

ENDORSEMENT NO. 1E

Attached to and forming part of the Contract Number: WNR/BGH/12/0022

Notwithstanding anything contained elsewhere in this policy to the contrary, it is understood and agreed that:

- A. "Coverage Territory" as defined in the definitions is amended to read "Canada only".
- B. The coverage provided under this policy does not apply to:
1. liability arising from property damage or bodily injury while instructing, practicing or participating in any organized athletic or sports contest or exhibition or any activity or event described under sub-section (A) –(E) inclusive of section B 1, as herein described:
 - (a) the use or operation of mountain slides, water slides or other similar recreational devices, including but not limited to ski lifts or tows.
 - (b) skiing, snow boarding, hang gliding, swimming, any other related activities, para-sailing, parachuting, hot air ballooning, tubing, tobogganing, luge bobsledding, skate boarding, trampolines or any other ariel maneuvers performed with the knowledge or consent of the Insured or any concessionaires using the premises insured,
 - (c) the use or operation of saddle animals or animal-drawn vehicles,
 - (d) the use or operation of any recreational vehicle, seadoo, all terrain vehicle, snowmobile or any other similar vehicle.
 - (e) the use or operation of any inflatables, trampolines or other similar devices.
 2. liability arising out of the rendering of or failure to tender any "Professional Service"
 3. liability arising from corporal punishment, sexual or physical abuse, sexual exploitation or other harmful acts by the insured.
 4. liability arising out of the forcible ejection of any person or persons from the insured premises. This exclusion does not apply to bodily injury resulting from the use of reasonable force to protect persons or property.
 5. liability arising from the use or sale of, whether negligent or otherwise, of fireworks, or damages arising from the use or sale of fireworks.
 6. liability arising as a result of selling, serving, consumption or offering of alcoholic beverages,
 7. liability arising out of damage caused by cigarette burns.
 8. liability resulting from any intentional or criminal act or failure to act by:
 - a) any person insured by this policy; or
 - b) any other person insured by this policy;
 9. Any injury/injuries resulting from animal bites (s).
 10. Any damage to fine art and antique.
- C. The definition of the Named Insured is amended to include:
1. the named insured's volunteers or auxiliary workers who are not also members of the named insured but only for acts within the scope of their activities as volunteers for the insured.
- D. Notwithstanding anything contained elsewhere in this policy it is understood and agreed that the insurer shall not have its rights of recourse under the law restricted in any way, in any contact, verbal or written, between the insured and any independent third party contractors or individuals who may do work or provide services or materials on behalf of the insured during the term and within the scope of this policy.



IDENTIFICATION OF INSURER / ACTION AGAINST INSURER
Lloyd's Approved Coverholder :
P.A.L. Insurance Brokers Canada Ltd.

IDENTIFICATION OF INSURER / ACTION AGAINST INSURER

This insurance has been effected in accordance with the authorization granted to the office indicated on the Declarations page by certain Lloyd's Underwriters, whose names and proportions underwritten by them can be ascertained by reference to contract No. (WNR/BGH/12/0022) which bears the seal of Lloyd's policy signing office and has been certified by the Attorney In Fact in Canada for Lloyd's Underwriters and may be seen at the office indicated on the Declarations page. The Underwriters identified in the said contract shall be liable hereunder each for his own part and not for another in proportion to the several sums by each of them subscribed to the said contract.

In any action to enforce the obligations of the Underwriters liable hereunder they can be designated or named as "Lloyd's Underwriters" and such designation shall be binding on the Underwriters liable hereunder as if they had each been individually named as defendant. Service of such proceedings may validly be made upon the Attorney In Fact in Canada for Lloyd's Underwriters, whose address for such service is 1155, rue Metcalfe, Suite 2220, Montréal, Québec H3B 2V6.

NOTICE

Any notice to the Insurer may be validly given to the office indicated on the declarations page.

CGL only- HLL excluded

TERRORISM EXCLUSION

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

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

This endorsement also excludes loss, injury, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

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

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

MISINTERPRETATION OF DATE EXCLUSION

This insurance does not apply to loss or damage caused directly or indirectly by the failure, malfunction or inadequacy of any of the following:

- a) electronic data processing equipment, or other equipment, including micro-chips embedded therein;
- b) computer program or operating system;
- c) software;
- d) media;
- e) data;
- f) memory storage system;
- g) memory storage device;
- h) real time clock;
- i) date calculator;
- j) microprocessor (computer chips) not part of any computer system;
- k) computer network; or
- l) any other computerized or electronic equipment, components, or devices, or related system or process,

to correctly read, recognize, interpret, distinguish or process any encoded, abbreviated or encrypted date, time or combined date/time data or data field. Such failure, malfunction or inadequacy shall include any error in original or modified data entry or programming. This exclusion does not apply to loss or damage caused directly by fire, lightning, explosion, impact by aircraft, spacecraft, or land vehicle, riot, strike, vandalism, malicious acts, smoke, windstorm or hail, if such perils are otherwise insured and not excluded under the coverage form to which this endorsement attaches.

WAR AND CIVIL WAR EXCLUSION CLAUSE

(Approved by Lloyd's Underwriters' Non-Marine Association)

Notwithstanding anything to the contrary contained herein this Policy does not cover Loss or Damage 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 nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE - PHYSICAL DAMAGE - DIRECT

This Policy does not cover any loss or damage arising directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination however such nuclear reaction nuclear radiation or radioactive contamination may have been caused * NEVERTHELESS if Fire is an insured peril and a Fire arises directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination any loss or damage arising directly from that Fire shall (subject to the provisions of this Policy) be covered EXCLUDING however all loss or damage caused by nuclear reaction nuclear radiation or radioactive contamination arising directly or indirectly from that Fire.

* NOTE. - If Fire is not an insured peril under this Policy the words "NEVERTHELESS" to the end of the clause do not apply and should be disregarded.

ASBESTOS EXCLUSION

This policy does not apply to or include legal liability for any loss, cost or expense directly or indirectly arising out of, resulting as a consequence of, or related to the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use of or exposure to Asbestos or materials or products containing Asbestos whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss.

Subject otherwise to the terms, Conditions and Exclusions of the Policy.

SEXUAL HARASSMENT EXCLUSION

Coverage provided excluded any Claim based upon, arising out of, or involving in any way, the actual or alleged intentional or negligent violation of any federal, state, provincial or local law or statute or common law pertaining to sexual harassment which results in alleged or actual defamation, humiliation, bodily injury, death, sickness, emotional distress, harassment or any other damages allegedly suffered by an employee, a former employee or by the spouse, child, parent, brother or other relative or dependant of any such employee or former employee.

