ii) below, shall not exceed the cost of blank books, blank pages or other materials, plus the cost of labour for actually transcribing or copying said records;
    - (b) media, data storage devices, and programme devices for electronic and electro-mechanical data processing for electronically controlled equipment, notwithstanding that "Data" is not insured, shall not exceed the cost of reproducing such media, data storage devices, and programme devices from duplicates or from originals of the previous generation of the media, but no liability is assumed hereunder for the cost of gathering or assembling information or "Data" for such reproduction.

Whichever of the above is applicable shall be the basis to be adopted for the purpose of applying Co-Insurance.

#### Section B: Section Applicable to Business Income/Interruption Coverages:

1. Subject to (a) and (b) following, the insurer shall not be liable for any loss attributable to the interruption of business, directly or indirectly caused by a "Data Problem", regardless of any other cause or event that contributes concurrently or in any sequence with a "Data Problem".
  - (a) If a "Data Problem" results in direct physical loss of or damage to insured property at the "Premises" caused by "Insured Perils", as defined in this endorsement, this exclusion B.1 shall not apply to any loss attributable to the interruption of business, suffered through such resulting loss or damage. This exception only applies to the extent that such loss would otherwise be insured under this policy.
  - (b) If a "Data Problem" is the direct result of:
    - (i) an "Insured Peril", as defined in this endorsement;
    - (ii) earthquake, but only if the form to which this endorsement is applicable provides earthquake coverage;
    - (iii) flood, but only if the form to which this endorsement is applicable provides flood coverage;
    - (iv) backing-up of sewers, but only if the form to which this endorsement is applicable provides backing-up of sewers coverage;at the "Premises", this exclusion B.1 shall not apply. This exception only applies to the extent that such loss would otherwise be insured under this policy.
2. The following paragraph is deleted from any form to which this endorsement is applicable:  
"Nor does this form insure disturbance or erasure of electronic recordings by electric or magnetic injury except by lightning."
3. With respect to loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including "Data" thereon, by the peril(s) insured against, the length of time for which the Insurer shall be liable hereunder shall not exceed:
  - (a) 30 consecutive calendar days, or
  - (b) the length of time that would be required to rebuild, repair or replace such property herein described as has been damaged or destroyedwhichever is the lesser length of time.

#### Section C: Applicable to Accounts Receivable, Valuable Papers and Records, Electronic Equipment Coverages.

1. Subject to (a) and (b) following, this form does not insure loss or damage caused directly or indirectly by a "Data Problem", regardless of any other cause or event that contributes concurrently or in any sequence to such loss or damage;
  - (a) If loss or damage caused by a "Data Problem" results in the occurrence of further loss of or damage to property insured that is directly caused by "Insured Perils", as defined in this endorsement, this exclusion C.1 shall not apply to such resulting loss or damage. This exception only applies to the extent that such loss would otherwise be insured under this policy.
  - (b) If a "Data Problem" is the direct result of:
    - (i) an "Insured Peril", as defined in this endorsement;
    - (ii) earthquake, but only if the form to which this endorsement is applicable provides earthquake coverage;
    - (iii) flood, but only if the form to which this endorsement is applicable provides flood coverage;
    - (iv) backing-up of sewers, but only if the form to which this endorsement is applicable provides backing-up of sewers coverage;at the "Premises", this exclusion C.1 shall not apply. This exception only applies to the extent that such loss would otherwise be insured under this policy.
2. The following paragraph is deleted from any form to which this endorsement is applicable:  
"Nor does this form insure disturbance or erasure of electronic recordings by electric or magnetic injury except by lightning."
3. **Definitions:**
  1. **"Insured Perils"**
    - A) **FIRE OR LIGHTNING**
    - B) **EXPLOSION:** Except with respect to explosion of natural, coal or manufactured gas, there shall in no event be any liability hereunder for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the Insured:



- (i)
  - (a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
  - (b) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
  - (c) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion therefrom;
  - (d) smelt dissolving tanks;
- (ii) other vessels and apparatus, and pipes connected therewith, while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders;
- (iii) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
- (iv) any vessels and apparatus and pipes connected therewith while undergoing pressure tests, but this exclusion shall not apply to other property insured hereunder that has been damaged by such explosion;
- (v) gas turbines;

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

- (a) electric arcing or any coincident rupture of electrical equipment due to such arcing;
- (b) bursting or rupture caused by hydrostatic pressure or freezing;
- (c) bursting or rupture of any safety disc, rupture diaphragm or fusible plug.

**C) IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE:** The terms "Aircraft" and "Spacecraft" include articles dropped therefrom.

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

- (i) caused by land vehicles belonging to or under the control of the Insured or any of his employees;
- (ii) to aircraft, spacecraft or land vehicles causing the loss;
- (iii) caused by any aircraft or spacecraft when being taxied or moved inside or outside of "buildings";

**D) WATER ESCAPE:** The term water escape means escape of water from any tank, apparatus or pipe.

**E) SMOKE:** The term "Smoke" means smoke due to a sudden, unusual and faulty operation of any stationary furnace.

There shall in no event be any liability hereunder for any cumulative damage.

**F) LEAKAGE FROM FIRE PROTECTIVE EQUIPMENT:** The term Leakage From Fire Protective Equipment means the leakage or discharge of water or other substance from within the equipment used for fire protection purposes for the premises described on the Declarations Page or for adjoining premises and loss or damage caused by the fall or breakage or freezing of such equipment.

**G) WINDSTORM OR HAIL:** There shall in no event be any liability hereunder for loss or damage:

- (i) to the interior of the "buildings" insured or their contents unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
- (ii) directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslide.

**2. "Data"** means Information, instructions, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including but not limited to systems and application software, source code, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**3. "Data Problem"** means:

- (a) erasure, destruction, corruption, malicious alteration, misappropriation, misinterpretation or theft of "Data";
- (b) error in creating, amending, entering, deleting or using "Data"; or
- (c) inability to receive, transmit or use "Data"

## Part II - TERRORISM EXCLUSION

1. This Policy does not insure loss or damage caused directly or indirectly, in whole or in part, by "Terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "Terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

This exclusion shall not apply to any ensuing loss or damage, which results directly from the following "Named Perils": fire or explosion of natural, coal or manufactured gas.

2. The insurer shall not be liable for loss of "Business Income" resulting from loss or damage caused directly or indirectly, in whole or in part, by "Terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "Terrorism", regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

**3. Definitions:**

- (a) **"Terrorism"** means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.
- (b) **"Business Income"** shall mean: "Profit", "Gross Earnings", "Gross Rentals", "Rent and Rental Value", "Extra Expense" or any other loss attributable to the interruption of business, provided such coverage is currently included in the policy to which this endorsement is attached.

## Part III – FUNGI AND FUNGAL DERIVATIVES EXCLUSION

**This policy shall not insure:**

1.
  - (a) loss or damage consisting of or caused directly or indirectly, in whole or in part, by any "fungi" or "spores" unless such "fungi" or "spores" are directly caused by or directly result from a peril otherwise insured and not otherwise excluded by this policy;
  - (b) the cost or expense for testing, monitoring, evaluating or assessing "fungi" or "spores".
2. the insurer shall not be liable for "Extra Expense", loss of "Business Income", loss of "Rental Income", Loss of "Gross Profit", loss of "Gross Earnings", loss of "Gross Rentals", or any other loss attributable to any interruption of business, provided such coverage is currently included in the policy to which this endorsement is attached, resulting from loss or damage consisting of or caused directly or indirectly, in whole or in part, by any "fungi" or "spores" unless such "fungi" or "spores" are directly caused by or directly result from a peril otherwise insured and not otherwise excluded by this policy.

Definitions:

- (a) **"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 and "Fungi" or "Spores" or resulting mycotoxins, allergens, or pathogens.
- (b) **"Spores"** includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any "Fungi".

#### **Part IV – ILLEGAL DRUG OPERATIONS EXCLUSION**

This policy does not insure loss or damage caused directly or indirectly by or resulting from:

- a) illegal "Drug Operations"; or
- b) any activity or decision of any Government Agency or other entity to prevent, respond to, or terminate illegal "Drug Operations";

where an insured or any agent of an insured knew or ought to have known of the illegal "Drug Operations" prior to the loss or damage.

Unless an insured or agent of an insured already knows that loss or damage has occurred, this exclusion does not apply if, upon becoming aware of illegal "Drug Operations", an insured or any agent of the insured immediately notifies the police and the insurer.

"Drug Operations" means cultivating, harvesting, processing, manufacturing, distributing, or selling, on the premises, any substance falling within the Controlled Drugs and Substance Act or the Cannabis Act, or any successor legislation.

#### **Part V – CANNABIS EXCLUSION**

Unless specifically endorsed, this policy does not insure loss of or damage to any cannabis or cannabis products.



Hello,

Your policy includes coverage under Form 2294 —Commercial General Liability Form. We need to let you know that effective May 25, 2019, we are changing this coverage by adopting a slightly modified version of the Insurance Bureau of Canada wording.

### **What does this mean for you?**

This new wording provides some additional coverage:

- The amount we will reimburse you for expenses we may ask you to incur in the investigation of a claim has been increased from \$100 to \$250
- The definition of who is an insured is expanded to include unit or strata lot owners, and any tenants if they are brought into a claim because of actions of the Condominium or Strata Corporation
- We have removed the exclusion for property damage arising out of the use of explosives for blasting, vibration from pile driving or caisson work, or the removal or weakening of support of any property, building, or land whether such support is natural or otherwise. If you previously had an endorsement to provide this coverage (form 2293 or 2303), the endorsement will not be on your renewal.
- Personal Injury now includes Advertising Injury. This additional coverage does not apply to companies whose business is advertising, broadcasting, publishing or telecasting, designing or determining content of websites for others, or providing internet search, access, content, or services.

Because lawsuits related to this coverage over the last decade determined that some parts of the policy did not properly explain the coverage being offered, the following clauses have been reworded in the modified version for clarity (note that a reduction in coverage may be possible):

- The policy does not provide coverage if you knew about a potential claim prior to buying the coverage. The Insuring Agreement now explains prior knowledge
- We will not defend you against claims that are not covered by the policy
- Certain exclusions have been changed to explain that there isn't any coverage even if only part of the loss was caused by an excluded loss. This clause appears in the automobile, asbestos, fungi and spores, nuclear energy, terrorism and war risks exclusions
- We will not pay claims for negligent hiring or negligent supervision

**ECONOMICAL INSURANCE, HEAD OFFICE**

111 Westmount Road South, P.O. Box 2000, Waterloo ON Canada N2J 4S4

T 519.570.8200 T VOICEMAIL 519.570.8500 F 519.570.8389

[economicalinsurance.com](http://economicalinsurance.com)



- We will not pay claims made by the family of any employee who is injured
- Your duties and responsibilities in the event of a claim have been expanded to require you to provide all of the information you have with respect to that claim
- If you have more than one policy with us which provides this coverage, the limits for each policy cannot be added together. We will pay claims based on the highest limit available to you

If you have endorsements added to your liability coverage, you will notice that these too have changed. In most cases, all we have done is changed "Personal Injury" to "Personal and Advertising Injury" or changed the numbering of the parts of the endorsement. If we have changed the coverage, you will receive a separate notification specific to the endorsement.

Endorsements which have a lower limit than the main coverage have been amended to include a section which explains how the lower limit applies.

In some cases, you will notice that an exclusion endorsement has disappeared from your policy. Some endorsements are no longer necessary because the exclusion forms part of the new Commercial General Liability Form - 2294.

It's important that you understand your insurance coverage. We recommend that you contact your broker to go over your policy in detail and to discuss what affect these changes may have on you.

ECONOMICAL INSURANCE, HEAD OFFICE

111 Westmount Road South, P.O. Box 2000, Waterloo ON Canada N2J 4S4

T 519.570.8200 T VOICEMAIL 519.570.8500 F 519.570.8389

[economicalinsurance.com](http://economicalinsurance.com)

# COMMERCIAL GENERAL LIABILITY FORM

Throughout this form 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 form restrict coverage. Read the entire form carefully to determine rights, duties and what is and is not covered.

## SECTION I – COVERAGES

### COVERAGE A. BODILY INJURY and PROPERTY DAMAGE LIABILITY

#### 1. Insuring Agreement

- (a) 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:
- (i) The amount we will pay for "Compensatory Damages" is limited as described in **SECTION III – LIMITS OF INSURANCE**; and
  - (ii) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements 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:
- (i) The "Bodily Injury" or "Property Damage" is caused by an "Occurrence" that takes place in the "Coverage Territory"; and
  - (ii) The "Bodily Injury" or "Property Damage" occurs during the policy period; and
  - (iii) Prior to the policy period, no insured listed under Item 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 Item 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 Item 1. of **SECTION II – WHO IS AN INSURED** or any "Employee" authorized by you to give or receive notice of an "Occurrence" or claim:
- (i) Reports all, or any part, of the "Bodily Injury" or "Property Damage" to us or any other insurer;
  - (ii) Receives a written or verbal demand or claim for "Compensatory Damages" because of the "Bodily Injury" or "Property Damage"; or
  - (iii) Becomes aware by any other means that "Bodily Injury" or "Property Damage" has occurred or has begun to occur.
- (e) "Compensatory Damages" because of "Bodily Injury" include "Compensatory Damages" claimed by any person or organization for care, loss of services or death resulting at any time from the "Bodily Injury".

#### 2. Exclusions

This insurance does not apply to:

- (a) **Expected or Intended Injury**  
"Bodily Injury" or "Property Damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "Bodily Injury" resulting from the use of reasonable force to protect persons or property.
- (b) **Contractual Liability**  
"Bodily Injury" or "Property Damage" for which the insured is obligated to pay "Compensatory Damages" by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for "Compensatory Damages":
- (i) That the insured would have in the absence of the contract or agreement; or
  - (ii) Assumed in a contract or agreement that is an "Insured Contract", provided the "Bodily Injury" or "Property Damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "Insured Contract", reasonable legal fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be "Compensatory Damages" because of "Bodily Injury" or "Property Damage", provided:
    - a. Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "Insured Contract"; and
    - b. Such legal fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which "Compensatory Damages" to which this insurance applies are alleged.
- (c) **Workers' Compensation and Similar Laws**  
Any obligation of the insured under a workers' compensation, disability benefits or unemployment or employment compensation law or any similar law.
- (d) **Employer's Liability**  
"Bodily Injury" to:
- (i) An "Employee" of the insured arising out of and in the course of:
    - a. Employment by the insured; or
    - b. Performing duties related to the conduct of the insured's business; or
  - (ii) The spouse, child, parent, brother or sister of that "Employee" as a consequence of Item 2.(d)(i) above.
- This exclusion applies:
- i. Whether the insured may be liable as an employer or in any other capacity; and
  - ii. To any obligation to share "Compensatory Damages" with or repay someone else who must pay "Compensatory Damages" because of the injury.

This exclusion does not apply to:

- iii. Liability assumed by the insured under an "Insured Contract"; or
- iv. 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 or Watercraft**

"Bodily Injury" or "Property Damage" arising out of the ownership, maintenance, use or entrustment to others by or on behalf of any insured of:

- (i) Any aircraft, air cushion vehicle or watercraft that is owned, operated by rented or loaned to any insured; or
  - (ii) Any premises for the purpose of an airport or aircraft landing area and all operations necessary or incidental thereto.
- Use includes operation and "Loading or Unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "Occurrence" which caused the "Bodily Injury" or "Property Damage" involved the ownership, maintenance, use or entrustment to others of any aircraft or watercraft that is owned, operated by, rented or loaned to any insured.

