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POLICY LIMITS - Gold & Standard

Contents - limit is as noted on the Coverage Summary Page

Liability - limit is as noted on the Coverage Summary Page

Gold Package Only:

Non-Owned Auto - limit follows the Commercial General Liability Limit

Tenants Legal (Broad Form) - 300,000

Additional Agreements (#4-#19) limited to 2,5000 each.

Earnings Insurance (Actual Loss Sustained) - 10,000

12 Trade shows per year - Included

50 Home Demos per year - Included

On Both Packages the Gross receipts are limited as follows:

Office—200,000

Retail—50,000

If the gross receipts are over the above limits, please contact your Broker or the *MMFI* Head Office.

MULTI-PERIL AGREEMENTS, EXCLUSIONS AND CONDITIONS

(Applicable To All Coverages)

IF ANY OF THE FOLLOWING AGREEMENTS OR EXCLUSIONS ARE ALSO CONTAINED IN THE WORDINGS FORMING PART OF THIS POLICY, THOSE AGREEMENTS AND EXCLUSIONS WILL TAKE PRECEDENCE.

INSURING AGREEMENTS:

The Insurer, in consideration of the payment of the premium, in reliance upon the statements in the Declarations made a part of this policy and subject to all the terms and conditions of this policy and the riders and endorsements attached, agrees with the Named Insured as follows:

In the event that any of the property insured be lost, destroyed or damaged by Fire, Lightning or Explosion of natural, coal or manufactured gas or such other perils as may be specified in the riders and endorsements attached hereto, at any time while this policy is in force, the Insurer will indemnify the Insured against the direct loss so caused to an amount not exceeding whichever is the least of:

- (a) the actual cash value of the property at the time of loss, destruction, or damage;
- (b) the interest of the Insured in the property;
- (c) the limit of liability provided by the policy in respect of the property lost, destroyed or damaged.

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

The following extensions of coverage, subject to the policy exclusions, shall not increase the limit(s) of liability or amount(s) of insurance applying under this policy to the property lost, destroyed or damaged.

Removal: If any of the insured property is necessarily removed from the location(s) specified herein to prevent loss, destruction or damage or further loss, destruction or damage thereto, that part of the insurance under this policy that exceeds the amount of the Insurer's liability for any loss already incurred shall, for seven days only, or for the unexpired term of the policy if less than seven days, insure the property removed and any property remaining in the location(s) specified herein in the proportions which the value of the property in each of the respective locations bears to the value of the property in them all.

(i) Debris Removal: The Insurer will indemnify the Insured for expenses incurred in the removal from the "premises" of debris of the property insured, occasioned by loss or damage to such property, for which loss or damage insurance is afforded under this Policy.

The amount payable under this extension shall not exceed 25% of the total amount payable for the direct physical loss to property insured plus the amount of the applicable deductible.

(ii) Removal of Windstorm Debris: The Insurer will indemnify the Insured for expenses incurred in the removal of debris or other property which is not insured on this policy but which has been blown by windstorm upon a location specified on the "Declaration Page".

Extensions to coverage (i) and (ii) do not apply to costs or expenses:

- a) cleanup" of "pollutants" from land or water; or
- b) for testing, monitoring, evaluating or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

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

EXCLUSIONS

This policy does not insure against loss, destruction or damage caused directly or indirectly:

- a) by civil commotion, war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- b) 1) by any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
2) by contamination by radioactive material;
- c) proximately or remotely, arising in consequence of or contributed to by the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which by-law, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss.

This policy is subject to the terms and conditions set forth herein together with such other terms and conditions as may be endorsed hereon or added hereto. No term or condition of this policy shall be deemed to be waived in whole or in part by the Insurer unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by the Insurer.

The Statutory Conditions apply to the peril of fire and as modified or supplemented by riders or endorsements attached and apply as Policy Conditions to all other perils insured by this Policy.