All other terms and conditions of this policy remain unchanged.

ELECTRONIC DATE RECOGNITION (E.D.R.) EXCLUSION

It is hereby understood and agreed that this Policy shall not indemnify the Insured for any loss, damage, claim, expense or Defence Costs, whether preventative, remedial or otherwise, or liability of whatever nature arising out of or relating directly or indirectly to

1) Systems, whether the property of the Insured or not, which are E.D.R. Compliant, or which have been affected in performance or functionality by any implemented or attempted changes, alterations or modifications for the purpose of making the Systems E.D.R. Compliant, nor

2) Any advice, design, specification, formula or any other service provided by the Insured, or which the Insured failed to provide, in any way connected with the above.

Definitions

- "E.D.R. Compliant" shall mean that neither the performance nor functionality is adversely affected by dates prior to, during and after the Year 2000. In particular:
 - i) No value for current date will cause any interruption in operation
 - ii) Date-based functionality and performance must behave consistently for dates prior to, during and after the Year 2000.
 - iii) In all interfaces and data storage, the century in any date must be specified either explicitly or by unambiguous algorithms or interfacing rules.
 - iv) The Year 2000 must be recognized as a leap year.
- "Systems" include computers and other equipment for receiving, processing, storing or retrieving data, hardware, software, firmware, microchips and microprocessors and any equipment or products with contain or rely upon such.

SEVERAL LIABILITY NOTICE

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

WORKERS COMPENSATION ACT

This insurance does not apply to bodily injury sustained by an employee of the Insured when liability is imposed upon or assumed by the Insured under any worker's compensation statute or similar statute in effect elsewhere.

This exclusion does not apply to legal liability imposed upon the Insured by common law as amended by statute or to liability assumed by the Insured under any written contract or written agreement.

Subject otherwise to the terms, Conditions and Exclusions of the Policy.

TOTAL POLLUTION EXCLUSION

Underwriters will not be liable to pay any Defence Costs or indemnify the Insured against any claim(s) for or arising out of or relating directly or indirectly to actual, alleged or threatened seepage, pollution or contamination of any kind.

INJURY TO PARTICIPANTS EXCLUSION

This insurance does not indemnify the insured in respect of any liability arising out of any events described under section B. 1 subsection (a)-(e) inclusive in connection with any person while participating or practicing for any event controlled, organized, sponsored or supervised by the insured including any company or organization of which they are an employee, agent or representative.

ABUSE OR MOLESTATION EXCLUSION

It is hereby understood and agreed that the insurance provided under Section 1 - Coverages A and B does not apply to "bodily injury" or "property damage" arising out of, resulting from or relating to:

- a) any allegation relating to any actual or threatened act or acts of abuse or molestation, directly or indirectly, or any person:
 - 1) by any insured defined in Section II;
 - 2) by any insured defined in Section II having knowledge of such activity taking place;
 - 3) by any insured defined in Section II failing to prevent such action from taking place;
 - 4) by any additional insured, volunteer or invitee;
 - 5) by any former insured or former volunteer;
 - 6) by any other person who is, or ever was, in the care, custody or control of any person specified above;
 - 7) at the direction of any person specified above.
- b) any allegation or claim in negligence, breach fiduciary duty or abuse of any power dependency relationship in the:
 - 1) employment of, including implied or actual failure to adequately and properly investigate prior employment history of;
 - 2) supervision of;
 - 3) failure to report to the proper authorities where allegations or abuse or molestation have been made against;
 - 4) continuing employment of;any person involved or subject to allegations as aforesaid or conduct excluded herein. We have no duty or obligation to defend or indemnify or pay any costs of providing a defense with respect to any act or potential loss, claim or "action" for "bodily injury" or "property damage" or "personal injury" excluded herein.

All other term and conditions of this policy remain unchanged.

COMPREHENSIVE GENERAL LIABILITY COVERAGE FORM

Various provisions in this Coverage Form restrict coverage. Read the entire Coverage Form carefully to determine rights, duties and what is and is not covered. Throughout this Coverage Form the words "you" and "your" refer to the Named Insured shown in the Declarations. 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.

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. 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. This insurance applies only to "bodily injury" and "property damage" which occurs during the policy period. The "bodily injury" or "property damage" must be caused by an "occurrence". The "occurrence" must take place in the "coverage territory". We will have the right and duty to defend any "action" seeking those compensatory damages but:
 - 1) The amount we will pay for compensatory damages is limited as described in SECTION III - LIMITS OF INSURANCE;
 - 2) We may investigate and settle any claim or "action" at our discretion; and
 - 3) 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.
- b. Compensatory damages because of "bodily injury" included compensatory damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".
- c. "Property damage" that is loss of use of tangible property that is not physically injured shall be deemed to occur at the time of the "occurrence" that caused it.

2. Exclusions

This insurance does not apply to:

- a. "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. "Bodily injury" or "property damage" for which the insured is obligated to pay compensatory damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for compensatory damages:
 - 1) Assumed in a contract or agreement that is an "insured contract"; or
 - 2) That the insured would have in the absence of the contract or agreement.
- c. Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.
- d. "Bodily injury" to an employee of the insured arising out of and in the course of employment by the insured.

This exclusion applies:

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

This exclusion does not apply:

- 1) To liability assumed by the insured under an "insured contract"; or
 - 2) To employees on whose behalf contributions are made by or required to be made by the insured under the provisions of any workers compensation law.
- e. 1) "Bodily injury" or "property damage" arising out of the ownership, use or operation by or on behalf of any insured of:
 - a) Any "automobile";
 - b) Any motorized snow vehicle or its trailers;
 - c) 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; or
 - d) Any vehicle which if it were to be insured would be required by law to be insured under a contract evidenced by a motor vehicle liability policy, or any vehicle insured under such a contract, but this exclusion does not apply to 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.

- 2) "Bodily injury" or "property damage" with respect to which any motor vehicle liability policy is in effect or would be in effect but for its termination upon exhaustion of its limit of liability or is required by law to be in effect.

This Exclusion e. does not apply to "bodily injury" to an employee of the insured on whose behalf contributions are made by or required to be made by the insured under the provisions of any workers compensation law.