This exclusion does not apply to:

- i. A watercraft while ashore on premises you own or rent;
- ii. A watercraft you do not own that is:
  - a. Less than 8 metres long; and
  - b. Not being used to carry persons or property for a charge;
- iii. "Bodily Injury" to an "Employee" of the insured on whose behalf contributions are made by or required to be made by the insured under the provisions of any Canadian provincial or territorial workers' compensation law, if the "Bodily Injury" results from an "Occurrence" involving watercraft.

(f) **Automobile**

"Bodily Injury" or "Property Damage" arising directly or indirectly, in whole or in part, out of the ownership, maintenance, use or entrustment to others of any "Automobile" that is owned, operated by, on behalf of, rented or loaned to any insured. Use includes operation and "Loading or Unloading".

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

This exclusion also 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 "Automobile" that is owned, operated by, on behalf of, rented or loaned to any insured.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "Bodily Injury" or "Property Damage".

This exclusion does not apply to:

- (i) "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.
- (ii) "Bodily Injury" or "Property Damage" arising out of a defective condition in, or improper maintenance of, any "Automobile" that is owned by the insured while leased to others for a period of 30 days or more provided the lessee is obligated under contract to ensure that the "Automobile" is insured.
- (iii) "Bodily Injury" or "Property Damage" arising out of the ownership, use or operation of machinery, apparatus or equipment mounted on or attached to any vehicle while at the site of the use or operation of such equipment. This exception however does not apply when such equipment is mounted on or attached to any "Automobile" and such equipment is used for the purpose of "Loading or Unloading".
- (iv) "Bodily Injury" or "Property Damage" arising out of "Loading or Unloading" if such operations are precluded from coverage under the motor vehicle section of any provincial or territorial act or regulation.

(g) **Damage To Property**

"Property Damage" to:

- (i) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
  - (ii) Premises you sell, give away or abandon, if the "Property Damage" arises out of any part of those premises;
  - (iii) Property loaned to you;
  - (iv) Personal property in your care, custody or control;
  - (v) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "Property Damage" arises out of those operations; or
  - (vi) That particular part of any property that must be restored, repaired or replaced because "Your Work" was incorrectly performed on it.
- Paragraph (ii) of this exclusion does not apply if the premises are "Your Work" and were never occupied, rented or held for rental by you.
- Paragraphs (iii), (iv), (v), and (vi) of this exclusion do not apply to liability assumed under a sidetrack agreement.
- Paragraph (vi) of this exclusion does not apply to "Property Damage" included in the "Products-Completed Operations Hazard".

(h) **Damage To Your Product**

"Property Damage" to "Your Product" arising out of it or any part of it.

(i) **Damage To Your Work**

"Property Damage" to "Your Work" arising out of it or any part of it and included in the "Products-Completed Operations Hazard".

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

(j) **Damage To Impaired Property or Property Not Physically Injured**

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

- (i) A defect, deficiency, inadequacy or dangerous condition in "Your Product" or "Your Work"; or
- (ii) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

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

(k) **Recall of Products, Work or Impaired Property**

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

- (i) "Your Product";
- (ii) "Your Work"; or
- (iii) "Impaired Property";

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

(l) **Electronic Data and Access or Disclosure of Confidential or Personal Information**

"Compensatory Damages" arising out of:

- (i) the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "Electronic Data"; or

- (ii) any access to or disclosure of any person's or organization's confidential or personal information, including but not limited to patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.
- (m) **Personal and Advertising Injury**  
"Bodily Injury" arising out of "Personal and Advertising Injury".
- (n) **Professional Services**  
"Bodily Injury" (other than "Incidental Medical Malpractice Injury"), or "Property Damage" due to the rendering of or failure to render by you or on your behalf of any "Professional Services" for others, or any error or omission, malpractice or mistake in providing those services.
- (o) **Abuse**
  - (i) Claims or "Action"(s) 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".
  - (ii) Claims or "Action"(s) based on your practices of "Employee" hiring, acceptance of "Volunteer Worker"(s) or supervision or retention of any person alleged to have committed "Abuse".
  - (iii) Claims or "Action"(s) alleging knowledge by an insured of, or failure to report, the alleged "Abuse" to the appropriate authority(ies).
- (p) **Asbestos** – see Common Exclusions
- (q) **Fungi or Spores** – see Common Exclusions
- (r) **Nuclear**– see Common Exclusions
- (s) **Pollution** – see Common Exclusions
- (t) **Terrorism** – see Common Exclusions
- (u) **War Risks** – see Common Exclusions

## COVERAGE B. PERSONAL and ADVERTISING INJURY LIABILITY

### 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:
  - (i) The amount we will pay for "Compensatory Damages" is limited as described in **SECTION III – LIMITS OF INSURANCE**; and
  - (ii) Our right and duty to defend 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.
- (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 form period.
- (d) **Criminal Acts**  
"Personal and Advertising Injury" arising out of a criminal act committed by or at the direction of the insured.
- (e) **Contractual Liability**  
"Personal and Advertising Injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for "Compensatory Damages" that the insured would have in the absence of the contract or agreement.
- (f) **Breach Of Contract**  
"Personal and Advertising Injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "Advertisement".
- (g) **Quality Or Performance Of Goods – Failure To Conform To Statements**  
"Personal and Advertising Injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "Advertisement".
- (h) **Wrong Description Of Prices**  
"Personal and Advertising Injury" arising out of the wrong description of the price of goods, products or services stated in your "Advertisement".
- (i) **Infringement Of Copyright, Patent, Trademark or Trade Secret**  
"Personal and Advertising Injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. However, this exclusion does not apply to infringement, in your "Advertisement", of copyright, trade dress or slogan.
- (j) **Insureds In Media and Internet Type Businesses**  
"Personal and Advertising Injury" committed by an insured whose business is:
  - (i) Advertising, broadcasting, publishing or telecasting;
  - (ii) Designing or determining content of web-sites for others; or
  - (iii) An Internet search, access, content or service provider.
 However, this exclusion does not apply to Item 23. (a), (b), and (c) of "Personal and Advertising Injury" under **SECTION V - DEFINITIONS**. For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.
- (k) **Interactive Websites, Electronic Chatrooms, Interactive Forums or Bulletin Boards**  
"Personal and Advertising Injury" arising out of an electronic interactive website, chatroom, interactive forum or bulletin board the insured hosts, owns, or over which the insured exercises control.
- (l) **Unauthorized Use Of Another's Name or Product**  
"Personal and Advertising Injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

- (m) **Data-Related Liability and Access or Disclosure of Confidential or Personal Information**  
"Personal and Advertising Injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including but not limited to patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.
- (n) **Asbestos** – see Common Exclusions
- (o) **Fungi or Spores** – see Common Exclusions
- (p) **Nuclear** – see Common Exclusions
- (q) **Pollution** – see Common Exclusions
- (r) **Terrorism** – see Common Exclusions
- (s) **War Risks** – see Common Exclusions

## COVERAGE C. MEDICAL PAYMENTS

### 1. Insuring Agreement

- (a) We will pay medical expenses as described below for "Bodily Injury" caused by an accident:
  - (i) On premises you own or rent;
  - (ii) On ways next to premises you own or rent; or
  - (iii) Because of your operations;
 provided that:
  - a. The accident takes place in the "Coverage Territory" and during the policy period;
  - b. The expenses are incurred and reported to us within one year of the date of the accident; and
  - c. 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:
  - (i) First aid administered at the time of an accident;
  - (ii) Necessary medical, surgical, x-ray and dental services, including prosthetic devices and
  - (iii) Necessary ambulance, hospital, professional nursing and funeral services.

### 2. Exclusions

We will not pay expenses for "Bodily Injury":

- (a) **Any Insured**  
To any insured, except "Volunteer Worker"(\$).
- (b) **Hired Person**  
To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- (c) **Injury On Normally Occupied Premises**  
To a person injured on that part of premises you own or rent that the person normally occupies.
- (d) **Workers Compensation and Similar Laws**  
To a person, whether or not an "Employee" of any insured, if benefits for the "Bodily Injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- (e) **Athletics Activities**  
To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.
- (f) **Products-Completed Operations Hazard**  
Included within the "Products-Completed Operations Hazard".
- (g) **Coverage A Exclusions**  
Excluded under Coverage A.

## COVERAGE D. TENANTS' LEGAL LIABILITY

### 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:
  - (i) The amount we will pay for "Compensatory Damages" is limited as described in **SECTION III – LIMITS OF INSURANCE**; and
  - (ii) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements 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:
  - (i) The "Property Damage" is caused by an "Occurrence" that takes place in the "Coverage Territory";
  - (ii) The "Property Damage" occurs during the policy period; and
  - (iii) Prior to the policy period, no insured listed under Paragraph 1. of **SECTION II – WHO IS AN INSURED** and no "Employee" authorized by you to give or receive notice of an "Occurrence" or claim, knew that the "Property Damage" had occurred, in whole or in part. If such a listed insured or authorized "Employee" knew, prior to the policy period, that the "Property Damage" occurred, then any continuation, change or resumption of such "Property Damage" during or after the policy period will be deemed to have been known prior to the policy period.
- (c) "Property Damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of **SECTION II – WHO IS AN INSURED** or any "Employee" authorized by you to give or receive notice of an "Occurrence" or claim, includes any continuation, change or resumption of that "Property Damage" after the end of the policy period.
- (d) "Property Damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of **SECTION II – WHO IS AN INSURED** or any "Employee" authorized by you to give or receive notice of an "Occurrence" or claim:
  - (i) Reports all, or any part, of the "Property Damage" to us or any other insurer;
  - (ii) Receives a written or verbal demand or claim for "Compensatory Damages" because of the "Property Damage"; or
  - (iii) Becomes aware by any other means that "Property Damage" has occurred or has begun to occur.



## 2. Exclusions

This insurance does not apply to:

(a) **Expected or Intended Injury**

"Property Damage" expected or intended from the standpoint of the insured.

(b) **Contractual Liability**

"Property Damage" for which the insured is obligated to pay "Compensatory Damages" by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for "Compensatory Damages" that the insured would have in the absence of the contract or agreement.

(c) **Asbestos** – see Common Exclusions

(d) **Fungi or Spores** – see Common Exclusions

(e) **Nuclear** – see Common Exclusions

(f) **Pollution** – see Common Exclusions

(g) **Terrorism** – see Common Exclusions

(h) **War Risks** – see Common Exclusions

## COMMON EXCLUSIONS – COVERAGES A, B, C and D

This insurance does not apply to:

### 1. Asbestos

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

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "Bodily Injury", "Property Damage" or "Personal and Advertising Injury".

### 2. Fungi or Spores

(a) "Bodily Injury", "Property Damage" or "Personal and Advertising Injury" or any other cost, loss or expense incurred by others, arising directly or indirectly from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any "Fungi" or "Spores" however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of "Fungi" or "Spores";

(b) Any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with (a) above; or

(c) Any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in (a) or (b) above.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "Bodily Injury", "Property Damage" or "Personal and Advertising Injury".

For the purpose of the following exception:

(d) "Property Damage" means physical injury to animals.

(e) "Products-Completed Operations Hazard" means all "Bodily Injury" and "Property Damage" that arises out of "Your Product" provided the "Bodily Injury" or "Property Damage" occurs after you have relinquished physical possession of "Your Product".

This exclusion does not apply to "Bodily Injury" or "Property Damage" included in the "Products-Completed Operations Hazard" arising directly or indirectly from "Fungi" or "Spores" that are found in or on, or are, "Your Product", and you intend "Your Product" to be:

(i) applied topically to; or

(ii) ingested by;  
humans or animals.

### 3. Nuclear Energy Liability

(a) Liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof;

(b) "Bodily Injury", "Property Damage" or "Personal and Advertising Injury" with respect to which an insured under this policy is also insured under a contract of nuclear energy liability insurance (whether the insured is unnamed in such contract and whether or not it is legally enforceable by the insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability;

(c) "Bodily Injury", "Property Damage" or "Personal and Advertising Injury" resulting directly or indirectly from the "Nuclear Energy Hazard" arising from:

(i) The ownership, maintenance, operation or use of a "Nuclear Facility" by or on behalf of an insured;

(ii) the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "Nuclear Facility";

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

This exclusion applies regardless of any other contributing or aggravating cause or event that contribute concurrently or in any sequence to the "Bodily Injury", "Property Damage" or "Personal and Advertising Injury".

### 4. Pollution

(a) "Bodily Injury", "Property Damage" or "Personal and Advertising Injury" arising out of the actual, alleged or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "Pollutants":

(i) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

a. "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;

b. "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

c. "Bodily Injury" or "Property Damage" arising out of heat, smoke or fumes from a "Hostile Fire";

- (ii) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (iii) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
  - a. Any insured; or
  - b. Any person or organization for whom you may be legally responsible; or
- (iv) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "Pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
  - a. "Bodily Injury" or "Property Damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment or its parts, if such fuels, lubricants or other operating fluids escape from a permanent and integral mobile equipment part designed to hold, store or receive them. This exception does not apply if the "Bodily Injury" or "Property Damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
  - b. "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
  - c. "Bodily Injury" or "Property Damage" arising out of heat, smoke or fumes from a "Hostile Fire".
- (v) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "Pollutants".
- (b) Any loss, cost or expense arising out of any:
  - (i) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "Pollutants"; or
  - (ii) Claim or "Action" by or on behalf of a governmental authority for "Compensatory Damages" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "Pollutants".

However, this Section (b) does not apply to liability for "Compensatory Damages" because of "Property Damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "Action" by or on behalf of a governmental authority.

## 5. Terrorism

"Bodily Injury", "Property Damage" or "Personal and Advertising Injury" arising directly or indirectly, in whole or in part, out of "Terrorism" or out of any activity or decision of a government agency or other entity to prevent, respond to or terminate "Terrorism". This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "Bodily Injury", "Property Damage" or "Personal and Advertising Injury".

## 6. War Risks

"Bodily Injury", "Property Damage" or "Personal and Advertising Injury" arising directly or indirectly, in whole or in part, out of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "Bodily Injury", "Property Damage" or "Personal and Advertising Injury".

## SUPPLEMENTARY PAYMENTS – COVERAGES A, B and D

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

These payments will not reduce the limits of insurance.
2. If we defend an insured against an "Action" and an indemnitee of the insured is also named as a party to the "Action", we will defend that indemnitee if all of the following conditions are met:
  - (a) The "Action" against the indemnitee seeks "Compensatory Damages" for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "Insured Contract";
  - (b) This insurance applies to such liability assumed by the insured;
  - (c) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "Insured Contract";
  - (d) The allegations in the "Action" and the information we know about the "Occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
  - (e) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "Action" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
  - (f) The indemnitee:
    - (i) 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
    - (ii) 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 Item 2.b.(ii) 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
- (b) The conditions set forth above, or the terms of the agreement described in Paragraph (f) above, are no longer met.