STATUTORY CONDITIONS

MISREPRESENTATION

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

PROPERTY OF OTHERS

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

CHANGE OF INTEREST

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

MATERIAL CHANGE

4. Any change material to the risk and within the control and knowledge of the insured shall avoid the contract as to the part affected thereby, unless the change is promptly notified in writing to the insurer or its local agent; and the insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the insured in writing that, if he desires the contract to continue in force, he must, within 15 days of the receipt of the notice, pay to the insurer an additional premium; and in default of such payment the contract shall no longer be in force and the insurer shall return the unearned portion, if any, of the premium paid.

TERMINATION

5. 1) This contract may be terminated:

- a) By the insurer giving to the insured 15 days' notice of termination by registered mail, or five days' written notice of termination personally delivered;
- b) By the insured at any time on request.

2) Where this contract is terminated by the insurer:

- a) The insurer shall refund the excess of premium actually paid by the insured over the *pro rata* premium for the expired time, but in no event, shall the *pro rata* premium for the expired time be deemed to be less than any minimum retained premium specified; and
- b) The refund shall accompany the notice unless the premium is subject to adjustment or termination as to amount, in which case the refund shall be made as soon as practicable.

3) Where this contract is terminated by the insured, the insurer shall refund as soon as practicable the excess of 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.

The 15 days mentioned in clause (a) of subcondition (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.

REQUIREMENTS AFTER LOSS

6. 1) Upon the occurrence of any loss of or damage to the insured property, the insured shall, if such loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11:

- a) Forthwith give notice thereof in writing to the insurer;
- b) Deliver as soon as practicable to the insurer a proof of loss verified by statutory declaration,
 - i) Giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed;
 - ii) Stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes;
 - iii) Stating that the loss did not occur through any willful act or neglect or the procurement, means of connivance of the insured;
 - iv) Showing the amount of other insurances and the names of other insurers;
 - v) Showing the interest of the insured and of all others in the property with particulars of all liens, encumbrances and other charges upon the property;
 - vi) Showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract;
 - vii) Showing the place where the property insured was at the time of the loss.
- c) If required, give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value;

- d) If required and if practicable, produce books of accounts, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.
- 2) The evidence furnished under clauses c) and d) of sub-paragraph 1) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

FRAUD

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

WHO MAY GIVE NOTICE AND PROOF

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

SALVAGE

9.1) The insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to any such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.

2) The insurer shall contribute *pro rata* towards any reasonable and proper expenses in connection with steps taken by the insured and required under subparagraph (1) of this condition according to the respective interests of the parties.

ENTRY, CONTROL, ABANDONMENT

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

APPRAISAL

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

WHEN LOSS PAYABLE

12. The loss is payable within 60 days after completion of the proof of loss, unless the contract provides for a shorter period.

REPLACEMENT

13. (1) The insurer, instead of making payment, may repair, rebuild, or replace the property damaged or lost, giving written notice of its intention to do so within 30 days after receipt of the proof of loss.

(2) In that event the insurer shall commence to so repair, rebuild, or replace the property within 45 days after receipt of the proofs of loss, and shall thereafter proceed with all due diligence to the completion thereof.

ACTION

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

NOTICE

15. Any written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province; and written notice may be given to the insured named in the 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; and in this condition, the expression "registered" means registered in or outside Canada.

ADDITIONAL CONDITIONS

NOTICE TO AUTHORITIES

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

NO BENEFIT TO BAILEE

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

PAIR AND SET

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

PARTS

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

SUE AND LABOUR

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

BASIS OF SETTLEMENT

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

SUBROGATION

7. The Insurer, upon making any payment or assuming liability therefor under this Policy, shall be subrogated to all rights of recovery of the Insured against any other 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 Policy. Where the net amount recovered, after deducting the costs of recovery, is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in proportion in which the loss or damage has been borne by them respectively. Any release from liability entered into by the Insured proper to loss shall not affect the right of the Insured to recover.