- f. "Bodily injury" or "property damage" arising out of the ownership, maintenance, use, operation, loading or unloading, or entrustment to others, by or on behalf of any insured of any watercraft.

This exclusion does not apply to:

- 1) A watercraft while ashore on premises you own or rent;
- 2) A watercraft you do not own that is:
 - a) Less than 8 metres long; and
 - b) Not being used to carry persons or property for a charge;
- 3) "Bodily injury" to an employee of the insured on whose behalf contributions are made by or required to be made by the insured under the provisions of any workers compensation law.

- g. 1) "Bodily injury" or "property damage" arising out of the ownership, maintenance, use, operation, loading or unloading, or the entrustment to others, by or on behalf of any insured of:
 - a) Any aircraft; or
 - b) Any air cushion vehicle.

- 2) "Bodily injury" or "property damage" arising out of the ownership, existence, use or operation by or on behalf of any insured of any premises for the purpose of an airport or aircraft landing area and all operations necessary or incidental thereto.

- h. "Bodily injury" or "property damage" arising out of the rendering or failure to render any professional services by or for you.

- i. "Property damage" to:

- 1) Property you own, rent or occupy;
- 2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- 3) Property loaned to you;
- 4) Personal property in your care, custody or control;
- 5) That particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the "property damage" arises out of those operations; or
- 6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

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

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

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

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

- k. "Property damage" to that particular part of "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.

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

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

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

- m. Any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

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

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.

- n. "Property damage" arising out of:

- 1) The use of explosives for blasting;
- 2) Vibration from pile driving or caisson work; or

- 3) The removal or weakening of support of any property, building or land whether such support be natural or otherwise.

This exclusion does not apply:

- 1) To "property damage" arising out of work performed on your behalf by any contractor or sub-contractor; or
 - 2) To "property damage" included within the "products - completed operations hazard".
- o. Pollution Liability - See Common Exclusions.
 - p. Nuclear Liability - See Common Exclusions.
 - q. War Risks - See Common Exclusions.

COVERAGE B. PERSONAL 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 injury" to which this insurance applies. 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. We will have the right and duty to defend any "action" seeking those compensatory damages but:
 - 1) The amount we will pay for compensatory damages is limited as described in SECTION III - LIMITS OF INSURANCE;
 - 2) We may investigate and settle any claim or "action" at our discretion; and
 - 3) 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.
- b. This insurance applies to "personal injury" only if caused by an offense:
 - 1) Committed in the "coverage territory" during the policy period; and
 - 2) Arising out of the conduct of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you.

2. Exclusions

This insurance does not apply to:

"Personal injury":

- a) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- b) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- c) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the insured; or
- d) 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.

COVERAGE C. MEDICAL PAYMENTS

1. Insuring Agreement

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

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

provided that:

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

- b) We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

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

2. Exclusions

We will not pay expenses for "bodily injury":

- a. To any insured;
- b. To a person hired to do work for or on behalf of any insured or tenant of any insured;
- c. To a person injured on that part of premises you own or rent that the person normally occupies;
- d. To a person, whether or not an employee of any insured, who at the time of injury is entitled to benefits under any workers compensation or disability benefits law or a similar law;
- e. To a person injured while taking part in athletics;
- f. The payment of which is prohibited by law;
- g. Included within the "products - completed operations hazard";
- h. Excluded under Coverage A.

3. Limits of Liability

- a. Maximum payable Limit per person: \$ 2,500.00
- b. Maximum payable Limit per "Accident": \$25,000.00

COVERAGE D. TENANTS' LEGAL LIABILITY

1. Insuring Agreement

We will pay those sums that the insured shall become legally obligated to pay as compensatory damages because of "property damage" caused by accident to structures or portions thereof rented to or occupied by the Named Insured and described in the schedule or application, including fixtures permanently attached thereto.

2. Defence – Settlement – Supplementary Payments

As respects insurance afforded by this policy, the Insurer shall:

- (1) defend in the name and on behalf of the Insured and at the cost of the Insurer any civil action which may at any time be brought against the Insured on account of property damage but the Insurer shall have the right to make such investigation, negotiation and settlement of any claim as may be deemed expedient by the Insurer;
- (2) pay all premium on bonds to release attachments for an amount not in excess of the applicable limit of liability of this policy, all premiums on appeal bonds required in any such defended suit, but without any obligation to apply for or furnish such bonds;
- (3) pay all costs taxed against the Insured in any civil action defended by the Insurer and any interest accruing after entry of judgment upon that part of the judgement which is within the limits of the Insurer's liability;
- (4) pay reasonable expenses incurred by the Insured at the Insurer's request in assisting the Insurer in the investigation or defense of any claim or suit, including actual loss of earnings not to exceed \$25. per day.

The amount so incurred except settlement of claims or suits are payable in addition to the applicable limits of liability

3. Persons Insured

Each of the following is an Insured under this insurance to the extent set forth below:

- (1) if the Named Insured is designated in the declarations as an individual, the person so designated but only with respect to the conduct of a business of which he is the sole proprietor;
- (2) if the Named Insured is designated in the declarations as a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such;
- (3) if the Named Insured is designated in the declarations as other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such;
- (4) employees of the Named Insured while acting within the scope of their duties as such;
- (5) any person or organization while acting as real estate manager for the Named Insured.

This insurance does not apply to property damage arising out of the conduct of any partnership or joint venture of which the Insured is a partner or member and which is not designated in this policy as a Named Insured.

4. Exclusions

This insurance does not apply to:

- a. liability assumed by the insured under any contract or agreement except liability which would attach in the absence of such contract or agreement;
- b. property damage due to war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- c. Pollution Liability - See Common Exclusions.
- d. Nuclear Energy Liability - See Common Exclusions.

5. Limits of Liability

Regardless of the number of (1) Insureds under this policy (2) persons or organizations who sustain property damage or (3) claims made or suits brought on account of property damage, the Insurer's liability is limited as follows:

- 1. The limit of liability stated in the schedule is the total limit of the Insurer's liability with respect to the location for all compensatory damages as a result of any one accident or series of accidents arising out of one event;

2. (a) The Insurer's obligation to pay compensatory damages on behalf of the Insured applies only to the amount of compensatory damages in excess of the deductible amount stated in the schedule
- (b) The deductible amount applies to all compensatory damages because of the property damage as the result of any one accident;
- (c) The terms of the policy, including those with respect to (i) the Insurer's rights and duties with respect to the defence of suits, and (ii) the Insured's duties in the event of an accident, apply irrespective of the application of the deductible amount;
- (d) The Insurer may pay any part or all of the deductible amount to effect settlement of any claim or suit and, upon notification of the action taken, the Named Insured shall promptly reimburse the Insurer for such part of the deductible amount as has been paid by the Insurer

COMMON EXCLUSIONS - COVERAGES A, C AND D

This insurance does not apply to:

1. Pollution Liability

- a. "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants: of fabrication so as to be useable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an insured.