## SECTION II – WHO IS AN INSURED

1. If 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 Officer"(s) 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 Worker"(s) only while performing duties related to the conduct of your business, or your "Employee"(s), other than either your "Executive Officer"(s) (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 "Employee"(s) or "Volunteer Worker"(s) are insureds for:
    - (i) "Bodily Injury" or "Personal and Advertising Injury":
      - a. To you, to your partners or members (if you are a partnership, limited liability partnership or joint venture), to your members (if you are a limited liability company), to a co-"Employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "Volunteer Worker"(s) while performing duties related to the conduct of your business;
      - b. To the spouse, child, parent, brother or sister of that co-"Employee" or "Volunteer Worker" as a consequence of Item (i) a. above;
      - c. For which there is any obligation to share "Compensatory Damages" with or repay someone else who must pay "Compensatory Damages" because of the injury described in Item (i) a. or b. above;
      - d. Arising out of his or her providing or failing to provide professional health care services; or
      - e. To any person who at the time of injury is entitled to benefits under any workers' compensation or disability benefits law or a similar law.
    - (ii) "Property Damage" to property that is:
      - 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 "Employee"(s), "Volunteer Worker"(s), any partner or member (if you are a partnership, limited liability partnership or joint venture), or any member (if you are a limited liability company).
  - (b) Any person (other than your "Employee" or "Volunteer Worker"), or any organization while acting as your real estate manager.
  - (c) Any person or organization having proper temporary custody of your property if you die, but only:
    - (i) With respect to liability arising out of the maintenance or use of that property; and
    - (ii) Until your legal representative has been appointed.
  - (d) Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.
  - (e) Your unit or strata lot owners and any tenants, but only with respect to the conduct of the corporation for liability arising out of the common property, excluding liability arising out of the owner's or tenant's possession, occupation or use of property designated for exclusive use.
3. Any organization you newly acquire or form, other than a partnership, limited liability partnership or joint venture or limited liability company, and over which you maintain ownership or majority interest will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
  - (a) Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - (b) Coverage A and D does not apply to "Bodily Injury" or "Property Damage" that occurred before you acquired or formed the organization; and
  - (c) Coverage B does not apply to "Personal and Advertising Injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, limited liability partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.
4. Blanket Additional Insured – When required by an "Insured Contract".
 

Any person or organization when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured to your policy. Such person or organization is an additional insured only with respect to liability for "Bodily Injury", "Property Damage" or "Personal and Advertising Injury" caused in whole or in part, by:

  - (a) Your acts or failure to act; or
  - (b) The acts or failure to act of those acting on your behalf; in the performance of the terms of your contract.

A person's or organization's status as an additional insured under this form ends when your contract with that additional insured is completed. There is no coverage under this form for any liability of the additional insured caused by its own acts or omissions.

## 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 "Action"(s) brought; or
  - (c) Persons or organizations making claims or bringing "Action"(s).
2. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for "Compensatory Damages" because of "Bodily Injury" and "Property Damage" included in the "Products-Completed Operations Hazard".
3. 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 Item 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 Property Damage Liability and Tenants' Legal Liability to pay "Compensatory Damages" on your behalf applies only to the amount of "Compensatory Damages" in excess of any deductible amounts stated in the Declarations as applicable to such coverages, and the limits of insurance applicable to each "Occurrence" for Property Damage Liability and any one premises for Tenants' Legal Liability will be reduced by the amount of such deductible.
- (b) The deductible amount applies as follows:
  - (i) Under Coverage A: To all "Compensatory Damages" because of "Property Damage" as the result of any one "Occurrence", regardless of the number of persons or organizations who sustain "Compensatory Damages" because of that "Occurrence".
  - (ii) Under Coverage D, Tenants' Legal Liability, to all "Compensatory Damages" because of "Property Damage" as the result of any one "Occurrence", regardless of the number of persons or organizations who sustain "Compensatory Damages" because of that "Occurrence".
- (c) The terms of this insurance, including those in respect to:
  - (i) our right and duty to defend any "Action" seeking those "Compensatory Damages"; and
  - (ii) your duties in the event of an "Occurrence", claim or "Action";
 apply irrespective of the application of the deductible amount.
- (d) We may pay any part or all of the deductible amount to effect settlement of any claim or "Action" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

## SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

If any portion of these conditions is found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect.

**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 form 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 form with our consent. This form's terms can be amended or waived only by endorsement issued by us and made a part of this form.

**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:
  - (i) How, when and where the "Occurrence" or offense took place;
  - (ii) The names and addresses of any injured persons and witnesses; and
  - (iii) The nature and location of any injury or damage arising out of the "Occurrence" or offense.
- (b) If a claim is made or "Action" is brought against any insured, you must:
  - (i) Immediately record the specifics of the claim or "Action" and the date received; and
  - (ii) Notify us as soon as practicable.
 You must see to it that we receive written notice of the claim or "Action" as soon as practicable.
- (c) You and any other involved insured must:
  - (i) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "Action";
  - (ii) Authorize us to obtain records and other information;
  - (iii) Cooperate with us in the investigation or settlement of the claim or defense against the "Action"; and
  - (iv) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- (d) No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

**5. Examination Of Your Books and Records.**

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

**6. Inspections and Surveys**

- (a) We have the right to:
  - (i) Make inspections and surveys at any time;
  - (ii) Give you reports on the conditions we find; and
  - (iii) Recommend changes.

- (b) We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - (i) Are safe or healthful; or
  - (ii) Comply with laws, regulations, codes or standards.
- (c) Items (a) and (b) of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
- (d) Item (b) 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, by-laws or regulations, of boilers, pressure vessels or elevators.

## 7. Legal Action Against Us

No person or organization has a right under this form:

- (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 form 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 form or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

Every action or proceeding against an insurer for the recovery of insurance money payable under contract is absolutely barred unless commenced within the time set out in the Insurance Act or other applicable legislation in the province or territory where you, as the first Named Insured in the declarations, have your head office.

## 8. Other Insurance

If other valid and collectible insurance is available to the insured under any other form or policy issued to you by an insurer other than us or an "Affiliate" of ours 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 Item (b) below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Item (c) below.

### (b) Excess Insurance

This insurance is excess over:

- (i) Any of the other insurance, whether primary, excess, contingent or on any other basis:

- 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 "Automobile" to the extent not subject to either Exclusion (e) or (f) of SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY.

- (ii) Any other primary insurance available to you covering liability for "Compensatory Damages" arising out of the premises or operations or products-completed operations for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under Coverages A, B or D to defend you against any "Action" if any other insurer has a duty to defend you against that "Action". If no other insurer defends, we will undertake to do so, but we will be entitled to your 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:

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

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

### (c) Method Of Sharing

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

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

## 9. Premium Audit

- (a) We will compute all premiums for this form in accordance with our rules and rates.
- (b) Premium shown in this form 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 form 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 form.
- (c) The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

## 10. Premiums

The first Named Insured shown in the Declarations:

- (a) Is responsible for the payment of all premiums; and
- (b) Will be the payee for any return premiums we pay.

## 11. Representations

By accepting this form, 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. 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 form, 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.

**14. Transfer Of Your Rights and Duties Under This Form**

Your rights and duties under this form 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.

**15. Two or More Forms or Policies Issued by Us**

If this form and any other form or policy issued to you by us or any "Affiliate" of ours is available for the same loss, whether in whole or in part, the combined maximum limit of insurance under all of the forms or policies shall not exceed the highest applicable limit of insurance under any one form or policy. This condition does not apply to any form or policy issued by us or any "Affiliate" of ours to apply as excess insurance over this form.

**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. "Affiliate" means any legal entity that, now or in the future, we own, owns us or is under common control with us.
5. "Automobile" means a land motor vehicle, trailer or semitrailer 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.
6. "Bodily Injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
7. "Compensatory Damages" means damages due or awarded in payment for actual injury or economic loss. "Compensatory Damages" does not include punitive or exemplary damages or the multiple portion of any multiplied damage award.
8. "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:
    - (i) Goods or products made or sold by you in the territory described in (a) above; or
    - (ii) 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
    - (iii) "Personal and Advertising Injury" offenses that take place through the Internet or similar electronic means of communication provided the insured's responsibility to pay "Compensatory Damages" is determined in an "Action" on the merits, in the territory described in (a) above or in a settlement we agree to.
9. "Electronic Data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including but not limited to systems and applications software, source codes, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
10. "Employee" includes a "Leased Worker" and a "Temporary Worker".
11. "Executive Officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
12. "Fissionable Substances" means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
13. "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.
14. "Hostile Fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
15. "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:
    - (c) The repair, replacement, adjustment or removal of "Your Product" or "Your Work"; or
    - (d) Your fulfilling the terms of the contract or agreement.

- 16. "Incidental Medical Malpractice Injury"** means "Bodily Injury" arising out of the rendering of or failure to render, during the form period, the following services:
- (a) medical, surgical, dental, x-ray or nursing services or treatment or the furnishing of food or beverages in connection therewith; or
  - (b) the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances; by any insured or any indemnitee causing the "Incidental Medical Malpractice Injury" who is not engaged in the business or occupation of providing any of the services described in Items (a) and (b) above.
- 17. "Insured Contract"** means:
- (a) A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage to premises while rented to you or temporarily occupied by you with permission of the owner is not an "Insured Contract";
  - (b) A sidetrack agreement;
  - (c) An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
  - (d) Any other easement agreement;
  - (e) An obligation, as required by ordinance or by-law, 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, provided the "Bodily Injury" or "Property Damage" is caused, in whole or in part, by you or by those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement. Item (g) does not include that part of any contract or agreement:
    - (i) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
      - 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
    - (ii) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render "Professional Services", including those listed in Item (i) above and supervisory, inspection, architectural or engineering activities.
- 18. "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".
- 19. "Loading or Unloading"** means the handling of property:
- (a) After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "Automobile";
  - (b) While it is in or on an aircraft, watercraft or "Automobile"; or
  - (c) While it is being moved from an aircraft, watercraft or "Automobile" to the place where it is finally delivered;
- but "Loading or Unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "Automobile".
- 20. "Nuclear Energy Hazard"** means the radioactive, toxic, explosive, or other hazardous properties of radioactive material;
- 21. "Nuclear Facility"** means:
- (a) any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
  - (b) any equipment or device designed or used for:
    - (i) separating the isotopes of plutonium, thorium and uranium or any one or more of them, or
    - (ii) processing or packaging waste;
  - (c) any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 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.
- 22. "Occurrence"** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- 23. "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".
- 24. "Pollutants"** mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, odour, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 25. "Products-Completed Operations Hazard":**
- (a) Includes all "Bodily Injury" and "Property Damage" occurring away from premises you own or rent and arising out of "Your Product" or "Your Work" except:
    - (i) Products that are still in your physical possession; or
    - (ii) Work that has not yet been completed or abandoned. However, "Your Work" will be deemed completed at the earliest of the following times:
      - a. When all of the work called for in your contract has been completed.
      - b. When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
      - c. When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

(b) Does not include "Bodily Injury" or "Property Damage" arising out of:

- (i) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle that is not owned or operated by you, and that condition was created by the "Loading or Unloading" of that vehicle by any insured; or
- (ii) The existence of tools, uninstalled equipment or abandoned or unused materials.

26. "Professional Services" shall include but not be limited to:

- (a) Medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection therewith;
- (b) Any professional service or treatment conducive to health;
- (c) Professional services of a pharmacist;
- (d) The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
- (e) The handling or treatment of deceased human bodies including autopsies, organ donations or other procedures;
- (f) Any cosmetic, body piercing, tonsorial, massage, physiotherapy, chiropody, hearing aid, optical or optometrical services or treatments;
- (g) The preparation or approval of maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications;
- (h) Supervisory, inspection, architectural, design or engineering services;
- (i) Accountant's, advertiser's, notary's (Quebec), public notary's, paralegal's, lawyer's, real estate broker's or agent's, insurance broker's or agent's, travel agent's, financial institution's, or consultant's professional advices or activities;
- (j) Any computer programming or re-programming, consulting, advisory or related services; or
- (k) Claim, investigation, adjustment, appraisal, survey or audit services.

27. "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.

28. "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;

29. "Spores" includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "Fungi".

30. "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.

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

32. "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.

33. "Your Product":

(a) Means:

- (i) 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
- (ii) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

(b) Includes

- (i) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "Your Product"; and
- (ii) The providing of or failure to provide warnings or instructions.

(c) Does not include vending machines or other property rented to or located for the use of others but not sold.

34. "Your Work":

(a) Means:

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

(b) Includes

- (i) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "Your Work", and
- (ii) The providing of or failure to provide warnings or instructions.



## ADDITIONAL INSURED ENDORSEMENT

This endorsement changes the form. Please read it carefully.

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY FORM

This insurance applies to persons or organizations stated on the Declarations as Additional Insureds. Such person or organization is an additional insured only with respect to liability for "Bodily Injury", "Property Damage" or "Personal and Advertising Injury" caused in whole or in part, by:

1. Your acts or failure to act; or
  2. The acts or failure to act of those acting on your behalf;
- in the performance of your ongoing operations for the additional insured.

There is no coverage under this form for any liability of the additional insured caused by its own acts or omissions.

**Except as otherwise provided in this endorsement, all terms, provisions and conditions of the policy shall have full force and effect. All terms not specifically defined in this endorsement will have the same meaning as in the form to which this endorsement is attached.**

2069 (05/2019)

## BODILY INJURY AND PROPERTY DAMAGE DEDUCTIBLE ENDORSEMENT

This endorsement changes the form. Please read it carefully.

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY FORM

Item 7. Deductible of **SECTION III - LIMITS OF INSURANCE** is deleted in its entirety and replaced by the following:

#### 7. Deductible

- (a) Our obligation under Bodily Injury Liability, Property Damage Liability and Tenants' Legal Liability to pay "Compensatory Damages" on your behalf applies only to the amount of "Compensatory Damages" in excess of any deductible amounts stated on the Declaration Page as applicable to such coverages, and the limits of insurance applicable to each "Occurrence" for Bodily Injury Liability and Property Damage Liability and any one premises for Tenants' Legal Liability will be reduced by the amount of such deductible. The Products-Completed Operations Aggregate Limit for such coverages will not be reduced by the application of such deductible amount.
- (b) The deductible amounts stated on the Declaration Page apply as follows:
  - (i) **PER CLAIMANT BASIS** - if the deductible is on a per claimant basis, the deductible amount applies:
    - a. Under Coverage A:
      - i. Bodily Injury Liability or Property Damage Liability respectively:
        - a) To all "Compensatory Damages" because of "Bodily Injury" sustained by one person, or
        - b) To all "Compensatory Damages" because of "Property Damage" sustained by one person or organization, as the result of any one "Occurrence".
      - ii. Bodily Injury Liability and Property Damage Liability combined, to all "Compensatory Damages" because of "Bodily Injury" and "Property Damage" sustained by one person or organization as the result of any one "Occurrence".
    - b. Under Coverage D: to all "Compensatory Damages" because of "Property Damage" sustained by one person or organization as the result of any one "Occurrence".
  - (ii) **PER OCCURRENCE BASIS** - if the deductible is on a per "Occurrence" basis, the deductible amount applies:
    - a. Under Coverage A:
      - i. Bodily Injury Liability or Property Damage Liability, respectively:
        - a) To all "Compensatory Damages" because of "Bodily Injury" as the result of any one "Occurrence", or
        - b) To all "Compensatory Damages" because of "Property Damage" as the result of any one "Occurrence", regardless of the number of persons or organizations who sustain "Compensatory Damages" because of that "Occurrence".
      - ii. Bodily Injury Liability and Property Damage liability combined, to all "Compensatory Damages" because of "Bodily Injury" and "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".
    - b. Under Coverage D: to all "Compensatory Damages" because of "Property Damage" as the result of any one "Occurrence", regardless of the number of persons or organizations who sustain "Compensatory Damages" because of that "Occurrence".
- (c) The terms of this insurance, including those with respect to:
  - (i) our right and duty to defend any "Action" seeking those "Compensatory Damages"; and
  - (ii) your duties in the event of an "Occurrence", claim or "Action"apply irrespective of the application of the deductible amount.
- (d) We may pay any part or all of the deductible amount to effect settlement of any claim or "Action" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

**Except as otherwise provided in this form, all terms, provisions and conditions of the policy shall have full force and effect. All terms not specifically defined in this endorsement will have the same meaning as in the form to which this endorsement is attached.**

2296 (05/2019)

# EXPERT<sup>®</sup> CYBER SUPPLEMENTAL DECLARATIONS (CANADA)

## Policy Aggregate Limit of Liability

Aggregate for all loss, including "Claims Expenses", subject to the following:

Information Security and Privacy Liability Limit:	<b>\$50,000</b>
Regulatory Defense and Penalties Sublimit:	<b>\$50,000</b>
PCI Fines, Expenses and Costs Sublimit:	<b>\$10,000</b>
Cyber Extortion Sublimit:	<b>\$5,000</b>
First Party Data Protection Sublimit:	<b>\$10,000</b>
First Party Network Business Interruption Sublimit:	<b>\$10,000</b>

## Liability Retention Per Claim or Incident:

Information Security and Privacy Liability:	<b>\$2,500</b>
Regulatory Defense and Penalties:	<b>\$2,500</b>
PCI Fines, Expenses and Costs:	<b>\$2,500</b>
Cyber Extortion:	<b>\$2,500</b>
First Party Data Protection:	<b>\$2,500</b>

Income Loss Retention under First Party Network Business Interruption:

**the greater of \$5,000 or income loss  
during 12 hour waiting period**

## Privacy Breach Response Services Limit of Coverage

"Computer Expert Services", "Legal Services" and "Public Relations and Crisis Management Expenses" Aggregate Limit:

**\$25,000**

Notified Individuals - "Notification Services", "Call Center Services" and "Breach Resolution and Mitigation Services" Aggregate Limit:

**5,000 Notified Individuals**

## Privacy Breach Response Services Retention Per Incident

"Computer Expert Services", "Legal Services" and "Public Relations and Crisis Management Expenses":

**\$2,500**

Notified Individuals:

**100 Notified Individuals**

## Retroactive Date

The Retroactive Date is the date on which this form was first added to this policy, unless otherwise shown on the "Declarations Page"

## EXPERT<sup>®</sup> CYBER (CANADA)

NOTICE: INSURING AGREEMENTS A., C. AND D. OF THIS FORM PROVIDE COVERAGE ON A CLAIMS MADE AND REPORTED BASIS AND APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR THE OPTIONAL EXTENSION PERIOD (IF APPLICABLE) AND REPORTED TO US DURING THE POLICY PERIOD OR AS OTHERWISE PROVIDED IN CLAUSE IX. OF THIS FORM. AMOUNTS INCURRED AS CLAIMS EXPENSES UNDER THIS FORM SHALL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO RETENTIONS.