GOLD PACKAGE

BUSINESS CONTENTS

SECTION 1 - PROPERTY COVERAGES

PROPERTY GENERAL DEFINITIONS - (Applicable to all Section 1 Coverages)

Wherever used in this form:

1. **"Building"** - means:
the building(s) described on the Declaration Page and includes:
 - (1) fixed structures pertaining to the building(s) and located on the "premises";
 - (2) additions and extensions communicating and in contact with the building(s);
 - (3) permanent fittings and fixtures attached to and forming part of the building(s);
 - (4) materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to the "building" or for building services;
 - (5) growing plants, trees, shrubs or flowers inside the "building" used for decorative purposes when the Insured is the owner of the "building".
2. **"Declaration Page"** means the Declaration Page applicable to this policy.
3. **"Equipment"** means:
 - (1) generally all contents usual to the Insured's business including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances other than "building" or "stock" as herein defined;
 - (2) electronic or electro-mechanical equipment, including but not limited to computers data processing equipment, terminals, teleprinters, readers, computerized cash registers and word processing equipment owned by the insured or leased to the insured;
 - (3) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;
 - (4) tenant's improvements which are defined as building improvements, alterations and betterments made at the expense of the Insured to a "building" occupied by the Insured and which are not otherwise insured, provided the Insured is not the owner of such "building". If the Insured purchased the use interest in tenant's improvements made by a predecessor tenant, this Form applies as though such tenant's improvements had been made at the expense of the Insured.
4. **"Stock"** means:
 - (1) merchandise of every description usual to the Insured's business;
 - (2) packing, wrapping and advertising materials; and
 - (3) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable.
5. **"Contents"** means: Equipment and Stock as defined above.
6. **"Property of Every Description"** means: Building(s), Equipment and Stock as defined above.
7. **"Premises"** means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described in the Declaration Page and in or on vehicles within 100 metres (328 feet) of such locations.
8. **"Fire Protective Equipment"** includes tanks, water mains, hydrants, valves and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:
 - (1) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - (2) any water mains or appurtenances located outside of the described "premises" and forming a part of the public water distribution system;
 - (3) any pond or reservoir in which the water is impounded by a dam.
7. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant, or contaminants including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
8. **"Clean up"** means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to the aforementioned processes.
9. **"Theft"** means the wrongful abstraction of property.
10. **"Named Perils"** means:
 - (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;
- (2) 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;
- (3) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
- (4) 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;
- (5) 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:

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

(D) RIOT, VANDALISM OR MALICIOUS ACTS: The term Riot includes open assemblies of strikers inside or outside the "premises" who have quitted work and of locked out employees.

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

- (1) due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
- (2) due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under Clause 12B;
- (3) due to theft or attempted thereat

(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 "Declaration 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:

- (1) 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;
- (2) 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, or landslip.

PROPERTY GENERAL PROVISIONS - (Applicable to all Section 1 Coverages)

(a) Replacement Cost (Not applicable to "Stock"): Where the "Declaration Page" set out the basis of settlement as "Replacement Cost" it is understood and agreed that settlement shall be based on the cost of repairing, replacing, constructing or reconstructing (whichever is the least) the property on the same site or on an adjacent site, with standard building materials of like kind and quality and currently available in North America and for like occupancy without deduction for depreciation. The foregoing shall be subject otherwise to all the terms, conditions and limitations of the Policy including endorsements thereon and to the following:

- (1) the repair, replacement, construction or reconstruction, as the case may be, must be effected by the Insured with due diligence and dispatch;
- (2) until repair, replacement, construction or reconstruction has been effected by the Insured, liability shall be that which would have existed had this coverage not been in effect. Liability shall in no event exceed the amount actually and necessarily expended to repair, replace, construct or reconstruct;