As used in this Coverage Form:

- 1) The term "nuclear energy hazard" means the radioactive, toxic, explosive, or other hazardous properties of radioactive material;
- 2) The term "radioactive material" means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances that the Atomic Energy Control Board may, by regulation, designate as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy;
- 3) The term "nuclear facility" means:
 - a) any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
 - b) any equipment or device designed or used for (i) separating the isotopes of plutonium, thorium and uranium or any one or more of them, (ii) processing or utilizing spent fuel, or (iii) handling, processing or 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.
- 4) The term "fissionable substance" means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.

3. War Risks

"Bodily injury" or "property damage" due to war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power.

1. At or from premises owned, rented or occupied by an Insured;
2. At or from any site or location used by or for an Insured or others for the handling, storage, disposal, processing or treatment of waste;
3. Which are at any time transported, handled, stored, treated, disposed of, or processed as waste by or for an Insured or any person or organization for whom the Insured may be legally responsible; or
4. At or from any site or location on which an Insured or any contractors or subcontractors working directly or indirectly on behalf of an Insured are performing operations:
 - a) if the pollutants are brought on or to the site or location in connection with such operations; or
 - b) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize the pollutants.
- b. Any loss, cost, or expense arising out of any governmental direction or request that an 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 smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Sub-paragraphs 1) and 4)a) of paragraph a. of this exclusion do not apply to "bodily injury" or "property damage" caused by heat, smoke or fumes from a hostile fire. As used in this exclusion, a "hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

2. Nuclear Energy Liability

- a. Liability imposed by or arising under the Nuclear Liability Act;

- b. "Bodily injury" or "property damage" with respect to which an insured under this policy is also insured under a contract of nuclear energy liability insurance (whether the insured is unnamed in such contract and whether or not it is legally enforceable by the insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability;
- c. "Bodily injury" or "property damage" resulting directly or indirectly from the nuclear energy hazard arising from:
 - 1) the ownership, maintenance, operation or use of a nuclear facility by or on behalf of an insured;
 - 2) the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility;
 - 3) the possession, consumption, use, handling, disposal or transportation of fissionable substances, or of other radioactive material (except radioactive isotopes, away from a nuclear facility, which have reached the final stage

SUPPLEMENTARY PAYMENTS - COVERAGES A, B AND D

We will pay, with respect to any claim or "action" we defend:

- a. All expenses we incur.
- b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defence of the claim or "action", including actual loss of earnings up to \$100.00 a day because of time off from work.
- d. All costs taxed against the insured in the "action" and any interest accruing after entry of judgment upon that part of the judgment which is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

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 sole owner.
 - b. A 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. An organization other than a partnership or joint venture, you are an insured. Your executive officers and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds but only with respect to their liability as stockholders.
- 2. Each of the following is also an insured:
 - a. Your employees, other than your executive officers, but only for acts within the scope of their employment by you. However, none of these employees is an insured for:
 - 1) "Bodily injury" or "personal injury" to you or to a co-employee while in the course of his or her employment; or
 - 2) "Bodily injury" or "personal injury" 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; or
 - 3) "Bodily injury" or "personal injury" arising out of his or her providing or failing to provide professional health care services; or
 - 4) "Property damage" to property owned or occupied by or rented or loaned to that employee, any of your other employees, or any of your partners or members (if you are a partnership or joint venture).
 - b. Any person (other than your employee), or any organization while acting as your real estate manager.
 - c. Any person or organization having proper temporary custody of your property if you die, but only:
 - 1) With respect to liability arising out of the maintenance or use of that property; and
 - 2) Until your legal representative has been appointed.
 - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Policy.
- 3. Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest, will be deemed to be a Named Insured if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. Coverages A and D do 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 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 or joint venture that is not shown as a Named Insured in the Declarations.

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or “actions” brought; or
 - c. Persons or organizations making claims or bringing “actions”.
2. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for compensatory damages because of “bodily injury” and “property damage” included in the “products-completed operations hazard”.
3. The Personal Injury Limit is the most we will pay under Coverage B for the sum of all compensatory damages because of “personal injury”.
4. Subject to 2. above, if applicable, 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”.
5. Subject to 4. above, the Tenant’s Legal Liability limit is the most we will pay under Coverage D for compensatory damages because of “property damage” to any one premise.
6. Subject to 4. 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 this Coverage Form apply separately to each consecutive annual period and to any remaining period of less than twelve (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 twelve (12) months. In that case the additional period will be deemed part of the last preceding period for the purpose of determining the Limits of Insurance.

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy.

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Form.

2. Duties in the Event of Occurrence, Claim or Action.

- a. You must see to it that we are notified promptly of an “occurrence” which may result in a claim.
Notice should include:
 - 1) How, when and where the “occurrence took place; and
 - 2) The names and addresses of any injured persons and of witnesses.
- b. If a claim is made or “action” is brought against any insured, you must see to it that we receive prompt written notice of the claim or “action”.
- c. You and any other involved Insured must:
 - 1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or “action”;
 - 2) Authorize us to obtain records and other information;
 - 3) Cooperate with us in the investigation, settlement or defense of the claim or “action”; and
 - 4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us.

No person or organization has a right under this policy;

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

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an Insured obtained after an actual trial; but we will not be liable for compensatory damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the Insured and the claimant or the claimant's legal representative. Every "action" or proceeding against us shall be commenced within one (1) year next after the date of such judgment or agreed settlement and not afterwards. If this policy is governed by the law of Quebec every action or proceeding against us shall be commenced within three (3) years from the time the right of action arises.

4. Other Insurance.

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

a. Primary Insurance

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

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

- 1) That is Property Insurance such as, but not limited to, Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work" or for premises rented to you; or
- 2) If the loss arises out of the maintenance or use of watercraft to the extent not subject to Exclusion f. of Coverage A (Section I).

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

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

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

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

c. Method of Sharing

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

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

5. Premium Audit.

- a. We will compute all premiums for this Coverage Form in accordance with our rules and rates.
- b. Premium shown in this Coverage 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 policy term is greater than the earned premium, we will return the excess to the first Named Insured subject to the retention of the minimum premium shown in the Declarations of this Coverage 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.