INSURING AGREEMENT B. OF THIS FORM PROVIDES FIRST PARTY COVERAGE ON AN INCIDENT DISCOVERED AND REPORTED BASIS AND APPLIES ONLY TO INCIDENTS FIRST DISCOVERED BY THE INSURED AND REPORTED TO US DURING THE POLICY PERIOD.

INSURING AGREEMENTS E., F. AND G. OF THIS FORM PROVIDE FIRST PARTY COVERAGE AS DESCRIBED HEREIN.

THROUGHOUT THIS FORM, THE WORDS "YOU" AND "YOUR" REFER TO THE "NAMED INSURED(S)" SHOWN IN THE POLICY DECLARATIONS AND ANY OTHER PERSON(S) OR ORGANIZATION(S) QUALIFYING AS A "NAMED INSURED" UNDER THIS FORM. THE WORDS "WE", "US" AND "OUR" REFER TO THE COMPANY PROVIDING THIS COVERAGE. THE WORD "INSURED" MEANS ANY PERSON OR ORGANIZATION QUALIFYING AS SUCH UNDER **CLAUSE V. DEFINITIONS** OF THIS FORM.

WORDS AND PHRASES BETWEEN QUOTATION MARKS HAVE SPECIAL MEANING. THESE WORDS AND PHRASES ARE DEFINED IN THIS FORM EITHER IN **CLAUSE V. DEFINITIONS** OR EXCEPTIONALLY IN THE CLAUSE THAT FIRST USES THE WORD OR PHRASE.

TO THE EXTENT ANY WORDS OR PHRASES USED IN THIS FORM ARE DEFINED ELSEWHERE IN THE POLICY, SUCH DEFINITIONS PROVIDED ELSEWHERE DO NOT APPLY TO GIVE MEANING TO THE WORDS OR PHRASES USED IN THIS FORM.

### I. INSURING AGREEMENTS

#### A. Information Security & Privacy Liability

To pay on behalf of the "Insured":

"Damages" and "Claims Expenses", in excess of the "Retention", which the "Insured" shall become legally obligated to pay because of any "Claim", including a "Claim" for violation of a "Privacy Law", first made against any "Insured" during the "Policy Period" or Optional Extension Period (if applicable) and reported in writing to us during the "Policy Period" or as otherwise provided in Clause IX. of this Form for:

1. theft, loss, or "Unauthorized Disclosure" of "Personally Identifiable Information" or "Third Party Information" that is in the care, custody or control of the "Insured Organization", or a third party for whose theft, loss or "Unauthorized Disclosure" of "Personally Identifiable Information" or "Third Party Information" the "Insured Organization" is legally liable, provided such theft, loss or "Unauthorized Disclosure" first takes place on or after the "Retroactive Date" and before the end of the "Policy Period";
2. one or more of the following acts or incidents that directly result from a failure of "Computer Security" to prevent a "Security Breach", provided that such act or incident first takes place on or after the "Retroactive Date" and before the end of the "Policy Period";
  - (a) the alteration, corruption, destruction, deletion, or damage to data stored on "Computer Systems";
  - (b) the failure to prevent transmission of malicious code from "Computer Systems" to computer or network systems that are not owned, operated or controlled by an "Insured"; or
  - (c) the participation by the "Insured Organization"'s "Computer Systems" in a denial-of-service attack directed against computer or network systems that are not owned, operated or controlled by an "Insured";
3. the "Insured Organization"'s failure to timely disclose an incident described in Insuring Agreement A.1. or A.2. in violation of any "Breach Notice Law"; provided such incident giving rise to the "Insured Organization"'s obligation under a "Breach Notice Law" must first take place on or after the "Retroactive Date" and before the end of the "Policy Period"; or
4. failure by the "Insured" to comply with that part of a "Privacy Policy" that specifically:
  - (a) prohibits or restricts the "Insured Organization"'s disclosure, sharing or selling of a person's "Personally Identifiable Information";
  - (b) requires the "Insured Organization" to provide access to "Personally Identifiable Information" or to correct incomplete or inaccurate "Personally Identifiable Information" after a request is made by a person; or
  - (c) mandates procedures and requirements to prevent the loss of "Personally Identifiable Information";

provided the acts, errors or omissions that constitute such failure to comply with a "Privacy Policy" must first take place on or after the "Retroactive Date" and before the end of the "Policy Period", and the "Insured Organization" must, at the time of such acts, errors or omissions have in force a "Privacy Policy" that addresses those subsections above that are relevant to such "Claim".

**B. Privacy Breach Response Services**

To provide "Privacy Breach Response Services" to the "Insured Organization" in excess of the "Retention" because of an incident (or reasonably suspected incident) described in Insuring Agreement A.1. or A.2. that first takes place on or after the "Retroactive Date" and before the end of the "Policy Period" and is discovered by the "Insured" and is reported to us during the "Policy Period".

"Privacy Breach Response Services" means the following:

1. "Computer Expert Services";
2. "Legal Services";
3. "Notification Services" to provide notification to:
  - (a) individuals who are required to be notified by the "Insured Organization" under the applicable "Breach Notice Law"; or
  - (b) in our discretion, individuals affected by an incident in which their "Personally Identifiable Information" has been subject to theft, loss or "Unauthorized Disclosure" in a manner which compromises the security or privacy of such individual by posing a significant risk of financial, reputational or other harm to the individual;
4. "Call Centre Services";
5. "Breach Resolution and Mitigation Services"; and
6. "Public Relations and Crisis Management Expenses".

"Privacy Breach Response Services" will be subject to the applicable retentions and limitations set forth in the Supplemental Declarations, and shall not include any internal salary or overhead expenses of the "Insured Organization". It is a condition precedent under this Form that our prior written consent be obtained for "Privacy Breach Response Services" to be covered. "Privacy Breach Response Services" will be provided by a service provider selected from our panel in consultation with the "Insured Organization".

**C. Regulatory Defence and Penalties**

To pay on behalf of the "Insured":

"Claims Expenses" and "Penalties" in excess of the "Retention", which the "Insured" shall become legally obligated to pay because of any "Claim" in the form of a "Regulatory Proceeding", first made against any "Insured" during the "Policy Period" or Optional Extension Period (if applicable) and reported to us in writing during the "Policy Period" or as otherwise provided in Clause IX. of this Form, for a violation of a "Privacy Law" and caused by an incident described in Insuring Agreements A.1., A.2. or A.3. that first takes place on or after the "Retroactive Date" and before the end of the "Policy Period".

**D. PCI Fines, Expenses and Costs**

To indemnify the "Insured" for "PCI Fines, Expenses and Costs", in excess of the "Retention", which the "Insured" shall become legally obligated to pay because of a "Claim" first made against any "Insured" during the "Policy Period" or Optional Extension Period (if applicable) and reported to us in writing during the "Policy Period" or as otherwise provided in Clause IX. of this Form. Coverage under this Insuring Agreement is sub-limited to the amount set forth in the Supplemental Declarations and we shall have no duty to defend any "Claim" or pay "Claims Expenses" with respect to any "Claim" under this Insuring Agreement.

**E. Cyber Extortion**

To indemnify the "Named Insured" for:

"Cyber Extortion Loss", in excess of the "Retention", incurred by the "Insured Organization" as a direct result of an "Extortion Threat" first made against the "Insured Organization" during the "Policy Period".

**F. First Party Data Protection**

To indemnify the "Named Insured" for:

"Data Protection Loss", in excess of the "Retention", incurred by the "Insured Organization" as a direct result of:

1. alteration, corruption, destruction, deletion or damage to a "Data Asset", or
2. inability to access a "Data Asset",

that is directly caused by a failure of "Computer Security" to prevent a "Security Breach"; provided that such "Security Breach" must take place on or after the "Retroactive Date" and before the end of the "Policy Period".

**G. First Party Network Business Interruption**

To indemnify the "Named Insured" for the actual "Business Interruption Loss", in excess of the applicable "Retention", the "Insured Organization" sustains during the "Period of Restoration" as a direct result of an actual and necessary interruption of "Computer Systems" caused directly by a failure of "Computer Security" to prevent a "Security Breach"; provided that such "Security Breach" must first take place on or after the "Retroactive Date" and before the end of the "Policy Period".

## II. DEFENCE AND SETTLEMENT OF CLAIMS

A. We shall have the right and duty to defend, subject to all the provisions, terms and conditions of this Form:

1. any "Claim" against the "Insured" seeking "Damages" which are payable under the terms of this Form, even if any of the allegations of the "Claim" are groundless, false or fraudulent; or
2. under Insuring Agreement C., any "Claim" in the form of a "Regulatory Proceeding".

Defence Counsel shall be mutually agreed upon between us and the "Named Insured", but in the absence of such agreement, our decision shall be final.

B. With respect to any "Claim" against the "Insured" seeking "Damages" or "Penalties" which are payable under the terms of this Form, we will pay "Claims Expenses" incurred with their prior written consent. The Limit of Liability available to pay "Damages" and "Penalties" shall be reduced and may be completely exhausted by payment of "Claims Expenses". "Damages", "Penalties", and "Claims Expenses" shall be applied against each "Claim" "Retention" payable by the "Insured".

"Claims Expenses" incurred without our prior written consent shall not be covered hereunder and shall not be applied against the "Claim" "Retention".

C. If the "Insured" shall refuse to consent to any settlement or compromise recommended by us and acceptable to the claimant and elects to contest the "Claim", our liability for any "Damages", "Penalties" and "Claims Expenses" shall not exceed:

1. the amount for which the "Claim" could have been settled, less the remaining "Retention", plus the "Claims Expenses" incurred up to the time of such refusal; plus
2. fifty percent (50%) of any "Claims Expenses" incurred after the date such settlement or compromise was recommended to the "Insured" plus fifty percent (50%) of any "Damages" above the amount for which the "Claim" could have been settled. The remaining fifty percent (50%) of such "Claims Expenses" and "Damages" must be borne by the "Insured" at their own risk and uninsured;

or the applicable Limit of Liability, whichever is less, and we shall have the right to withdraw from further defence thereof by tendering control of said defence to the "Insured". The portion of any proposed settlement or compromise that requires the "Insured" to cease, limit or refrain from actual or alleged infringing or otherwise injurious activity or is attributable to future royalties or other amounts that are not "Damages" (or "Penalties" for "Claims" covered under Insuring Agreement C.) shall not be considered in determining the amount for which a "Claim" could have been settled.

## III. TERRITORY

This Insurance applies to "Claims" made, acts committed, or "Loss" occurring anywhere in the world.

## IV. EXCLUSIONS

The coverage under this Insurance does not apply to any "Claim" or "Loss";

### A. Bodily Injury and Property Damage

For, arising out of or resulting from:

1. physical injury, sickness, disease or death of any person, including any mental anguish or emotional distress resulting from such physical injury, sickness, disease or death; or
2. physical injury to or destruction of any tangible property, including the loss of use thereof; provided that electronic data shall not be considered tangible property for purposes of this exclusion;

### B. Employment

For, arising out of or resulting from any employer-employee relations, policies, practices, acts or omissions, or any actual or alleged refusal to employ any person, or misconduct with respect to employees, whether such "Claim" is brought by an employee, former employee, applicant for employment, or relative or domestic partner of such person; provided, that this exclusion shall not apply to an otherwise covered "Claim" under Insuring Agreement A.1., A.2., or A.3. by a current or former employee of the "Insured Organization" or to the providing of "Privacy Breach Response Services" involving current or former employees of the "Insured Organization";

### C. Directors' and Officers' Liability

For, arising out of or resulting from any actual or alleged act, error or omission or breach of duty by any director or officer in the discharge of their duty if the "Claim" is brought by or on behalf of the "Named Insured", a "Subsidiary", or any principals, directors, officers, shareholders, members or employees of the "Named Insured" or a "Subsidiary" in his or her capacity as such;

### D. Contractual Liability

For, arising out of or resulting from obligation under or breach of any contract or agreement, except:

1. with respect to Insuring Agreement A.1., to an obligation to maintain the confidentiality or security of "Personally Identifiable Information" or of "Third Party Information" (provided this exception D.1. does not apply to any obligation under a "Merchant Services Agreement");