- (3) any other insurance effected by or on behalf of the Insured in respect of the perils insured against by the Policy on the property to which this coverage is applicable shall be upon the replacement cost basis as set out herein;
- (4) failing compliance by the Insured with any of the foregoing provisions, this coverage shall be null and void;
- (5) any reference to actual cash value in a co-insurance clause in this Policy is deemed to be a reference to replacement cost of the property insured.
- (6) in the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that damaged or destroyed and which is capable of performing the same function shall be deemed to be new property of like kind and quality for the purposes of this endorsement.
- (7) This provision does not apply to:
 - (a) stock;
 - (b) patterns, dies, moulds;
 - (c) paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelain, rare glassware, bric-a-brac or other articles of art, rarity or antiquity;
 - (d) manuscripts and records meaning books of account, drawings, card index systems and other records;
 - (e) media meaning the materials on which data is recorded electronically or digitally and data meaning the facts, concepts, instructions or computer programs used in data processing operations;
 - (f) any increase in the cost of replacement occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.
- (b) **Verification of Values:** The Insurer or its duly appointed representative shall be permitted at all reasonable times during the term of this Policy, or within one year after termination or expiration, to inspect the property insured and to examine the Insured's books, records and such policies as relate to any property insured hereunder. Such inspection or examination shall not waive nor in any manner affect any terms or conditions of this Policy.
- (c) **Valuations:** For the purpose of calculating the total value of the property for the application of co-insurance, value reporting and for loss adjustment, the following valuation basis applies:
 - (1) on unsold "stock" - the actual cash value of the property at the time any loss occurs, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;
 - (2) on sold "stock" - the selling price after allowance for discounts;
 - (3) on property of others in the custody or control of the Insured for the purpose of performing work thereon - the amount which the Insured is liable but in no event to exceed the actual cash value at the time and place of loss plus allowance for labour and materials expended to such time;
 - (4) on tenant's improvements and records - as defined in paragraphs (i) and (ii) of Clause (d);
 - (5) on all other property insured under this Policy and for which no more specific conditions have been set out - the actual cash value at the time the loss or damage occurs but in no event to exceed what it would then cost to repair or replace with material of like kind and quality.
-) **Special Basis of Settlement:**
 - (i) Tenant's Improvements: The liability of the Insurer shall be determined as follows:
 - (a) if repaired or replaced with due diligence and dispatch, the amount actually and necessarily expended but in no event exceeding the actual cash value of the tenant's improvements immediately prior to the time of destruction or damage;
 - (b) if not repaired or replaced with due diligence and dispatch after such loss, that portion of the original cost of the damaged or destroyed tenant's improvements which the unexpired term of the lease at the time of loss bears to the period(s) from the date(s) such tenant's improvements were made to the expiration date of the lease.
 - (ii) 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 (b) 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 or for electronically controlled equipment, shall not exceed the cost of reproducing such media, data storage devices, and programme devices from duplicates or from originals of the previous generation of the media, 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.

- (e) (**dDeductible:** The Insurer is liable for the amount by which the loss or damage caused by any of the perils insured against exceeds the amount of the deductible specified on the “Declaration Page” in any one occurrence. If one occurrence could lead to the application of more than one deductible only the largest deductible will apply.
- (f) **Co-Insurance:** This clause applies separately to each item for which a co-insurance percentage is specified on the “Declaration Page” and only where the total loss exceeds the lesser of 2% of the applicable amount of insurance or \$5,000. The Insured shall maintain insurance concurrent with this Policy on the property insured to the extent of at least the co-insurance percentage specified on the Declaration Page of the actual cash value thereof, and, failing so to do, shall only be entitled to recover that portion of any loss that the amount of insurance in force at the time of loss bears to the amount of insurance required to be maintained by this clause.
- (g) **Property of Others:** At the option of the Insurer, any loss may be paid to the Insured or adjusted with and paid to the customer or the owner of the property.
- (h) **Locked Vehicle Warranty:** This Clause does not apply to property which is under the control of a common carrier. Warranted by the Insured that any vehicle in which the property insured is carried is equipped with a fully enclosed metal body or compartment, and the Insurer shall be liable in case of loss by theft from an unattended vehicle only as a direct result of forcible entry (of which there shall be visible evidence) into such body or compartment the doors and windows of which shall have been securely locked.
- (i) **Reinstatement:** Loss under any item of Section 1 - Property Coverages shall not reduce the applicable amount of insurance.
- (j) **Property Protection Systems:** It is agreed that the Insured shall notify forthwith the Insurer of any interruption to, or flaw or defect, coming to the knowledge of the Insured, in any:
 - (a) sprinkler or other fire extinguishing system; or
 - (b) fire detection system; or
 - (c) intrusion detection system;
 and shall also notify forthwith the Insurer of the cancellation or non-renewal of any contract which provides monitoring or maintenance services to any of these systems or of the notification of the suspension of police service in response to any of these systems.
- (e) **Other Insurance:** (i) The Insurer shall not be liable hereunder for more than the proportion of any loss or damage which the amount of this policy bears to the total of Fire Insurance under all contracts attaching, irrespective of whether such other contracts provide Extended Coverage. If this policy covers two or more items this clause shall apply separately to each item; (ii) If the Insured has at the date of this policy any other insurance on property covered hereby which is not disclosed to the Insurer or hereafter effects any other insurance thereon without the written consent of the Insurer, this policy shall be void.
- (f) **Non Waiver:** No term or condition of this policy shall be deemed to be waived by the Insurer in whole or in part unless the waiver is clearly expressed in writing, signed by a person authorized for that purpose by the Insurer. Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of this policy by any act relating to the appraisal of the amount of loss or to the delivery and completion of proofs, or to the investigation or adjustment of any claim under the Policy.
- (g) **Removal:** If any of the insured property is necessarily removed from the location(s) specified herein to prevent loss or damage or further loss, destruction or damage thereto, that part of the insurance under this Policy that exceeds the amount of the Insurer's liability for any loss already incurred shall, for seven days only, or for the unexpired term of the Policy if less than seven days, insure the property removed and any property remaining in the location(s) specified herein in the proportions which the value of the property in each of the respective locations bears to the value of the property in them all.
- (h) **Examination of Insured:** In the event of a claim under this policy, you must submit to examination under oath, at our request, an produce for examination at such reasonable place and time as designated by us or our representative, all documents in your possession or control that relate to the matters in question, and you must permit extracts and copies of such documents to be made.
- (i) **Territorial Limits:** This policy insures only within the territorial limits of Canada and the Continental United States of America excluding Alaska.