6. Representations.

By accepting this policy you agree:

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

7. Separation of Insureds, Cross Liability.

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned 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.

8. 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 Coverage 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.

SECTION V - DEFINITIONS

1. **"Action"** means a civil proceeding in which compensatory damages because of "bodily injury", "property damage" or "personal injury" to which this insurance applies are alleged. "Action" includes an arbitration proceeding alleging such damages to which you must submit or submit with our consent.
2. **"Automobile"** means any self-propelled land motor vehicle, trailer or semi-trailer (including machinery, apparatus, or equipment attached thereto) which is principally designed and is being used for transportation of persons or property on public roads.
3. **"Bodily injury"** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. **"Coverage territory"** means:
 - a. Canada and the United States of America (including its territories and possessions);
 - b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
 - c. All parts of the world if:
 - 1) The injury or damage arises out of:
 - a) Goods or products made or sold by you in the territory described in a. above; or
 - b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and
 - 2) The insured's responsibility to pay compensatory damages is determined in an "action" on the merits, in the territory described in a. above or in a settlement we agree to in writing.
5. **"Impaired property"** means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;if such property can be restored to use by:
 - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - b. Your fulfilling the terms of the contract or agreement.
6. **"Insured contract"** means:
 - a. A lease of premises;
 - 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 indemnification of a municipality as required by ordinance, except in connection with work for a municipality;
 - f. An elevator maintenance agreement; or
 - g. That part of any other contract or agreement pertaining to your business under which you assume the tort liability of another to pay compensatory damages because of "bodily injury" or "property damage" to a third person or organization, if the contract or agreement is made prior to the "bodily injury" or "property damage". Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.An "insured contract" does not include that part of any contract or agreement;
 - 1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
 - 2) Under which the insured, if an architect, engineer or surveyor, assumes liability for injury or damage arising out of the insured's rendering or failing to render professional services, including those listed in 1) above and supervisory, inspection or engineering services.

7. **“Occurrence”** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
8. **“Personal injury”** means injury, other than “bodily injury”, arising out of one or more of the following offences:
- False arrest, detention or imprisonment;
 - Malicious prosecution;
 - Wrongful entry into, or eviction of a person from, a room, dwelling or premises that the person occupies;
 - Oral or written publication of material that slanders or libels a person or organization or disparages a person’s or organization’s goods, products or services; or
 - Oral or written publication of material that violates a person’s right of privacy.
9. a. **“Products-completed operations hazard”** 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:
- Products that are still in your physical possession; or
 - Work that has not yet been completed or abandoned.
- b. **“Your work”** will be deemed completed at the earliest of the following times:
- When all of the work called for in your contract has been completed.
 - When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
 - When that part of work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
- Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
- c. This hazard does not include “bodily injury” or “property damage” arising out of the existence of tools, uninstalled equipment or abandoned or unused materials.
10. **“Property damage”** means:
- Physical injury to tangible property, including all resulting loss of use of that property; or
 - Loss of use of tangible property that is not physically injured.
11. **“Your product”** means:
- Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - You;
 - Others trading under your name; or
 - A person or organization whose business or assets you have acquired; and
 - Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
- “Your product” includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in a. and b. above.
- “Your product” does not include vending machines or other property rented to or located for the use of others but not sold.
12. **“Your work”** means:
- Work or operations performed by you or on your behalf; and
 - Materials, parts or equipment furnished in connection with such work or operations.
- “Your work” includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in a. and b. above.

STANDARD NON-OWNED AUTOMOBILE POLICY (S.P.F. 6)

WHEREAS AN APPLICATION HAS BEEN MADE BY THE APPLICANT (HEREINAFTER CALLED THE INSURED) TO THE INSURER FOR A CONTRACT OF AUTOMOBILE INSURANCE AND THE SAID APPLICATION FORMS PART OF THIS CONTRACT OF INSURANCE AND IS AS FOLLOWS: -

ITEMS	APPLICATION
1. Full Name of the Applicant Postal Address: (Including County or District) Applicant is:	As Known to Company As Known to Company As Known to Company As Known to Company
2. Policy Period	As shown on Declaration Form
12:01 a.m. Standard Time at the applicant’s address stated herein as to each of said dates	

3. The automobiles in respect of which insurance is to be provided are those not owned in whole or in part by, nor licensed in the name of the applicant, used in the applicant's business of: AS PER DECLARATIONS

4. The Applicant's partners, officers, employees and agents as of the date of this application are as follows:

Location As Known to Company
Partners, officers and employees who regularly use automobiles not owned by the applicant in the applicant's business
All other partners, officers and employees
All applicant's agents

(Class "A1" Private Passenger) (Class "A2" Commercial) (Class "B") (Class "C")
| Number | Rate | Premium | Number | Rate | Premium | Number | Rate | Premium | Number | Rate | Premium |

COVERED IF ANY TO BE REPORTED

5. "Hired Automobiles" - The Automobiles hired by the applicant are as follows:

Type of Automobile
Estimated Cost of Hire
Rates per \$100 of Cost of Hire
Advance Premium

COVERED IF ANY TO BE REPORTED

The advance premium is subject to adjustment at the end of the policy period as provided in the policy.

6. "Automobiles operated under Contract" on behalf of the applicant are as follows:

Type of Automobile and description of use
Estimated Contract Cost
Rates per \$100 of Contract Cost
Advance Premium

COVERED IF ANY TO BE REPORTED

The advance premium is subject to adjustment at the end of the policy period as provided in the policy.

7. This application is made for insurance against perils mentioned in this item and upon the terms and conditions of the Insurer's corresponding standard policy form for the following specified limit.

INSURING AGREEMENT

Section A - Third Party Liability

PERILS

Legal liability for bodily injury to or death of any person or damage to property of others not in the care, custody or control of the applicant.

LIMIT

\$ AS PER DECLARATIONS (exclusive of interest and costs) for loss or damage resulting from bodily injury to or death of one or more persons, and for loss or damage to property regardless of the number of claims arising from any one accident.

COMBINED PREMIUM

\$ AS PER DECLARATIONS
Endorsements - As per Declarations
Minimum Retained Premium - As per Declarations
Total Premium - As per Declarations

8. Has any Insurer cancelled, declined or refused to renew or issue automobile insurance to the applicant within three (3) years preceding this application? If so, state name of Insurer.
No

9. State particulars of all accidents or claims arising out of the use or operation in his business of non-owned automobiles by the applicant within the three (3) years preceding this application.