2. to "Computer Expert Services" or "Legal Services" covered under Insuring Agreement B.;
  3. to "PCI Fines, Expenses and Costs" covered under Insuring Agreement D.; or
  4. to the extent the "Insured" would have been liable in the absence of such contract or agreement;
- E. Competition and Restraint of Trade**
- For, arising out of or resulting from any actual or alleged antitrust violation, restraint of trade, unfair competition, or false or deceptive or misleading advertising or violation of the Competition Act in Canada, the Sherman Antitrust Act, the Clayton Act, or the Robinson-Patman Act in the United States, as amended, or any similar national, federal, provincial, or territorial statute or regulation;
- F. Unfair Trade Practices and Consumer Protection**
- For, arising out of or resulting from any actual or alleged false, deceptive or unfair trade practices; however this exclusion does not apply to:
1. any "Claim" covered under Insuring Agreements A.1., A.2., A.3. or C.; or
  2. the providing of "Privacy Breach Response Services" covered under Insuring Agreement B.,
- that results from a theft, loss or "Unauthorized Disclosure" of "Personally Identifiable Information" provided that no member of the "Control Group" participated or is alleged to have participated or colluded in such theft, loss or "Unauthorized Disclosure";
- G. Unlawful Collection of Information Unlawful Communications**
- For, arising out of or resulting from:
1. the actual or alleged unlawful collection, acquisition or retention of "Personally Identifiable Information" (except as otherwise covered under Insuring Agreement A.5.) or other personal information by, on behalf of, or with the consent or cooperation of the "Insured Organization"; or the failure to comply with a legal requirement to provide individuals with the ability to assent to or withhold assent (e.g. opt-in or opt-out) from the collection, disclosure or use of "Personally Identifiable Information"; provided, that this exclusion shall not apply to the actual or alleged unlawful collection, acquisition or retention of "Personally Identifiable Information" by a person or entity that is not a "Related Party" and without the knowledge of the "Insured Organization"; or
  2. the distribution of unsolicited email, text messages, direct mail, or facsimiles, wire tapping, audio or video recording, or telemarketing, if such distribution, wire tapping or recording is done by or on behalf of the "Insured Organization";
- H. Prior Acts, Errors, Omissions or Incidents**
- For, arising out of or resulting from
1. that which was the subject of written notice given to us or to any other insurer prior to the initial inception date of this coverage; or
  2. which was the subject of any prior and/or pending written demand made against any "Insured" or a civil, administrative, or arbitration proceeding commenced against any "Insured", prior to the initial inception date of this coverage, or that involved the same or substantially the same fact, circumstance or situation underlying or alleged in such prior demand or proceeding;
- I. "Retroactive Date"**
- For, arising out of or resulting from any related or continuing acts, errors, omissions, incidents or events, where the first such act, error, omission, incident or event was committed or occurred prior to the "Retroactive Date";
- J. Racketeering, Securities, Pensions and Discrimination**
- For, arising out of or resulting from any of the following:
1. any actual or alleged violation of any racketeering law or legislation (including any order, ruling or regulation issued pursuant thereto), whether such law is statutory, regulatory or common law;
  2. any actual or alleged violation of any securities law, regulation or legislation, or any order, ruling or regulation issued pursuant to such law, regulation or legislation;
  3. any actual or alleged violation of any employment or labour law, regulation or legislation, or any order, ruling or regulation issued pursuant to such law, regulation or legislation; or
  4. any actual or alleged discrimination of any kind including but not limited to age, color, race, sex, creed, national origin, marital status, sexual preference, disability or pregnancy;
- however this exclusion does not apply to an otherwise covered "Claim" under Insuring Agreement A.1., A.2., or A.3., or to providing "Privacy Breach Response Services" covered under Insuring Agreement B., that results from a theft, loss or "Unauthorized Disclosure" of "Personally Identifiable Information", provided that no member of the "Control Group" participated, or is alleged to have participated or colluded, in such theft, loss or "Unauthorized Disclosure";
- K. Pensions, Investment Plans and Trusts**
- For, arising out of or resulting from any actual or alleged acts, errors, or omissions related to any of the "Insured Organization"'s pension, healthcare, welfare, profit sharing, mutual or investment plans, funds or trusts; however this exclusion does not apply to an otherwise covered "Claim" under Insuring Agreement A.1., A.2., or A.3., or to the providing of "Privacy Breach Response Services" under Insuring Agreement B., that results from a theft, loss or "Unauthorized Disclosure" of "Personally Identifiable Information", provided that no member of the "Control Group" participated, or is alleged to have participated or colluded in such theft, loss or "Unauthorized Disclosure";

L. **Criminal, Malicious or Intentional Acts**

Arising out of or resulting from any criminal, dishonest, fraudulent, or malicious act, error or omission, any intentional "Security Breach", intentional violation of a "Privacy Policy", or intentional or knowing violation of the law, if committed by any "Insured", or by others if such "Insured" colluded or participated in any such conduct or activity;

this exclusion shall not apply to:

1. "Claims Expenses" incurred in defending any "Claim" alleging the foregoing until such time as there is a final adjudication, judgment, binding arbitration decision or conviction against the "Insured", or written admission by the "Insured", establishing such conduct, or a plea of *nolo contendere* or no contest regarding such conduct, at which time the policyholder shall reimburse us for all "Claims Expenses" incurred defending the "Claim" and we shall have no further liability for "Claims Expenses"; or
2. a "Claim" or "Loss" against a natural insured person if such "Insured" did not personally commit, participate in or know about any act, error, omission, incident or event giving rise to such "Claim" or "Loss";

For purposes of this exclusion, only acts, errors, omissions or knowledge of a member of the "Control Group" will be imputed to the "Insured Organization";

M. **Intellectual Property**

For, arising out of or resulting from any actual or alleged:

1. infringement of patent or patent rights or misuse or abuse of patent;
2. infringement of copyright arising from or related to software code or software products other than infringement resulting from a theft or "Unauthorized Access or Use" of software code by a person who is not a "Related Party";
3. use or misappropriation of any ideas, trade secrets or "Third Party Information" (i) by, or on behalf of, the "Insured Organization", or (ii) by any other person or entity if such use or misappropriation is done with the knowledge, consent or acquiescence of a member of the "Control Group";
4. disclosure, misuse or misappropriation of any ideas, trade secrets or confidential information that came into the possession of any person or entity prior to the date the person or entity became an employee, officer, director, principal, partner or "Subsidiary" of the "Insured Organization"; or
5. under Insuring Agreement A.2., theft of or "Unauthorized Disclosure" of data;

N. **Regulatory**

For, in connection with or resulting from any "Claim" brought by or on behalf of any governmental entity, in such entity's regulatory or official capacity; provided, this exclusion shall not apply to an otherwise covered "Claim" under Insuring Agreement C. or to the providing of "Privacy Breach Response Services" under Insuring Agreement B. to the extent such services are legally required to comply with a "Breach Notice Law";

O. **"Insured" v. "Insured"**

For, arising out of or resulting from a "Claim" by or on behalf of one or more "Insureds" under this Insurance against any other "Insured" or "Insureds" under this Insurance; provided this exclusion shall not apply to an otherwise covered "Claim" under Insuring Agreement A.1., A.2., or A.3. made by a current or former employee of the "Insured Organization";

P. **Related Entities**

For, arising out of or resulting from:

1. any "Claim" made by any business enterprise in which any "Insured" has greater than a fifteen percent (15%) ownership interest or made by any parent company or other entity which owns more than fifteen percent (15%) of the "Named Insured"; or
2. the "Insured"'s activities as a trustee, partner, member, officer, director or employee of any employee trust, charitable organization, corporation, company or business other than that of the "Insured Organization";

Q. **Trading Losses and Monetary Transactions**

For, arising out of or resulting from any of the following: (1) trading losses, trading liabilities or change in value of accounts; (2) any loss, transfer or theft of monies, securities or tangible property of others in the care, custody or control of the "Insured Organization"; (3) the monetary value of any transactions or electronic fund transfers by or on behalf of the "Insured" which is lost, diminished, or damaged during transfer from, into or between accounts; or (4) the value of coupons, price discounts, prizes, awards, or any other valuable consideration given in excess of the total contracted or expected amount;

R. **Licensing Bodies; Joint Ventures; Product Descriptions; Pricing; Contests**

For, arising out of or resulting from:

1. the actual or alleged obligation to make licensing fee or royalty payments, including but limited to the amount or timeliness of such payments;
2. any costs or expenses incurred or to be incurred by the "Insured" or others for the reprinting, reposting, recall, removal or disposal of any "Media Material" or any other information, content or media, including any media or products containing such "Media Material", information, content or media;

3. any "Claim" brought by or on behalf of any intellectual property licensing bodies or organizations, including but not limited to, the Composers, Authors and Publishers Association of Canada, the Society of European Stage Authors and Composers or Broadcast Music, Inc, or the American Society of Composer, Authors and Publishers;
4. the actual or alleged inaccurate, inadequate or incomplete description of the price of goods, products or services, cost guarantees, cost representations, or contract price estimates, the authenticity of any goods, products or services, or the failure of any goods or services to conform with any represented quality or performance;
5. any actual or alleged gambling, contest, lottery, promotional game or other game of chance; or
6. any "Claim" made by or on behalf of any independent contractor, joint venturer or venture partner arising out of or resulting from disputes over ownership of rights in "Media Material" or services provided by such independent contractor, joint venturer or venture partner;

**S. War**

Arising out of or resulting from, directly or indirectly occasioned by, happening through or in consequence of: war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority; provided, that this exclusion will not apply to "Cyber Terrorism".

For purposes of this exclusion, "Cyber Terrorism" means the premeditated use of disruptive activities, or threat to use disruptive activities, against a computer system or network with the intention to cause harm, further social, ideological, religious, political or similar objectives, or to intimidate any person(s) in furtherance of such objectives.

**T. Asbestos, Pollution and Contamination**

Either in whole or in part, directly or indirectly arising out of or resulting from or in consequence of, or in any way involving:

1. asbestos, or any materials containing asbestos in whatever form or quantity;
2. the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, molds, spores or mycotoxins of any kind; any action taken by any party in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, molds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, molds, spores or mycotoxins; and any governmental or regulatory order, requirement, directive, mandate or decree that any party take action in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, molds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, molds, spores or mycotoxins;

We will have no duty or obligation to defend any "Insured" with respect to any "Claim" or governmental or regulatory order, requirement, directive, mandate or decree which either in whole or in part, directly or indirectly, arises out of or results from or in consequence of, or in any way involves the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, molds, spores or mycotoxins of any kind;

3. any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof, nuclear explosion or contamination by radioactive material;
4. the existence, emission or discharge of any electromagnetic field, electromagnetic radiation or electromagnetism that actually or allegedly affects the health, safety or condition of any person or the environment, or that affects the value, marketability, condition or use of any property; or
5. the actual, alleged or threatened discharge, dispersal, release or escape of Pollutants; or any governmental, judicial or regulatory directive or request that the "Insured" or anyone acting under the direction or control of the "Insured" test for, monitor, clean up, remove, contain, treat, detoxify or neutralize Pollutants. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant including gas, acids, alkalis, chemicals, heat, smoke, vapor, soot, fumes or waste. Waste includes but is not limited to materials to be recycled, reconditioned or reclaimed;

**U. Telecommunications Infrastructure; Act of God; Satellite Failures**

With respect to Insuring Agreements F. and G., arising out of or resulting from:

1. any failure or malfunction of electrical or telecommunications infrastructure or services, provided that this exclusion shall not apply to an otherwise covered "Claim" or "Loss" arising out of failure of "Computer Security" to prevent a "Security Breach" that was solely caused by a failure or malfunction of telecommunications infrastructure or services under the "Insured Organization"'s direct operational control;
2. fire, flood, earthquake, volcanic eruption, explosion, lighting, wind, hail, tidal wave, landslide, act of God or other physical event; or
3. any satellite failures;

**V. Cyber Extortion**

With respect to Insuring Agreement E., arising out of or resulting from:

1. any threat to physically harm or kidnap any person;



2. any threat to harm, take, or transfer property other than a "Data Asset", even if such threat is made in conjunction with a threat to "Data Assets";
3. an "Extortion Threat" first made against the "Insured Organization" during the "Policy Period" by any of the "Insured Organization"'s directors, officers, principals, trustees, governors, members, management committee members, members of the management board, partners, or any person in collusion with any of the foregoing;

**W. Nationalization**

Arising out of or resulting from any seizure, nationalization, confiscation, or destruction of "Computer Systems" or "Data Assets" by order of any governmental or public authority.

**V. DEFINITIONS**

A. "Application" means all applications, including any attachments thereto, and all other information and materials submitted to us by or on behalf of the "Insured" in connection with the underwriting of this Form, or prior policies of which this Form is a renewal thereof.

B. "Breach Notice Law" means:

1. any Canadian national, federal, provincial, or territorial statute or regulation that requires notice to persons whose "Personally Identifiable Information" was accessed or reasonably may have been accessed by an unauthorized person;
2. any United States federal, state, or territorial statute or regulation that requires notice to persons whose "Personally Identifiable Information" was accessed or reasonably may have been accessed by an unauthorized person; and
3. a foreign statute or regulation that requires notice to persons whose "Personally Identifiable Information" was accessed or reasonably may have been accessed by an unauthorized person.

C. "Breach Resolution and Mitigation Services" means a credit monitoring, identity monitoring or other solution selected from our panel providers in consultation with the "Insured Organization".

D. "Business Interruption Loss" means the actual "Income Loss" and "Forensic Expenses" and "Extra Expense" incurred, during the "Period of Restoration".

"Business Interruption Loss" shall not include:

1. "Loss" arising out of any liability to any third party for whatever reason; legal costs or legal expenses of any type; "Loss" incurred as a result of unfavorable business conditions, loss of market or any other consequential loss; or costs or expenses the "Insured Organization" incurs to identify and remove software program errors or vulnerabilities; or
2. Expenses incurred by the "Insured" to update, upgrade, enhance or replace "Computer Systems" to a level beyond that which existed prior to the actual and necessary interruption of "Computer Systems"; or the costs and expenses incurred by the "Insured Organization" to restore, reproduce, or regain access to any "Data Asset" that was altered, corrupted, destroyed, deleted, damaged or rendered inaccessible as a result of the failure of "Computer Security" to prevent a "Security Breach".

E. "Call Centre Services" means the provision of a call centre to answer calls during standard business hours for a period of ninety (90) days following notification (or longer if required by applicable law or regulation) of an incident for which notice is provided pursuant to Insuring Agreement B.3. ("Notification Services"). Such notification shall include a toll free telephone number that connects to the call centre during standard business hours. Call centre employees will answer questions about the incident from "Notified Individuals" and will provide information required by applicable law or regulation.

"Call Centre Services" will include up to 10,000 calls per day and will be provided by a service provider from our panel selected by us in consultation with the "Insured Organization".

F. "Claim" means:

1. a written demand received by any "Insured" for money or services, including the service of a suit or institution of regulatory or arbitration proceedings;
2. with respect to coverage provided under Insuring Agreement C. only, institution of a "Regulatory Proceeding" against any "Insured";
3. a written request or agreement to toll or waive a statute of limitations relating to a potential "Claim" described in paragraph 1. above; and
4. with respect to coverage provided under Insuring Agreement A.1. only, a demand received by any "Insured" to fulfill the "Insured Organization"'s contractual obligation to provide notice of an incident (or reasonably suspected incident) described in Insuring Agreement A.1. pursuant to a "Breach Notice Law";

Multiple "Claims" arising from the same or a series of related or repeated acts, errors, or omissions, or from any continuing acts, errors, omissions, or from multiple "Security Breaches" arising from a failure of "Computer Security", shall be considered a single "Claim" for the purposes of this Form, irrespective of the number of claimants or "Insureds" involved in the "Claim". All such "Claims" shall be deemed to have been made at the time of the first such "Claim".

G. "Claims Expenses" means:

1. reasonable and necessary fees charged by an attorney designated pursuant to Clause II., Defence and Settlement of Claims, paragraph A.;

2. all other legal costs and expenses resulting from the investigation, adjustment, defence and appeal of a "Claim", suit, or proceeding arising in connection therewith, or circumstance which might lead to a "Claim", if incurred by us, or by the "Insured" with our prior written consent; and
3. the premium cost for appeal bonds for covered judgements or bonds to release property used to secure a legal obligation, if required in any "Claim" against an "Insured"; provided we shall have no obligation to appeal or to obtain bonds.

"Claims Expenses" do not include any salary, overhead, or other charges by the "Insured" for any time spent in cooperating in the defence and investigation of any "Claim" or circumstance that might lead to a "Claim" notified under this Form, or costs to comply with any regulatory orders, settlements or judgements.

H. "Computer Expert Services" means costs for:

1. a computer security expert to determine the existence and cause of an actual or suspected electronic data breach which may require the "Insured Organization" to comply with a "Breach Notice Law" and to determine the extent to which such information was accessed by an unauthorized person or persons; and
2. a PCI Forensic Investigator that is approved by the PCI Security Standards Council and is retained by the "Insured Organization" in order to comply with the terms of a "Merchant Services Agreement" to investigate the existence and extent of an actual or suspected compromise of credit card data; and in the our discretion, where a computer security expert described in 1. above has not been retained, for a computer security expert to provide advice and oversight in connection with the investigation conducted by the PCI Forensic Investigator; and
3. a computer security expert to demonstrate the "Insured"'s ability to prevent a future electronic data breach as required by a "Merchant Services Agreement".