SECTION 1 - PROPERTY COVERAGES

COMMERCIAL BUILDING, EQUIPMENT AND STOCK COVERAGE PACKAGE FORM PERILS AND PROPERTY INSURED

1. This Form, except as herein provided, insures against all direct physical loss of or damage to the property insured but only for those items for which an amount of insurance is shown on the “declaration page” and only while at the location(s) specified on the “declaration page”. Loss of or damage to the insured property must occur on an accidental basis, meaning that the cause of loss must be a happening by chance or an unexpected event taking place or an event which is not according to the usual course of events, in order to be considered insurable. Failure to comply with any term or condition may result in the denial of a claim under the policy.

EXCLUSIONS

2. A. PROPERTY EXCLUDED

This Form does not insure loss of or damage to:

- (a) sewers, drains or water mains located beyond the outside bearing walls or foundations of the property insured, outside communication towers, antennae (including satellite receivers) and equipment attached thereto, streetclocks, exterior signs, exterior glass or vitrolite and lettering or ornamentation thereon, but this exclusion does not apply to loss or damage caused directly by "Named Perils";
- (b) property at locations which to the knowledge of the Insured are vacant, unoccupied or shut down for more than thirty (30) consecutive days;
- (c) electrical devices, appliances or wiring caused by electrical currents other than lightning unless fire or explosion ensues and then only for such ensuing loss or damage,
- (d) growing plants, trees, shrubs or flowers, all while in the open except as provided in the Additional Agreements of the Insurer, item 12;
- (e) animals, fish or birds, but this exclusion does not apply to loss or damage caused directly by "Named Perils" or from theft or attempted theft;
- (f) money, bullion, platinum and other precious metals and alloys, securities, stamps, tickets and tokens, evidence of debt or title;
- (g) vehicles subject to motor vehicle registration within the provincial jurisdiction, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property, but this exclusion shall not apply to watercraft, amphibious or air cushion vehicles held for sale when on the "premises" of the Insured;
- (h) furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, precious and semi-precious stones, tobacco products and pre-recorded video tapes, but this exclusion does not apply to: (i) the first one thousand dollars (\$1,000) of any loss insured herein; (ii) any loss or damage caused directly by "Named Perils";
- (i) property insured under the terms of any Marine Insurance, and property while waterborne, except while on a regular ferry or railway car transfer in connection with land transportation;
- (j) property on loan or rental or sold by the Insured under conditional sale, instalment payment or other deferred payment plan, from the time of leaving the Insured's custody, but this exclusion does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at the risk of the Insured;
- (k) property in the custody of a sales representative outside the "premises" of the Insured, unless an amount of insurance is shown on the "Declaration Page" pertaining to "Sales Representative";
- (l) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
- (m) any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure; (ii) any boiler, including the piping and equipment connected thereto, which contains steam or water under steam pressure (except tanks having an internal diameter of 610 millimetres (24 inches) or less used for the storage of hot water for domestic use); caused directly or indirectly by explosion, rupture, bursting, cracking, burning out or bulging of such property while connected ready for use, but this exclusion does not apply to:
 - (1) manually portable gas cylinders;
 - (2) explosion of natural, coal or manufactured gas;
 - (3) explosion of gas or unconsumed fuel within a furnace or within the gas passages therefrom to the atmosphere.