INJURY TO PERSONS DAMAGE TO PROPERTY OF OTHERS
As Known to Company As Known to Company

10. All the statements in this application are true and the applicant hereby applies for a contract of automobile insurance to be based on the truth of the said statements.

11. Where, (a) an applicant for a contract gives false particulars of the described automobile to be insured to the prejudice of the Insurer, or knowingly misrepresents or fails to disclose in the application any fact required to be stated therein; or (b) the Insured contravenes a term of the contract or commits a fraud; or (c) the Insured willfully makes a false statement in respect of a claim under the contract, a claim by the Insured is invalid and the right of the Insured to recover indemnity is forfeited.

INSURING AGREEMENT

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

SECTION A - THIRD PARTY LIABILITY

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

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

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

- (a) for any liability which arises from the use or operation of any automobile while personally driven by the Insured if the Insured is an individual; or
 - * (b) for any liability imposed upon any person insured by this policy:
 - (1) by any workmen's compensation law; or
 - (2) by any law for bodily injury to or the death of the Insured or any partner, officer or employee of the Insured while engaged in the business of the Insured; or
 - (c) for any liability assumed by any person insured by this policy voluntarily under any contract or agreement ; or
 - (d) for loss or damage to property carried in or upon an automobile personally driven by any person insured by this policy or to any property owned or rented by, or in the care, custody or control of such person; or
 - (e) for any amount in excess of the limit stated in Item 7 of the application, and expenditures provided for in the Additional Agreements of this policy; subject always to the provisions of the section of the Insurance Act (Automobile Insurance Part) relating to the nuclear energy hazard.
- * Not applicable in the Province of Ontario.

ADDITIONAL AGREEMENTS OF INSURER

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

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

AGREEMENTS OF INSURED

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

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

GENERAL PROVISIONS AND DEFINITIONS

1. ADDITIONAL INSUREDS

The Insurer agrees to indemnify in the same manner and to the same extent as if named herein as the Insured, every partner, officer or employee of the Insured who, with the consent of the owner thereof, personally drives

- (a) in the business of the Insured stated in Item 3 of the application, any automobile not owned in whole or in part by or licensed in the name of
 - (i) the Insured, or
 - (ii) such additional insured person, or
 - (iii) any person or persons residing in the same dwelling premises as the Insured or such additional insured person, or
- (b) any automobile hired or leased in the name of the Insured except an automobile owned in whole or in part or licensed in the name of such additional insured person.

2. TERRITORY

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

3. HIRED AUTOMOBILE DEFINED

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

4. AUTOMOBILES OPERATED UNDER CONTRACT DEFINED

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

5. TWO OR MORE AUTOMOBILES

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

6. PREMIUM ADJUSTMENT

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

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

The Advance Premiums are subject to adjustment at the end of the Policy Period when the Insured shall deliver to the Insurer a written statement of the total amounts expended for cost of hire during the Policy Period. If such amounts exceed the estimates stated in the application, the Insured shall immediately pay additional premium at the rates stated therein; if less, the Insurer shall return to the Insured the unearned premium when determined but the Insurer shall, in any event, receive or retain not less than the Minimum Retained premium stated therein.

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

STATUTORY CONDITIONS

(YUKON TERRITORY, NORTHWEST TERRITORIES, ALBERTA, ONTARIO, NEW BRUNSWICK, NOVA SCOTIA, PRINCE EDWARD ISLAND AND NEWFOUNDLAND)

(for use with S.P.F. No's 1, 2, 4 and 6)

In these statutory conditions, unless the context otherwise requires, the word "Insured" means a person insured by this contract whether named or not.

NOTE: All of the Statutory Conditions contain the above wording. However,

- in all of the above Provinces and Territories using these standard, approved forms, only Statutory Conditions 1, 8 and 9 are made applicable to accident benefits insurance and uninsured motorist insurance where it is provided by the contract.
- in the Northwest Territories the definition of "insured person" must be read as containing in addition the words "and includes any person to whom benefits may be payable under the accident benefits set out in the Schedule to the Insurance Ordinance."

Material Change in Risk

1. 1) The Insured named in this contract shall promptly notify the Insurer or its local agent in writing of any change in the risk material to the contract and within the Insured's knowledge.
- 2) Without restricting the generality of the foregoing, the words "change in risk material to the contract" include:
 - a) any change in the insurable interest of the Insured named in this contract in the automobile by sale, assignment or otherwise, except through change of title by succession, death or proceedings under the Bankruptcy Act (Canada);and in respect of insurance against loss of or damage to the automobile
 - b) any mortgage, lien or encumbrance affecting the automobile after the application for the contract;
 - c) any other insurance of the same interest, whether valid or not, covering loss or damage insured by this contract or any portion thereof.

NOTE: In Prince Edward Island Statutory Condition 1, sub-conditions 2 and 3 are identical with the above quoted Statutory Condition relating to material change in risk.

Prohibited Use by Insured

2. 1) The Insured shall not drive or operate the automobile,
 - a) unless the Insured is for the time being either authorized by law or qualified to drive or operate the automobile; or
 - b) while the Insured's license to drive or operate an automobile is suspended or while the Insured's right to obtain a license is suspended or while he is prohibited under order of any court from driving or operating an automobile; or
 - c) while the Insured is under the age of sixteen years or under such other age as is prescribed by the law of the province in which he resides at the time this contract is made as being the minimum age at which a license or permit to drive an automobile may be issued to him; or
 - d) for any illicit or prohibited trade or transportation; or
 - e) in any race or speed test.

Prohibited Use by Others

- 2) The Insured shall not permit, suffer, allow or connive at the use of the automobile
 - a) by any person,
 - (i) unless that person is for the time being either authorized by law or qualified to drive or operate the automobile; or
 - (ii) while that person is under the age of sixteen years or under such other age as is prescribed by the law of the province in which the person resides at the time this contract is made as being the minimum age at which a license or permit to drive an automobile may be issued to the person; or
 - b) by any person who is a member of the household of the Insured while that person's license to drive or operate an automobile is suspended or while his right to obtain a license is suspended or while he is prohibited under order of any court from driving or operating an automobile; or
 - c) for an illicit or prohibited trade or transportation; or
 - d) in any race or speed test.