"Computer Expert Services" will be provided by a service provider from our panel selected by the "Insured Organization" in consultation with us.

I. "Computer Security" means software, computer or network hardware devices, as well as the "Insured Organization"'s written information security policies and procedures, the function or purpose of which is to prevent "Unauthorized Access or Use", a denial-of-service attack against "Computer Systems", infection of "Computer Systems" by malicious code or transmission of malicious code from "Computer Systems". "Computer Security" includes anti-virus and intrusion detection software, firewalls and electronic systems that provide access control to "Computer Systems" through the use of passwords, biometric or similar identification of authorized users.

J. "Computer Systems" means computers and associated input and output devices, data storage devices, networking equipment, and back up facilities:

1. operated by and either owned by or leased to the "Insured Organization"; or
2. systems operated by a third party service provider and used for the purpose of providing hosted computer application services to the "Insured Organization" or for processing, maintaining, hosting or storing the "Insured Organization"'s electronic data, pursuant to written contract with the "Insured Organization" for such services.

K. "Control Group" means the individuals holding the following positions in the "Insured Organization": President; members of the Board of Directors; executive officers, including the Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer; General Counsel, staff attorneys employed by the "Insured Organization"; Chief Information Officer; Chief Security Officer; Chief Privacy Officer; and any individual in a substantially similar position as those referenced above, or with substantially similar responsibilities as those referenced above, irrespective of the exact title of such individual and any individual who previously held any of the above referenced positions.

L. "Cyber Extortion Loss" means:

1. any "Extortion Payment" that has been made under duress by or on behalf of the "Insured Organization" with our prior written consent, but solely to prevent or terminate an "Extortion Threat"; and
2. reasonable and necessary expenses incurred by the "Insured Organization" with our prior written approval, that directly relate to the "Insured"'s efforts to prevent or terminate an "Extortion Threat".

M. "Damages" means a monetary judgement, award or settlement; provided that the term "Damages" shall not include or mean:

1. future profits, restitution, disgorgement of unjust enrichment or profits by an "Insured", or the costs of complying with orders granting injunctive or equitable relief;
2. return or offset of fees, charges, or commissions charged by or owed to an "Insured" for goods or services already provided or contracted to be provided;
3. any damages which are a multiple of compensatory damages, fines, taxes or loss of tax benefits, sanctions or penalties;
4. punitive or exemplary damages, unless insurable by law in any applicable venue that most favors coverage for such punitive or exemplary damages;
5. discounts, coupons, prizes, awards or other incentives offered to the "Insured"'s customers or clients;
6. liquidated damages to the extent that such damages exceed the amount for which the "Insured" would have been liable in the absence of such liquidated damages agreement;
7. fines, costs or other amounts an "Insured" is responsible to pay under a "Merchant Services Agreement"; or
8. any amounts for which the "Insured" is not liable, or for which there is no legal recourse against the "Insured".

- N. "Data Asset" means any software or electronic data that exists in "Computer Systems" and that is subject to regular back-up procedures.
- O. "Data Protection Loss" means the reasonable and necessary costs and expenses incurred by the "Insured Organization" to regain access to, replace, restore, re-assemble or recollect any "Data Asset", or if any "Data Asset" cannot reasonably be accessed, replaced, restored, re-assembled or recollect, then the actual, reasonable and necessary costs and expenses incurred by the "Insured Organization" to reach such determination.
- "Data Protection Loss" shall not mean, and there shall be no coverage under Insuring Agreement F. for:
1. costs or expenses incurred by the "Insured Organization" to identify or remediate software program errors or vulnerabilities or update, replace, restore, assemble, reproduce, recollect or enhance a "Data Asset" or "Computer Systems" to a level beyond that which existed prior to the alteration, corruption, destruction, deletion or damage of such "Data Asset";
  2. costs or expenses to research or develop any "Data Asset", including but not limited to trade secrets or other proprietary information;
  3. the monetary value of profits, royalties, or lost market share related to a "Data Asset", including but not limited to trade secrets or other proprietary information or any other amount pertaining to the value of the "Data Asset";
  4. loss arising out of any liability to any third party for whatever reason;
  5. legal costs or legal expenses of any type; or
  6. internal salary expenses, wages, remuneration, overhead, or benefits incurred by the "Insured Organization".
- P. "Extortion Payment" means cash, marketable goods or services demanded to prevent or terminate an "Extortion Threat".
- Q. "Extortion Threat" means a threat to:
1. alter, destroy, damage, delete or corrupt any "Data Asset";
  2. prevent access to "Computer Systems" or a "Data Asset";
  3. perpetrate a theft or misuse of a "Data Asset" on "Computer Systems" through external access;
  4. introduce malicious code into "Computer Systems" or to third party computers systems from "Computer Systems";
  5. interrupt or suspend "Computer Systems"; or
  6. publicly disclose a "Data Asset", "Personally Identifiable Information" or "Third Party Information" that is obtained by "Unauthorized Access or Use" to the "Insured Organization"'s "Computer Systems",
- unless an "Extortion Payment" is received from or on behalf of the "Insured Organization".
- R. "Extra Expense" means reasonable and necessary expenses that are incurred by the "Insured Organization" during the "Period of Restoration" to minimize, reduce or avoid "Income Loss", over and above those expenses the "Insured Organization" would have incurred had no interruption of "Computer Systems" occurred.
- S. "Forensic Expenses" means reasonable and necessary expenses incurred by the "Insured Organization" to investigate the source or cause of the failure of "Computer Security" to prevent a "Security Breach".
- T. "Income Loss" means an amount equal to:
1. net profit or loss before interest and tax that the "Insured Organization" would have earned or incurred; and
  2. continuing normal operating expenses incurred by the "Insured Organization" (including payroll), but only to the extent that (a) such operating expenses must necessarily continue during the "Period of Restoration"; and (b) such expenses would have been incurred by the "Insured Organization" had such interruption not occurred;
- In determining "Income Loss", due consideration shall be given to:
- a. the prior experience of the "Insured Organization"'s business operations before the beginning of the "Period of Restoration";
  - b. the probable business operations the "Insured Organization" could have performed had no actual and necessary interruption occurred as result of a failure of "Computer Security" to prevent a "Security Breach"; and
  - c. the "Insured Organization" 's ability to reasonably reduce or limit the interruption of "Computer Systems" or conduct its business operations by other means.
- U. "Insured" means:
1. The "Named Insured" and any "Subsidiaries" of the "Named Insured";
  2. A director or officer of the "Insured Organization", but only with respect to the performance of his or her duties as such on behalf of the "Insured Organization";

3. An employee (including a part time or temporary employee) of the "Insured Organization", but only for work done while acting within the scope of his or her employment and related to the conduct of the "Insured Organization"'s business;
  4. A principal if the "Named Insured" is a sole proprietorship, or a partner if the "Named Insured" is a partnership, but only with respect to the performance of his or her duties as such on behalf of the "Insured Organization";
  5. Any person who previously qualified as an "Insured" under 2., 3. or 4. above prior to the termination of the required relationship with the "Insured Organization", but only with respect to the performance of his or her duties as such on behalf of the "Insured Organization";
  6. The estate, heirs, executors, administrators, assigns and legal representatives of any "Insured" in the event of such "Insured"'s death, incapacity, insolvency or bankruptcy, but only to the extent that such "Insured" would otherwise be provided coverage under this Insurance; and
  7. The lawful spouse, including any natural person qualifying as a domestic partner under the provisions of any applicable national, federal, provincial, territorial or local law, of any "Insured", but solely by reason of any act, error or omission of an "Insured" other than such spouse or domestic partner.
- V. "Insured Organization" means the "Named Insured" and any "Subsidiaries" of the "Named Insured".
- W. "Legal Services" means fees charged by an attorney:
1. to determine the applicability of and actions necessary for the "Insured Organization" to comply with "Breach Notice Laws" due to an actual or reasonably suspected theft, loss or "Unauthorized Disclosure" of "Personally Identifiable Information";
  2. to provide necessary legal advice to the "Insured Organization" in responding to actual or suspected theft, loss or "Unauthorized Disclosure" of "Personally Identifiable Information"; and
  3. to advise the "Insured Organization" in responding to credit card system operating regulation requirements for any actual or suspected compromise of credit card data that is required to be reported to the "Insured Organization"'s merchant bank under the terms of a "Merchant Services Agreement", but "Legal Services" does not include fees incurred in any actual or threatened legal proceeding, arbitration or mediation, or any advice in responding to credit card system operating regulations in connection with an assessment of "PCI Fines, Expenses and Costs".
- "Legal Services" will be provided by an attorney from our panel selected by us in consultation with the "Insured Organization".
- X. "Loss" means "Damages", "Claims Expenses", "Penalties", "PCI Fines, Expenses and Costs", "Cyber Extortion Loss", "Data Protection Loss", "Business Interruption Loss" and "Privacy Breach Response Services".
- Y. "Management Control" means:
1. owning, directly or indirectly, more than fifty percent (50%) of the outstanding securities representing the present right to vote for the election of an entity's directors (in the case of a corporation), members of the board of managers (in the case of a United States limited liability company), management committee members (in the case of a joint venture or partnership) or persons serving in a functionally equivalent role for such an entity operating or organized outside of Canada or the United States; or
  2. having the right, pursuant to a written contract or the bylaws, charter, operating agreement or similar documents of an entity to elect, appoint or designate a majority of: the board of directors of a corporation; the management committee of a joint venture or partnership; the management board of a limited liability company; or persons serving in a functionally equivalent role for such an entity operating or organized outside of Canada or the United States.
- Z. "Media Material" means any information in electronic form, including words, sounds, numbers, images, or graphics and shall include advertising, video, streaming content, web-casting, online forum, bulletin board and chat room content, but does not mean computer software or the actual goods, products or services described, illustrated or displayed in such "Media Material".
- AA. "Merchant Services Agreement" means any agreement between an "Insured" and a financial institution, credit/debit card company, credit/debit card processor or independent service operator enabling an "Insured" to accept credit card, debit card, prepaid card, or other payment cards for payments or donations.
- BB. "Named Insured" means the "Named Insured" listed in the policy Declarations.
- CC. "Notification Services" means :
1. notification by first class mail or e-mail to Canadian or United States residents; and
  2. notification by first class mail or e-mail to individuals residing outside Canada or the United States, but only to the extent reasonably practicable.
- E-mail notification will be provided in lieu of first class mail to the extent reasonable, practicable and where permitted under the applicable "Breach Notice Law". "Notification Services" will be provided by a service provider from our panel selected by us in consultation with the "Insured Organization".
- DD. "Notified Individual" means an individual person to whom notice is given or attempted to be given under Insuring Agreement B.3 pursuant to a "Breach Notice Law".
- EE. "PCI Fines, Expenses and Costs" means the direct monetary fines, penalties, reimbursements, fraud recoveries or assessments owed by the "Insured Organization" under the terms of a "Merchant Services Agreement", but only where such fines, penalties, reimbursements, fraud recoveries or assessments result both from the "Insured Organization"'s actual or alleged noncompliance with published PCI Data

Security Standards and from a data breach caused by an incident (or reasonably suspected incident) described in Insuring Agreement A.1. or A.2.; provided, that the term "PCI Fines, Expenses and Costs" shall not include or mean any charge backs, interchange fees, discount fees or prospective service fees.

FF. "Penalties" means:

1. any civil fine or money penalty payable to a governmental entity that was imposed in a "Regulatory Proceeding" by any national, federal, provincial, territorial or foreign governmental entity, in such entity's regulatory or official capacity; the insurability of "Penalties" shall be in accordance with the law in the applicable venue that most favors coverage for such "Penalties"; and
2. amounts which the "Insured" is legally obligated to deposit in a fund as equitable relief for the payment of consumer claims due to an adverse judgement or settlement of a "Regulatory Proceeding" (including such amounts required to be paid into a consumer redress fund); but shall not include payments to charitable organizations or disposition of such funds other than for payment of consumer claims for losses caused by an event covered pursuant to Insuring Agreements A.1., A.2. or A.3.;

but shall not mean (a) costs to remediate or improve "Computer Systems", (b) costs to establish, implement, maintain, improve or remediate security or privacy practices, procedures, programs or policies, (c) audit, assessment, compliance or reporting costs, or (d) costs to protect the confidentiality, integrity and/or security of "Personally Identifiable Information" from theft, loss or disclosure, even if it is in response to a "Regulatory Proceeding" or investigation.

GG. "Period of Restoration" means the time period that:

1. begins after the expiration of the "Waiting Period" following the actual and necessary interruption of "Computer Systems"; and
2. ends one hundred twenty (120) days after the actual and necessary interruption of "Computer Systems" ends (or would have ended with the exercise of due diligence and dispatch);

provided that in no event shall the "Period of Restoration" mean a period of time greater than one hundred eighty (180) days; and provided further that restoration of "Computer Systems" will not end the "Period of Restoration" if such systems are actually and necessarily interrupted or suspended again within one hour of such restoration due to the same cause as the original interruption or suspension.

HH. "Personally Identifiable Information" means:

1. information concerning the individual that constitutes "non-public personal information" as defined in the Gramm-Leach Bliley Act of 1999, as amended, and regulations issued pursuant to the Act;
2. information concerning the individual that constitutes "personal information" as defined under the Personal Information Protection and Electronic Documents Act, S.C. 2000 c. 5 ("PIPEDA") as may be amended, and regulations issued pursuant to the Act;
3. medical or health care information concerning the individual, including "personal health information" as defined in PIPEDA, or "protected health information" as defined in the Health Insurance Portability and Accountability Act of 1996, as amended, and regulations issued pursuant to such Acts;
4. information concerning the individual that is defined as "private personal information" under statutes enacted to protect such information in any country outside Canada, including but not limited to any United States national, federal, or state statutes or regulations, for "Claims" subject to the law of such jurisdiction;
5. information concerning the individual that is defined as private personal information under a "Breach Notice Law";
6. education records as defined by the Family Educational Rights and Privacy Act (FERPA), which are directly related to an individual's attendance as a student;
7. the individual's drivers licence or federal or provincial identification number, social insurance number, unpublished telephone number, and credit, debit or other financial account numbers in combination with associated security codes, access codes, passwords or pins; if such information allows an individual to be uniquely and reliably identified or contacted or allows access to the individual's financial account or medical record information.

"Personally Identifiable Information" does not include publicly available information that is lawfully made available to the general public from government records, unless expressly included in any "Breach Notice Law".

II. "Policy Period" means the period of time between the inception date shown in the Supplemental Declarations and the effective date of termination, expiration or cancellation of this Insurance and specifically excludes any Optional Extension Period or any prior policy period or renewal period.

JJ. "Privacy Law" means a national, federal, provincial, territorial, local or foreign statute or regulation requiring the "Insured Organization" to protect the confidentiality and/or security of "Personally Identifiable Information".

KK. "Privacy Policy" means the "Insured Organization"'s public declaration of its policy for collection, use, disclosure, sharing, dissemination and correction or supplementation of, and access to "Personally Identifiable Information".