2.B. PERILS EXCLUDED

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

- (a) by earthquake, except for ensuing loss or damage which results directly from "fire", "explosion", "smoke" or "leakage from fire protective equipment";
- (b) by flood, including waves, tides, tidal waves, tsunamis, or the rising of, the breaking out or the overflow of, any body of water whether natural or man-made, but this exclusion does not apply to ensuing loss or damage which results directly from fire, explosion, smoke or leakage from fire protective equipment or leakage from a water main, exclusions (b) and (c) do not apply to property in transit;
- (c) (i) by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings therein, foundations, basement floors, sidewalks, sidewalk lights, or by the backing up of sewers, sumps, septic tanks or drains, unless concurrently and directly caused by a peril not otherwise excluded in Clause 2.B hereof;
(ii) by the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings unless through an aperture concurrently and directly caused by a peril not otherwise excluded in Clause 2.B hereof;

- (d) by centrifugal force, mechanical or electrical breakdown or derangement in or on the “premises”, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire;
- (e) by dampness or dryness of atmosphere, changes of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, contamination, change in colour or texture or finish, rust or corrosion, marring, scratching or crushing, but this exclusion does not apply to loss or damage caused directly by “Named Perils”, rupture of pipes or breakage of apparatus not excluded under paragraph (n) of Clause 2.A. hereof, theft or attempt thereof or accident to transporting conveyance . Damage to pipes caused by freezing is insured provided such pipes are not excluded in paragraph (n). of Clause 2.A. hereof;
- (f) by smoke from agricultural smudging or industrial operations;
- (g) by rodents (such as squirrels and rats), insects or vermin (such as racoons and skunks), but this exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded in Clause 2.B hereof;
- (h) by delay, loss of market, or loss of use or occupancy;
- (i) by any dishonest or criminal act on the part of the Insured or any other party of interest, employees or agents of the Insured, or any person to whom the property may be entrusted (bailees for hire excepted); but this exclusion does not apply to physical damage, caused directly by employees of the insured, which results from a peril otherwise insured and not otherwise excluded under this form;
- (j) to “buildings” by;
 - (1) snowslide, landslide, subsidence or other earth movement, except for ensuing loss or damage which results directly from “fire” , “explosion” , “smoke” or “leakage from fire protective equipment”;
 - (2) explosion (except with respect to explosion of natural, coal or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire;
 - (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) 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 but this exclusion does not apply to loss or damage resulting from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimetres (24 inches) or less used for the heating and storage of hot water for domestic use;
 - (d) moving or rotating machinery or parts thereof;
 - (e) any vessels and apparatus and pipes connected therewith while undergoing pressure tests but this exclusion does not apply to other property insured hereunder that has been damaged by such explosion;
 - (f) gas turbines;
 - (3) settling, expansion, contraction, moving, shifting or cracking unless concurrently and directly caused by a peril not otherwise excluded in Clause 2.B. hereof;

NOR DOES THIS POLICY INSURE:

- (k) wear and tear, gradual deterioration, latent defect, inherent vice, or the cost of making good faulty or improper material, faulty or improper workmanship, faulty or improper design, provided, however, to the extent otherwise insured and not otherwise excluded under this Form, resultant damage to the property is insured;
- (l) mysterious disappearance or shortage of “equipment” or “stock” disclosed on taking inventory;
- (m) loss or damage sustained to “equipment” or “stock” while actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting or servicing of “equipment” or “stock”, unless fire or explosion ensues and then only for such ensuing loss or damage;
- (n) disturbance or erasure of electronic recordings by electric or magnetic injury except by lightning.