Requirements Where Loss or Damage to Persons or Property

3. 1) The Insured shall,
 - a) promptly give to the Insurer written notice, with all available particulars, of any accident involving loss or damage to persons or property and of any claim made on account of the accident;
 - b) verify by statutory declaration, if required by the Insurer, that the claim arose out of the use or operation of the automobile and that the person operating or responsible for the operation of the automobile at the time of the accident is a person insured under this contract; and
 - c) forward immediately to the Insurer every letter, document, advise or writ received by the Insured from or on behalf of the claimant.
- 2) The Insured shall not,
 - a) voluntarily assume any liability or settle any claim except at the Insured's own cost; or
 - b) interfere in any negotiations for settlement or in any legal proceeding.
- 3) The Insured shall, whenever requested by the Insurer, aid in securing information and evidence and the attendance of any witness and shall co-operate with the Insurer, except in a pecuniary way, in the defense of any action or proceeding or in the prosecution of any appeal.

Requirements Where Loss or Damage to Automobile

4. 1) Where loss of or damage to the automobile occurs, the Insured shall, if the loss or damage is covered by this contract,
For purposes of the Insurance Companies Act (Canada), this document was issued in the course of Lloyd's Underwriters' insurance business in Canada.

- a) promptly give notice thereof in writing to the Insurer with the fullest information obtainable at the time;
 - b) at the expense of the Insurer, and as far as reasonably possible, protect the automobile from further loss or damage; and
 - c) deliver to the Insurer within ninety (90) days after the date of the loss or damage a statutory declaration stating, to the best of the Insured's knowledge and belief, the place, time, cause and amount of the loss or damage, the interest of the Insured and of all others therein, the encumbrances thereon, all other insurance, whether valid or not, covering the automobile and that the loss or damage did not occur through any willful act or neglect, procurement, means or connivance of the Insured.
- 2) Any further loss or damage accruing to the automobile directly or indirectly from a failure to protect it as required under sub condition (1) of this condition is not recoverable under this contract.
- 3) No repairs, other than those that are immediately necessary for the protection of the automobile from further loss or damage, shall be undertaken and no physical evidence of the loss or damage shall be removed,
- a) without the written consent of the Insurer; or
 - b) until the Insurer has had a reasonable time to make the examination for which provision is made in statutory condition 5.

Examination of Insured

- 4) The Insured shall submit to examination under oath, and shall produce for examination at such reasonable place and time as is designated by the Insurer or its representative all documents in the Insured's possession or control that relate to the matters in question, and the Insured shall permit extracts and copies thereof to be made.

Insurer Liable for Cash Value of Automobile

- 5) The Insurer shall not be liable for more than the actual cash value of the automobile at the time any loss or damage occurs, and the loss or damage shall be ascertained or estimated according to the actual cash value with proper deduction for depreciation, however caused, and shall not exceed the amount that it would cost to or replace the automobile, or any part thereof, with material of like kind and quality, but, if any part of the automobile is obsolete and out of stock, the liability of the Insurer in respect thereof shall be limited to the value of that part at the time of loss or damage, not exceeding the maker's latest list price.

Repair or Replacement

- 6) Except where an appraisal has been made, the Insurer, instead of making payment, may, within a reasonable time, repair, rebuild or replace the property damaged or lost, with other of like kind and quality if, within seven (7) days after the receipt of the proof of loss, it gives written notice of its intention to do so.

No Abandonment; Salvage

- 7) There shall be no abandonment of the automobile to the Insurer without the Insurer's consent. If the Insurer exercises the option to replace the automobile or pays the actual cash value of the automobile, the salvage, if any, shall vest in the Insurer.

In Case of Disagreement

- 8) In the event of disagreement as to the nature and extent of the repairs and replacements required, or as to their adequacy, if effected, or as to the amount payable in respect of any loss or damage, those questions shall be determined by the appraisal as provided under The Insurance Act (in Newfoundland, The Insurance Contracts Act) before there can be recovery under this contract, whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefor is made in writing and until after proof of loss has been delivered.

Inspection of Automobile

5. The Insured shall permit the Insurer at all reasonable times to inspect the automobile and its equipment.

Time and Manner of Payment of Insurance Money

6. 1) The Insurer shall pay the insurance money for which it is liable under this contract within sixty (60) days after the proof of loss has been received by it or, where an appraisal is made under sub condition (8) of statutory condition 4, within fifteen (15) days after the award is rendered by the appraisers.

When Action May Be Brought

- 2) The Insured shall not bring an action to recover the amount of a claim under this contract unless the requirements of statutory conditions 3 and 4 are complied with or until the amount of the loss has been ascertained as therein provided or by a judgment against the Insured after trial of the issue or by agreement between the parties with the written consent of the Insurer.

Limitations of Actions

- 3) Every action or proceeding against the Insurer under this contract in respect of loss or damage to the automobile shall be commenced within one year next after the happening of the loss and not afterwards, and in respect of loss or damage to persons or property shall be commenced within one year after the cause of action arose and not afterwards.

NOTE: In Yukon Territory, Northwest Territories and New Brunswick, the one year limitation period in sub-condition (3) should reach "2 years".

In the case of Nova Scotia, Newfoundland and Prince Edward Island sub-condition (3) reads as follows:

- 3) Every action or proceeding under this contract against the Insurer in respect of a claim for indemnification for liability of the Insured for loss or damage to property of another person or for personal injury to or death of another person shall be commenced within two years after the liability of the Insured is established by a court of competent jurisdiction and not afterwards. Every other action or proceeding against the Insurer under this contract in respect of loss or damage to the automobile shall be commenced within two years from the time the loss or damage was sustained and not afterwards.

Who May Give Notice and Proofs of Claim

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

Termination

8. 1) This contract may be terminated,
- a) by the Insurer giving to the Insured fifteen (15) days notice of termination by registered mail or five (5) days written notice of termination personally delivered.
 - b) by the Insured at any time on request.
- 2) Where this contract is terminated by the Insurer,
- a) the Insurer shall refund the excess of premium actually paid by the Insured over the prorata premium for the expired time, but in no event shall the prorata premium for the expired time be deemed to be less than any minimum retained premium specified; and
 - b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as the amount, in which case the refund shall be made as soon as practicable.
- 3) Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
- 4) The refund may be made by money, postal or express company money order or cheque payable at par.
- 5) The thirty (30) days mentioned in clause (a) of sub condition (1) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

NOTE: In the Northwest Territories, paragraph (a) of sub condition 1 has the following words added:

“and by notifying the registrar of motor vehicles as required by the Vehicle Ordinance”.