LL. "Public Relations and Crisis Management Expenses" shall mean the following costs approved by us in advance and in our discretion, and which are directly related to mitigating harm to the "Insured Organization"'s reputation or potential "Loss" covered by the Form resulting from an incident described in Insuring Agreement A.1. or A.2. or from a "Public Relations Event":

1. costs incurred by a public relations or crisis management consultant;
2. costs for media purchasing or for printing or mailing materials intended to inform the general public about the incident;

3. for incidents or events in which notification services are not otherwise provided pursuant to Insuring Agreement A. or B., costs to provide notifications and notices via e-mail or first class mail to customers or patients where such notifications are not required by law ("voluntary notifications"), including to non-affected customers or patients of the "Insured Organization";
  4. costs to provide government mandated public notices related to breach events;
  5. costs to provide services to restore healthcare records of "Notified Individuals" residing in Canada or the United States whose "Personally Identifiable Information" was compromised as a result of theft, loss or "Unauthorized Disclosure"; and
  6. other costs approved by us in advance.
- "Public Relations and Crisis Management Expenses" must be incurred no later than twelve (12) months following the reporting of such "Claim" or breach event to us and, with respect to clauses 1. and 2. above, within ninety (90) days following the first publication of such "Claim" or incident. If voluntary notifications are provided, e-mail notification will be provided in lieu of first class mail to the extent practicable.
- MM. "Public Relations Event" means the publication or imminent publication in a newspaper (or other general circulation print publication) or on radio, television or a publicly accessible website of a covered "Claim" under this Form.
- NN. "Regulatory Proceeding" means a request for information, civil investigative demand, or civil proceeding commenced by service of a complaint or similar proceeding brought by or on behalf of any national, federal, provincial, territorial or foreign governmental entity in such entity's regulatory or official capacity in connection with such proceeding.
- OO. "Retention" means the applicable retention for each "Claim" or incident as specified in the Supplemental Declarations.
- PP. "Related Party" means the "Insured Organization" and any past, present or future employees, directors, officers, partners or natural person independent contractors of the "Insured Organization".
- QQ. "Retroactive Date" means the date shown in the Supplemental Declarations.
- RR. "Security Breach" means:
1. "Unauthorized Access or Use" of "Computer Systems", including "Unauthorized Access or Use" resulting from the theft of a password from a "Computer System" or from any "Insured";
  2. a denial-of-service attack against "Computer Systems" or computer systems that are not owned, operated or controlled by an "Insured"; or
  3. infection of "Computer Systems" by malicious code or transmission of malicious code from "Computer Systems",
- whether any of the foregoing is a specifically targeted attack or a generally distributed attack.
- A series of continuing "Security Breaches", related or repeated "Security Breaches", or multiple "Security Breaches" resulting from a continuing failure of "Computer Security" shall be considered a single "Security Breach" and be deemed to have occurred at the time of the first such "Security Breach".
- SS. "Subsidiary" means any corporation, limited liability company, joint venture, or partnership while the "Named Insured" has "Management Control" over such entity, if the "Named Insured":
1. had "Management Control" over such entity on the inception date of this Form or such entity was an insured under a form issued by us of which this Form is a renewal;
  2. acquires "Management Control" after the inception date of this Form provided the revenues of the entity do not exceed ten percent (10%) of the "Named Insured"'s annual revenues for the four quarterly periods directly preceding inception of the "Policy Period"; or
  3. acquires "Management Control" after the inception date of this Form provided that if the revenues of the entity exceed ten percent (10%) of the "Named Insured"'s annual revenues for the four quarterly periods directly preceding inception of the "Policy Period", the provisions of Clause XV., Mergers and Acquisitions, must be fulfilled;
- provided that this Form only provides coverage for acts, errors, omissions, incidents or events that take place while the "Named Insured" has "Management Control" over such entity.
- TT. "Third Party Information" means any trade secret, data, design, interpretation, forecast, formula, method, practice, credit or debit card magnetic strip information, process, record, report or other item of information of a third party not insured under this Form which is not available to the general public and is provided to the "Insured" subject to a mutually executed written confidentiality agreement or which the "Insured Organization" is legally required to maintain in confidence; however, "Third Party Information" shall not include "Personally Identifiable Information".
- UU. "Unauthorized Access or Use" means the gaining of access to or use of "Computer Systems" by an unauthorized person or persons or the use of "Computer Systems" in an unauthorized manner.
- VV. "Unauthorized Disclosure" means the disclosure of (including disclosure resulting from phishing) or access to information in a manner that is not authorized by the "Insured Organization" and is without knowledge of, consent, or acquiescence of any member of the "Control Group".
- VVV. "Waiting Period" means the period of time beginning when the actual and necessary interruption of "Computer Systems" caused directly by a failure of "Computer Security" to prevent a "Security Breach" begins and expiring after the elapse of the number of hours set forth in the Supplemental Declarations. A "Waiting Period" shall apply to each "Period of Restoration".

## VI. LIMIT OF LIABILITY AND COVERAGE

- A. The Policy Aggregate Limit of Liability set forth in the Supplemental Declarations (the "Policy Aggregate Limit of Liability") is our combined total limit of liability for all "Damages", "Penalties", "PCI Fines, Expenses and Costs", "Cyber Extortion Loss", "Data Protection Loss", "Business Interruption Loss" and "Claims Expenses" payable under this Form.
- The sublimit of liability stated in the Supplemental Declarations for Insuring Agreement C. is the aggregate sublimit of liability payable under Insuring Agreement C. of this Form.
- The sublimit of liability stated in the Supplemental Declarations for Insuring Agreement D. is the aggregate sublimit of liability payable under Insuring Agreement D. of this Form.
- The sublimit of liability stated in the Supplemental Declarations for Insuring Agreement E. is the aggregate limit of liability payable under this Form for all "Cyber Extortion Loss" covered under Insuring Agreement E. Prior to the payment of any "Extortion Payment", the "Insured Organization" shall make every reasonable effort to determine that the "Extortion Threat" is not a hoax, or otherwise not credible. The "Insured Organization" shall take all steps reasonable and practical to avoid or limit the payment of an "Extortion Payment".
- The sublimit of liability stated in the Supplemental Declarations for Insuring Agreement F. is the aggregate limit of liability payable under this Form for all "Data Protection Loss" under Insuring Agreement F. of this Form.
- The sublimit of liability stated in the Supplemental Declarations for "Business Interruption Loss" under Insuring Agreement G. is the aggregate limit of liability payable under this Form for all "Business Interruption Loss" under Insuring Agreement G. of this Form.
- Each of the sublimits of liability described above is part of and not in addition to the "Policy Aggregate Limit of Liability". Neither the inclusion of more than one "Insured" under this Form, nor the making of "Claims" by more than one person or entity shall increase the Limit of Liability.
- B. The Limit of Liability for the Optional Extension Period shall be part of and not in addition to the "Policy Aggregate Limit of Liability".
- C. We shall not be obligated to pay any "Damages", "Penalties", "PCI Fines, Expenses and Costs", "Cyber Extortion Loss", "Data Protection Loss", "Business Interruption Loss" or "Claims Expenses", or to undertake or continue defence of any suit or proceeding, after the "Policy Aggregate Limit of Liability" has been exhausted by payment of "Damages", "Penalties", "PCI Fines, Expenses and Costs", "Cyber Extortion Loss", "Data Protection Loss", "Business Interruption Loss" or "Claims Expenses", or after deposit of the "Policy Aggregate Limit of Liability" in a court of competent jurisdiction. Upon such payment, we shall have the right to withdraw from the further defence of any "Claim" under this Form by tendering control of said defence to the "Insured".
- D. The amount of "Notified Individuals" stated in the Supplemental Declarations is the maximum total number of "Notified Individuals" to whom notification will be provided or attempted for all incidents or series of related incidents giving rise to an obligation to provide "Notification Services", "Call Centre Services" or "Breach Resolution and Mitigation Services".
- The aggregate limit of coverage stated in the Supplemental Declarations for "Computer Expert Services", "Legal Services" and "Public Relations and Crisis Management Services" is the aggregate limit of coverage for all "Computer Expert Services", "Legal Services" and "Public Relations and Crisis Management Services" combined.
- E. We shall not be obligated to provide any "Privacy Breach Response Services" after the number of "Notified Individuals" under Insuring Agreement B.3. reaches an aggregate of the number of "Notified Individuals" stated in the Supplemental Declarations. If the total number of individuals to be notified under the Form exceeds the number of "Notified Individuals" stated in the Supplemental Declarations, the "Insured" shall be responsible for providing notification, credit monitoring services or identity monitoring services to such additional individuals in accordance with Clause VI.F. below.
- F. If the total number of notifications made pursuant to Insuring Agreement B.3. aggregates to more than the number of notifications stated in the Supplemental Declarations, the "Insured Organization" will be responsible for paying for "Privacy Breach Response Services" with respect to any excess notifications, and such costs will not be covered by the Form. If an incident involves notifications made pursuant to Insuring Agreement B.3. both within the notification limit stated in the Supplemental Declarations and in excess of such limit, all excess notifications will be provided by the same service provider that provides "Notification Services" covered under the Form, and the costs will be allocated between us and the "Insured Organization" pro rata based on the number of covered and non-covered notifications.
- G. Unless otherwise specified in this Form, "Privacy Breach Response Services" will be provided by service providers from our panel. In the event a service provider is unable to or does not provide the services set forth, we will procure similar services from other sources; provided, the maximum we will pay for the costs of procuring and providing all "Privacy Breach Response Services" under Insuring Agreement B., including substitute products and services shall be no more than the specified Limit of Liability. In the event there is a change of law, regulation or enforcement that prevents us or our service providers from providing all or part of the "Privacy Breach Response Services", we will make reasonable efforts to substitute other services but, if this is not possible, we shall not be obligated to provide such services.
- H. To the extent that costs to provide "Privacy Breach Response Services" are covered pursuant to a "Claim" described in Clause V.F.4., such costs shall be covered solely under Insuring Agreement A. and not under Insuring Agreement B. or any other Insuring Agreement in this Form.
- I. Multiple related or continuing "Extortion Threats" shall be considered a single "Extortion Threat" for purposes of this Form and shall be deemed to have occurred at the time of the first such "Extortion Threat".
- A "Data Protection Loss" will be deemed to occur at the time such alteration, corruption, destruction, deletion or damage to or inability to access a "Data Asset" is first discovered by the "Insured". All "Data Protection Loss" that arises out of the same or a continuing "Security Breach", from related or repeated "Security Breaches", or from multiple "Security Breaches" resulting from a failure of "Computer Security" shall be deemed to be a single "Data Protection Loss".
- All "Business Interruption Loss" resulting from multiple covered interruptions of "Computer Systems" that arise out of the same or a continuing "Security Breach", from related or repeated "Security Breaches", or from multiple "Security Breaches" resulting from a failure of "Computer Security" shall be deemed to be a single "Business Interruption Loss"; provided, however, that a separate "Waiting Period" shall apply to each "Period of Restoration".

- J. The amount payable under this Form, even though the "Loss" would be covered under more than one Insuring Agreement, will not exceed the actual amount of "Loss" nor the highest single limit payable under the various Insuring Agreements which would apply to the "Loss".

## **VII. RETENTION**

- A. The "Retention" amount set forth in the Supplemental Declarations applies separately to each incident, event or related incidents or events giving rise to a "Claim". The "Retention" shall be satisfied by monetary payments by the "Named Insured" of "Damages", "Claims Expenses", "Penalties", or "PCI Fines, Expenses and Costs".

With respect to Insuring Agreement E., the "Retention" set forth in the Supplemental Declarations for this Insuring Agreement applies separately to each "Extortion Threat". The "Retention" shall be satisfied by monetary payments by the "Named Insured" of covered "Cyber Extortion Loss".

With respect to Insuring Agreement F., the "Retention" amount set forth in the Supplemental Declarations for this Insuring Agreement applies separately to each "Security Breach". The "Retention" shall be satisfied by monetary payments by the "Named Insured" of covered "Data Protection Loss".

With respect to Insuring Agreement G., the "Retention" set forth in the Supplemental Declarations for this Insuring Agreement applies separately to each "Security Breach". The "Retention" shall be satisfied by covered "Business Interruption Loss" retained by the "Insured Organization". The "Retention" applicable to Insuring Agreement G. shall be reduced on a dollar-for-dollar basis by the amount of "Income Loss" that was sustained by the "Insured Organization" during the "Waiting Period".

- B. "Notification Services", "Call Centre Services", and "Breach Resolution and Mitigation Services" will only be provided for each incident, event or related incidents or events, requiring notification to at least the number of individuals set forth in the Supplemental Declarations. For incidents involving notification to fewer individuals there shall be no coverage for any such services under Insuring Agreement B.

For all "Computer Expert Services", "Legal Services" and "Public Relations and Crisis Management Services", the "Retention" amounts set forth in the Supplemental Declarations for "Computer Expert Services", "Legal Services" and "Public Relations and Crisis Management Services" apply separately to each incident, event or related incidents or events, giving rise to an obligation to provide such services; and the "Retention" applicable to each incident shall be satisfied by monetary payments by the "Named Insured" for such services.

- C. In the event that "Damages", "Claims Expenses", "Penalties" and "PCI Fines, Expenses and Costs" arising out of a "Claim" are subject to more than one "Retention", the applicable "Retention" amounts shall apply to such "Damages", "Claims Expenses", "Penalties" and "PCI Fines, Expenses and Costs", provided that the sum of such "Retention" amounts shall not exceed the largest applicable "Retention" amount.

In the event that "Cyber Extortion Loss", "Data Protection Loss" or "Business Interruption Loss" arising out of a single incident are subject to more than one "Retention", the applicable "Retention" amounts shall apply to such "Cyber Extortion Loss", "Data Protection Loss" and "Business Interruption Loss", provided that the sum of such "Retention" amounts shall not exceed the largest applicable "Retention" amount.

- D. Satisfaction of the applicable "Retention" is a condition precedent to payment of any amounts or providing of any services hereunder by us, and we shall be liable only for the amounts in excess of such "Retention" subject to our total liability not exceeding the "Policy Aggregate Limit of Liability" or the Limits of Coverage for "Privacy Breach Response Services" set forth in the Supplemental Declarations. The "Named Insured" shall make direct payments within the "Retention" to appropriate other parties designated by us.

## **VIII. OPTIONAL EXTENSION PERIOD**

- A. In the event of the termination of this Insurance for any reason except the non-payment of premium, the "Named Insured" designated in the policy Declarations shall have the right, upon payment in full and not proportionally or otherwise in part of the percentage shown in the Supplemental Declarations of the full premium set forth in the Supplemental Declarations, to have issued an endorsement providing an Optional Extension Period for the period of time set forth in the Supplemental Declarations for "Claims" first made against any "Insured" and reported to us during the Optional Extension Period, and arising out of any act, error or omission committed on or after the "Retroactive Date" and before the end of the "Policy Period", subject to the conditions set forth herein. In order for the "Named Insured" to invoke the Optional Extension Period option, the payment of the additional premium for the Optional Extension Period must be paid to us within thirty (30) days of the termination of this Insurance. If notice of election of the Optional Extension Period and full premium payment is not given to us within such thirty (30) day period, there shall be no right to purchase the Optional Extension Period.

- B. The Limit of Liability for the Optional Extension Period shall be part of, and not in addition to, our applicable Limit of Liability for the "Policy Period" and the exercise of the Optional Extension Period shall not in any way increase the "Policy Aggregate Limit of Liability" or any sublimit of liability. The Optional Extension Period does not apply to Insuring Agreements B, E or F.

- C. The right to the Optional Extension Period shall not be available to the "Named Insured" where the Form premium has not been paid in full, or where cancellation or non-renewal by us is due to non-payment of premium or failure of an "Insured" to pay such amounts in excess of the applicable limit of liability or within the amount of the applicable "Retention".

- D. All notices and premium payments with respect to the Optional Extension Period option shall be directed to us through the entity named in the policy Declarations.

- E. At the commencement of the Optional Extension Period the entire premium shall be deemed earned, and in the event the "Named Insured" terminates the Optional Extension Period for any reason prior to its natural expiration, we will not be liable to return any premium paid for the Optional Extension Period.