2.C POLLUTION EXCLUSION

This policy does not insure against

- (a) loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants”, nor the cost or expense of any resulting “clean up”, but this exclusion does not apply:
 - (1) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants” is the direct result of a peril not otherwise excluded on this policy;
 - (2) to loss or damage caused directly by a peril not otherwise excluded under this policy;
- (b) cost or expense for any testing, monitoring, evaluation or assessing of an actual, alleged, potential or threatened spill discharge, emission, dispersal, seepage, leakage, migration, release or escape of “pollutants”.

ADDITIONAL AGREEMENTS OF THE INSURER

THE FOLLOWING ADDITIONAL AGREEMENTS, SUBJECT TO THE POLICY CONDITIONS, SHALL NOT INCREASE THE AMOUNT OF INSURANCE

1. INCREASED COST TO COMPLY WITH BY-LAWS ON BUILDINGS:

The coverage applicable to insured Building(s) as stated on the "Declaration Page" in the event of loss, destruction or damage by a peril insured against on such building(s) and subject to the Property General Provisions herein, is extended to include loss occasioned by the enforcement of any by-law, regulation ordinance or law which:

- (a) is in force at the time of such loss, destruction or damage;
- (b) regulates zoning or the demolition, repair or construction of damaged buildings; and
- (c) necessitates the demolition of any portion of the building(s) which has not been damaged by a peril insured against.

COVERAGE PROVISIONS

A. VALUE OF UNDAMAGED PORTION OF BUILDING(S)

The Insurer is liable under this provision only for the value of any portion of the insured building(s) which has not been damaged by a peril insured against.

B. DEMOLITION AND DEBRIS REMOVAL COST - UNDAMAGED PORTION OF BUILDINGS(S)

The Insurer is liable under this provision only for the actual cost of demolishing, and clearing the site of, any portion of the insured building(s) which has not been damaged by a peril insured against. This coverage provision is not subject to the application of a co-insurance clause.

C. INCREASE IN COST OF CONSTRUCTION

The Insurer is liable under this provision only for any increase in the cost of repairing, replacing, constructing or reconstructing the building(s) on the same site or on an adjacent site of like height, floor area and style, and for like occupancy. The Insurer shall not be liable under this provision for:

- (a) any loss unless and until there is actual repair, replacement construction or reconstruction by the Insured of the damaged or destroyed building(s) with due diligence and dispatch;
- (b) more than the amount actually and necessarily expended in excess of the loss which would have existed without this endorsement; and
- (c) more than the amount in excess of the cost of repairing, replacing, constructing or reconstructing, whichever is the least, the building(s), with material of like kind and quality without deduction for depreciation.

LIMIT OF LIABILITY

The Insurer shall not be liable under this Additional Agreement for:

- (a) any loss occasioned by the enforcement of any by-law, regulation ordinance or law that is not a result of a peril insured against on the insured building(s).
- (b) more than the Limit of Liability as stated on the "Declaration Page".

2. DEBRIS REMOVAL: The Insurer will indemnify the Insured for expenses incurred in the removal from the Insured's "premises" of debris of the property insured, occasioned by loss or damage to such property, for which loss or damage insurance is afforded under this Form. The Insurer will indemnify the Insured for expenses incurred in the removal of debris or other property which is not insured by this Form but which has been blown by windstorm upon the location specified on the "Declaration Page".

This extension does not apply to costs or expenses:

- (1) to "clean up" "pollutants" from land or water; or
- (2) for testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

3. POWER FLUCTUATION COVERAGE: the Insurer will indemnify the Insured for any direct loss or damage to insured contents caused by a power fluctuation, meaning a sudden rise or fall of electrical power, that is not caused by lightning.

This extension will not apply:

- (1) to property undergoing any process or while being worked on where the damage results from such process or work,
- (2) to the property item which generated the power fluctuation

THE FOLLOWING ADDITIONAL AGREEMENTS, SUBJECT TO THE POLICY CONDITIONS, ARE COVERED UP TO \$5,000.00 EACH.