Notice

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

NOTE: In the Northwest Territories, the reference is to Territories and in the Yukon Territory the reference is to Territory rather than the Province.

In Witness Whereof, the Insurer has executed and attested these presents but this Policy shall not be valid unless countersigned by a duly authorized representative of the Insurer.

COMMON LIABILITY CONDITIONS

All Coverage Forms included in this policy (except the Non-Owned Automobile Policy and the Owners and Contractors Protective Liability Coverage Form, if applicable) are subject to the following conditions.

A. Canadian Currency Clause

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

B. Cancellation

1. The first Named Insured shown in the Declaration may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivery to the first Named Insured written notice of cancellation at least:
 - a) Fifteen (15) days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b) Thirty (30) days before the effective date of cancellation if we cancel for any other reason.

If this policy is governed by law of Quebec, we may cancel the policy by mailing or delivery to the first Named Insured written notice of cancellation such that the notice is received by the first Named Insured at least the number of days shown above, depending upon the reason for cancellation.

3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. The policy period will end on the date cancellation takes effect.
5. If this policy is cancelled, we will send the First Named Insured any premium refund due. If we cancel, the refund will be prorata. If the first Named Insured cancels, the refund may be less than prorata. The cancellation will be effective even if we have not made or offered a refund.

C. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy without consent. This policy's terms can be amended or waived only by endorsement issued by us and made part of this policy.

D. Examination of Your Books and Records

We may examine and audit your books and records as they relate to this policy period and up to three (3) years afterward.

E. Inspections and Surveys

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations 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 health or safety of workers or the public. We do not warrant that conditions:

4. Are safe or healthful; or
5. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

F. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

G. Transfer of Your Rights and Duties Under this Policy

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

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



PIPEDA
Personal Information Protection and Electronic Documents Act

Dear Insured:

As you may be aware the Canadian Federal Privacy Legislation will apply to insurance companies including PAL Insurance Brokers Ltd. and its associated offices in Ontario PAL Canada Insurance Brokers Ltd. as of January 1, 2004. The Personal Information Protection and Electronic Documents Act (PIPEDA) contains 10 fair information practices that companies in Canada will adhere to. PAL Insurance Brokers Ltd. want to take this time to explain the Act and our response to the implementation within our organization.

Definition of "Personal Information" - Information relating to an identified or identifiable natural person, includes information collected about a person in his business capacity including (*but not limited to*):

- q Name, address and telephone number
- q Age, gender and marital status
- q Previous claims history
- q Medical and health information
- q Credit rating, banking and payment history
- q Employment information
- q Assets and liabilities

Information collected may be oral, electronic, or written formats to provide the clients the products or services required.

Purpose of Act – To ensure the privacy of personal information collected & documented by organizations, and the appropriate use of the information used and disclosed in the best interest of the clients. Individuals may have access to the information collected under the guidelines of the Act.

PAL Insurance Brokers Ltd. does not sell, solicit, or share client personal and private information nor condone the practices of such. We are committed to protecting the privacy of your personal information, unless stated otherwise always in the best interest of the client/individual or abiding by the laws governed PAL Insurance Brokers Ltd. may disclose information at request of such. Information collected is used by only authorized personnel and retained only as is required, and for any legal or regulatory requirements.

Throughout our relationship with you, PAL Insurance Brokers Ltd. may collect, use and disclose your personal Information to identify you and to administer products or services you may have with PAL Insurance Brokers Ltd. and in order to:

- q Confirm your application information and assess your eligibility and rates for insurance products and services;
- q Provide you with on-going services, establish and maintain communication, and respond to your inquiries;
- q Advise you and your insurance broker in the administration of your policy;
- q Responding to Adjusters to determine your eligibility for claims;
- q Meet legal and regulatory requirements; and,
- q Share with your insurance broker, lawyer, and/or any person, or enterprise, as may be reasonably required for the purposes already stated.

PAL Insurance Brokers Ltd. respects your rights of privacy and requires your on-going consent to continue to use your personal information. Should you wish to withdraw consent, please contact us. PAL Insurance Brokers Ltd. will not unreasonably withhold products or services, however, certain information is required in order to serve you to our best abilities.

PAL Insurance Brokers Ltd. thank you for your business and take pride in offering you the best of our products and services. If you satisfied with this letter explaining the use of your information as described above we will continue to use your information in providing the service you had originally consented to through your broker.

For any privacy questions, concerns, comments, and requests please forward such to:

Privacy Officer
PAL Insurance Brokers Ltd.
400, 1400 1st Street SW
Calgary, AB T2R 0V8
Phone: 403-261-3900
Fax: 403-261-39036
Toll Free: 1-888-661-1608
privacy@palcanada.com

1. If you have a complaint with any aspect of your Lloyd's insurance, please refer to the broker/agent who arranged your policy for you.

OR

2. You may contact the Insurance Bureau of Canada and avail yourself of the services of **the General Insurance OmbudService (GIO)**, who will contact Lloyd's on your behalf. The GIO can be reached at:

British Columbia & Yukon

(604) 684-3635
toll-free: 1-877-772-3777

Ontario

(416) 362-9528
toll-free: 1-800-387-2880

Prairies, Northwest Territories & Nunavut

(780) 423-2212
toll-free: 1800-377-6378

Québec

(514) 288-6015
toll-free: 1-800-361-5131

Atlantic Provinces

(902) 429-2730
toll-free: 1-800-565-7189

For more information or to submit the facts of your insurance-related dispute, please visit the GIO website at www.gio-scad.org.

3. Should you be dissatisfied with the outcome of your broker's resolution or with the GIO's assistance, please submit your written complaint to:

Lloyd's Canada Inc.
Broker & Management Services
1155 rue Metcalfe, Suite 1540
Montreal, Quebec
H3B 2V6

Tel: 1-877-4LLOYDS
Fax: (514) 861-0470
Email: lineage@lloyds.ca

Your written complaint will be forwarded to Lloyd's Complaints Department in London which ensures that Lloyd's Underwriters and their representatives deal with claims and complaints in an acceptable manner. It acts as an impartial mediator. When undertaking a review, this Department takes account of general legal principles, good insurance practice, and whether all events surrounding a given case have been considered fairly.

4. If you are dissatisfied with Lloyd's final letter, you may ask the GIO to arrange for mediation. Mediation is not available until Lloyd's has issued its final letter of position on your complaint.