## **IX. NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM**

- A. If any "Claim" is made against the "Insured", the "Insured" shall forward us, as soon as practicable, through the persons named in the policy Declarations, a written notice of such "Claim", in the form of a telecopy, email or express or certified mail, together with every demand, notice, summons or other process received by the "Insured" or the "Insured's" representative. In no event shall we be given notice of a "Claim" later than the end of the "Policy Period", the end of the Optional Extension Period (if applicable), or thirty (30) days after



the expiration date of the "Policy Period" in the case of "Claims" first made against the "Insured" during the last thirty (30) days of the "Policy Period".

- B. With respect to Insuring Agreement B., for a legal obligation to comply with a "Breach Notice Law" because of an incident (or reasonably suspected incident) described in Insuring Agreement A.1. or A.2., such incident or reasonably suspected incident must be reported as soon as practicable during the "Policy Period" after discovery by the "Insured" via the email address set forth in the policy Declarations; provided, that unless the "Insured" cancels the Form, or that we cancel for non-payment of premium, incidents discovered by the "Insured" within sixty (60) days prior to expiration of the Form shall be reported as soon as practicable, but in no event later than sixty (60) days after the end of the "Policy Period"; provided further, that if this Form is renewed by us and "Privacy Breach Response Services" are provided because of such incident or suspected incident that was discovered by the "Insured" within sixty (60) days prior to the expiration of the Form, and first reported during the sixty (60) day post "Policy Period" reporting period, then any subsequent "Claim" arising out of such incident or suspected incident is deemed to have been made during the "Policy Period".

Notwithstanding the foregoing, if the "Named Insured" reasonably believes that the "Privacy Breach Response Services" provided as a result of such incident or suspected incident are not likely to meet or exceed the "Retention", then reporting of such incident or suspected incident under this Clause IX.B. is at the "Named Insured"'s option, but unless such incident or suspected incident is reported in accordance with the first paragraph of this Clause IX.B., there shall be no coverage for "Privacy Breach Response Services" in connection with such incident or suspected incident.

- C. With respect to Insuring Agreement E., the "Named Insured" must forward us a written notice by express mail, email or telecopy through persons named in the policy Declarations immediately upon receipt of any "Extortion Threat" and no later than five (5) days following the "Extortion Threat".
- D. With respect to Insuring Agreement F., the "Named Insured" must forward us a written notice by express mail, email or telecopy through persons named in the policy Declarations immediately upon discovery of alteration, corruption, destruction, deletion or damage to or inability to access a "Data Asset" to which this Insurance applies; provided that all covered "Data Protection Loss" must be discovered and reported (in accordance with Clause XXIII., Proof and Appraisal of Loss) to us no later than six (6) months after the end of the "Policy Period".
- E. The "Named Insured" shall forward us immediately, through persons named in the policy Declarations, written notice of the interruption or suspension of "Computer Systems" to which this Insurance applies in the form of a telecopy, email or express mail. Such notice must be provided during the "Policy Period", or no later than ten (10) days after the end of the "Policy Period" for interruptions or suspensions occurring within ten (10) days of the end of the "Policy Period"; provided, all covered "Business Interruption Loss" must be reported to us (in accordance with Clause XXIII., Proof and Appraisal of Loss) no later than six (6) months after the end of the "Policy Period".
- F. If during the "Policy Period", the "Insured" becomes aware of any circumstance that could reasonably be the basis for a "Claim" it may give us a written notice in the form of a telecopy, email or express or certified mail through persons named in the policy Declarations as soon as practicable during the "Policy Period". Such a notice must include:

1. the specific details of the act, error, omission, or "Security Breach" that could reasonably be the basis for a "Claim";
2. the injury or damage which may result or has resulted from the circumstance; and
3. the facts by which the "Insured" first became aware of the act, error, omission or "Security Breach".

Any subsequent "Claim" made against the "Insured" arising out of such circumstance which is the subject of the written notice will be deemed to have been made at the time the written notice complying with the above requirements was first given to us.

An incident or reasonably suspected incident reported to us during the "Policy Period" and in conformance with Clause IX.B. shall also constitute notice of a circumstance under this Clause IX.F.

- G. A "Claim" or legal obligation under paragraph A. or B. above shall be considered reported to us when written notice is first received by us in the form of a telecopy, email or express or certified mail or email through persons named in the policy Declarations of the "Claim" or legal obligation, or of an act, error, or omission, which could reasonably be expected to give rise to a "Claim" if provided in compliance with paragraph C. above.

#### **X. ASSISTANCE AND COOPERATION**

- A. We shall have the right to make any investigation we deem necessary, and the "Insured" shall cooperate with us in all investigations, including investigations regarding the "Application" for and coverage under this Form. The "Insured" shall execute or cause to be executed all papers and render all assistance as is requested by us. The "Insured" agrees not to take any action which in any way increases our exposure under this Form.
- B. Upon our request, the "Insured" shall assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the "Insured" because of acts, errors or omissions, incidents or events with respect to which insurance is afforded under this Form; and the "Insured" shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.
- C. The "Insured" shall not admit liability, make any payment, assume any obligations, incur any expense, enter into any settlement, stipulate to any judgement or award or dispose of any "Claim" without our written consent. No settlement made without our consent may be set up against us.

Compliance with a "Breach Notice Law" will not be considered an admission of liability for purposes of this Clause X.C.

- D. Expenses incurred by the "Insured" in assisting and cooperating with us do not constitute "Claims Expenses" under the Form.

#### **XI. SUBROGATION**

We, upon making any payment under this Form, shall be subrogated to all rights of recovery of the "Insureds" against others and may bring action to enforce such rights. Notwithstanding the foregoing, all rights of subrogation are hereby waived against any corporation, firm, individual or other interest with respect to which insurance is provided by this Form. Where the net amount recovered, after deducting the costs of recovery, is not

sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between us and the "Insureds" in the proportion in which the loss or damage has been borne by each respectively.

The "Insured" shall do nothing after an incident or event giving rise to a "Claim" or "Loss" to prejudice such rights.

Any release from liability entered into by the "Insureds" prior to "Loss" shall not affect our right to recover.

## **XII. OTHER INSURANCE**

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

## **XIII. ACTION AGAINST US**

No action shall lie against us or our representatives unless and until, as a condition precedent thereto, the "Insured" shall have fully complied with all provisions, terms and conditions of this Insurance and the amount of the "Insured"'s obligation to pay shall have been finally determined either by judgement or award against the "Insured" after trial, regulatory proceeding, arbitration or by written agreement between the "Insured", the claimant, and us.

No person or organization shall have the right under this Form to join us as a party to an action or other proceeding against the "Insured" to determine the "Insured"'s liability, nor shall we be impleaded by the "Insured" or the "Insured"'s legal representative.

The "Insured"'s bankruptcy or insolvency or of the "Insured"'s estate shall not relieve us from our obligations hereunder.

Every action or proceeding against us for the recovery of insurance money payable under the Form is absolutely barred unless commenced within the time set out in the applicable Insurance Act.

## **XIV. CHANGES**

Notice to any agent or broker or knowledge possessed by any agent, broker or by any other person shall not effect a waiver or a change in any part of this Form or stop us from asserting any right under the terms of this Form; nor shall the terms of this Form be waived or changed, except by endorsement issued to form a part of this Form signed by a representative authorized by us.

## **XV. MERGERS AND ACQUISITIONS**

### **A. Newly Acquired Subsidiaries**

During the "Policy Period", if the "Named Insured" or any "Subsidiary" acquires another entity whose annual revenues are more than ten percent (10%) of the "Named Insured"'s total annual revenues for the four quarterly periods directly preceding inception of the "Policy Period", such acquired entity shall not be a "Subsidiary", and no "Insured" shall have coverage under this Form for any "Claim" or "Loss" that arises out of any act, error omission, incident or event whether committed before or after such acquisition:

1. by or on behalf of the acquired entity or any person employed by the acquired entity;
2. involving or relating to the assets, liabilities, media activities or policies or procedures of the acquired entity or to data, information, computers, or networks, security systems, of or under the care, custody or control of the acquired entity, a Business Associate of the acquired entity, or a third party on behalf of the acquired entity; or
3. by any person or entity holding, processing, managing or transferring information or operating "Computer Systems" on behalf of the acquired entity;

unless the "Named Insured" gives us written notice prior to the acquisition, obtains our written consent to extend coverage to such additional entities, assets, exposures, or "Computer Systems", and agrees to pay any additional premium required by us.

If during the "Policy Period" the "Named Insured" or any "Subsidiary" acquires an entity whose annual revenues are more than ten percent (10%) of the "Named Insured"'s total annual revenues for the four quarterly periods directly preceding inception of the "Policy Period", then, subject to the "Policy Period" and all other terms and conditions of this Form, coverage under this Form shall be afforded for a period of sixty (60) days, but only for any "Claim" that arises out of any act, error or omission first committed or incident or event first occurring after the entity becomes so owned. Coverage beyond such sixty (60) day period shall only be available if the "Named Insured" gives us written notice of the acquisition, obtains our written consent to extend coverage beyond such sixty (60) day period to the entity and agrees to pay any additional premium required by us.

### **B. Mergers or Consolidations**

If during the "Policy Period" the "Named Insured" consolidates or merges with or is acquired by another entity, or sells substantially all of its assets to any other entity, then this Form shall remain in full force and effect, but only with respect to a "Security Breach", or other act or incidents that occur prior to the date of the consolidation, merger or acquisition. There shall be no coverage provided by this Form for any other "Claim" or "Loss" unless the "Named Insured" provides us with written notice prior to such consolidation, merger or acquisition, that the "Named Insured" has agreed to any additional premium and terms of coverage required by us and that we have issued an endorsement extending coverage under this Form.

- C. All notices and premium payments made under this Clause XV. shall be directed to us through the entity named in the policy Declarations.

## **XVI. ASSIGNMENT**

Any assignment of interest in this Form of insurance by the "Insured" shall not be binding on us, without our written consent.

## **XVII. CANCELLATION**

The terms and conditions of the Cancellation provision of the Statutory Conditions and any amendment to such terms are incorporated herein and shall apply to coverage as is afforded by this Form, unless specifically stated otherwise in an endorsement(s) attached hereto.

## **XVIII. WARRANTY BY THE INSURED**

By acceptance of this Form, all "Insureds" agree that the statements contained in the "Application" are their agreements and representations and that we issue this Form, and assume the risks hereunder, in reliance upon the truth thereof.

## **XIX. NAMED INSURED AS AGENT**

The "Named Insured" shall be considered the agent of all "Insureds", and shall act on behalf of all "Insureds" with respect to the giving of or receipt of all notices pertaining to this Form, the acceptance of any endorsements to this Form, and the "Named Insured" shall be responsible for the payment of all premiums and "Retentions".

## **XX. CHOICE OF LAW**

Any disputes involving this Form, including any interpretation of the coverage afforded by this Form, will be governed by the laws of the province in Canada in which this policy is issued.

## **XXI. VALUATION AND CURRENCY**

All premiums, limits, deductibles, "Damages" and other amounts under this Form are expressed and payable in the currency of Canada. If judgement is rendered, settlement is denominated or another element of "Damages" under this Form is stated in a currency other than Canadian dollars or if "Claims Expenses" are paid in a currency other than Canadian dollars, payment under this Form shall be made in Canadian dollars at the rate of exchange published in the *Wall Street Journal* on the date the judgement becomes final or payment of the settlement or other element of "Damages" is due or the date such "Claims Expenses" are paid.

## **XXII. AUTHORIZATION**

By acceptance of this Form, the "Insureds" agree that the "Named Insured" will act on their behalf with respect to the giving and receiving of any notice provided for in this Form, the payment of premiums and the receipt of any return premiums that may become due under this Form, and the agreement to and acceptance of endorsements.

Notice to any other party of interest shall be only as agreed in writing.

## **XXIII. PROOF AND APPRAISAL OF LOSS**

1. Before coverage under Insuring Agreement F. will apply, the "Named Insured" must:

- A. prepare and submit to the persons named in the policy Declarations a written and detailed proof of loss sworn by an officer of the "Named Insured" within ninety (90) days after the "Insured" discovers a "Data Protection Loss", but in no event later than six (6) months following the end of the "Policy Period". Such proof of loss shall include a narrative with full particulars of such "Data Protection Loss", including the time, place and cause of the "Data Protection Loss", a detailed calculation of the "Data Protection Loss", the "Insured Organization"'s interest and the interest of all others in the property, the sound value thereof, the amount of "Data Protection Loss" or damage thereto, and all other insurance thereon; and
- B. upon our request, submit to an examination under oath and provide copies of the underlying documents, data and materials that reasonably relate to or are part of the basis of the claim for such "Data Protection Loss".

The costs and expenses of preparing and submitting a proof of loss, and establishing or proving "Data Protection Loss" or any other "Loss" under this Form shall be the "Insured"'s obligation, and are not covered under this Form.

2. If we and the "Named Insured" do not agree on the amount of a "Loss", each party shall select and pay an appraiser or other qualified expert (the "Appraiser") to state the amount of the loss or reasonable expenses, and the "Appraisers" shall choose an umpire. If the "Appraisers" cannot agree on an umpire, we and the "Named Insured" may request a judge of a court having jurisdiction to make the selection. Each "Appraiser" shall submit the amount of the "Loss" or reasonable expenses to the umpire, and agreement by the umpire and at least one of the "Appraisers" as to the amount of a "Loss" shall be binding on us and all "Insureds". We and the "Named Insured" will equally share the costs of the umpire and any other costs other than the cost of the "Appraisers". This provision shall govern only the appraisal of the amount of a "Loss", and shall not control the determination of whether such "Loss" is otherwise covered by the Form; and compliance with this provision shall have no effect on our rights or ability to deny coverage or enforce any obligation under this Form.
3. If we or the "Insured" recover any property, money or "Data Assets" after a loss payment is made, the party making the recovery must give prompt notice of the recovery to the other party. If the recovered property is money or other funds, the recovery shall be applied first to "Loss" payments made by us, second to any "Retention" payment made by the "Named Insured", and third to any costs incurred by us in recovering the property. If property other than money or funds is recovered, the "Named Insured" may (i) keep the recovered property and return the "Loss" payment plus all costs of recovery incurred by us, or (ii) keep the "Loss" payment less the costs of recovery incurred by us and transfer us all rights in the property.

## **XXIV. INSPECTION**

The "Insured" hereby agrees that we shall be permitted, but are not in any way obligated, to inspect the "Insured"'s property and operations at any reasonable time during the term of the Form or within one year after the Form's termination or expiration.

In conducting an inspection, our rights include, but are not limited to inspecting the premises and the receptacles in which the records of accounts receivable are kept by the "Insured", as well as examining and auditing the "Insured"'s books, records and such policies.

However, our right to inspect, any inspection and/or any report of such inspection will not be considered as determining or warranting the safety, healthfulness or compliance with any laws, rules or regulations of said operations or property. Furthermore, any such inspection or examination shall not waive nor in any manner affect any of the terms or conditions of this Form.

**XXV. WAIVER**

No term or condition of this Form shall be deemed to have been waived by us in whole or in part unless the waiver is clearly expressed in writing, signed by a person we authorized for that purpose. Neither we nor the "Insureds" shall be deemed to have waived any term or condition of this Form by any act relating to the appraisal of the amount of loss or to the delivery and completion of proofs, or to the investigation or adjustment of any "Claim" under the Form.

**XXVI. NOTICE TO AUTHORITIES**

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

**XXVII. BREACH OF CONDITIONS**

Where a "Loss" occurs and there has been a breach of condition relating to a matter before the happening of the "Loss", which breach would otherwise disentitle the "Insureds" to recover under the Form, the breach shall not disentitle the "Insureds" to recover if the "Insureds" establish that the "Loss" was not caused or contributed to by the breach of condition.