4. POLLUTION DAMAGE - INSURED PREMISES: If a sudden and unintentional event occurs during the policy term resulting in pollution or contamination of property of the insured premises, which is required to be reported to any provincial authority, we will pay, subject to the deductible, for costs to remove and restore property of the insured premises.

4. **DATA:** Coverage is provided for the depreciated cost of Data being facts, concepts, instructions or computer programs used in data processing operations.
5. **MEDIA:** Coverage is provided for the depreciated cost of Media being materials on which data are recorded including magnetic tapes, disc packs, paper tapes and cards.
6. **BUILDING DAMAGE BY THEFT:** Coverage is extended to insure damage (except by fire) to that part of a "building" occupied by the Insured directly resulting from theft or any attempted theft and from vandalism or malicious acts committed on the same occasion, provided the Insured is the owner of such "building" or is liable for such damage and the "building" is not otherwise insured on this policy. Glass and lettering or ornamentation on the glass is excluded from this extension.
7. **CONSEQUENTIAL DAMAGE:** The Insurer will indemnify the Insured for any indirect or consequential loss or damage to property hereby insured, caused by change of temperature resulting from, occasioned or caused by total or partial destruction by an insured peril of the refrigerating, cooling or heating apparatus, connecting or supply pipes, or by the interruption of the refrigerating, cooling or heating process from an insured peril.
8. **GLASS AND SIGNS:** The Insurer will indemnify the Insured for all accidental loss or damage to insured interior and exterior glass and signs subject to the Perils Excluded in Section 2.B.
10. **OFF PREMISES STOCK AND EQUIPMENT:** Coverage is provided for insured property
 - (a) while temporarily removed from the insured "premises" if loss results from a peril insured against;
 - (b) during transportation by motor vehicle, including loss when caused by collision, upset or overturn of the vehicle meaning thereby the violent and accidental contact of the vehicle conveying the property described herein with any other vehicle or object excluding any loss or damage done by coming in contact with any portion of the road bed or by means other than as expressly indicated.

In no event does this extension apply to salesmen's samples, contractor's stock, equipment and tools, property at or in fairs or exhibitions, or display items unless specifically stated on the policy "Declaration Page".
11. **PERSONAL PROPERTY OF VISITORS AND EMPLOYEES:** Coverage is provided for personal property of employees and visitors to the insured "premises" for damage caused by the perils which apply to insured contents to a limit of \$500 per item. The insurance on such personal property shall not attach if the property is insured by the owner, unless the Insured is under obligation to keep the property insured or is legally liable for its loss or damage.
12. **GROWING PLANTS, TREES, SHRUBS OR FLOWERS IN THE OPEN:** Coverage is provided for loss or damage to growing plants, trees, shrubs or flowers, not grown for commercial purposes, in the open caused directly by "Named Perils"(with the exception of windstorm or hail as described in definition 12g or from theft or attempted theft. This extension of coverage shall be limited to a maximum recovery of five hundred dollars (\$500) for each growing plant, tree, shrub or flower in the open including debris removal expense.
13. **VALUABLE PAPERS AND RECORDS:** Coverage is provided for the extra expense necessarily incurred in the cost of compiling books of account, drawing, card index systems or other records including film, tape, disc, drum, cell or other magnetic recording or storage media for electronic data processing, all the property of the Insured, when such records are damaged by a peril insured against.
14. **ACCOUNTS RECEIVABLE:** The Insurer will indemnify the Insured for all sums due the Insured from customers, provided that the Insured is unable to effect collection thereof as a direct result of loss of or damage to records of accounts receivable contained on the insured "premises".
15. **EXTRA EXPENSE:** Coverage is provided for the extra expense necessarily incurred by the Insured to continue normal business services and operations which are interrupted as a result of loss by a peril insured against to insured property and only for the period of time required with the exercise of due diligence and dispatch to restore normal business service and operations.
16. **PROFESSIONAL FEES:** Coverage is provided for reasonable fees payable to Professionals whom an Insured may hire to produce and certify particulars or details of the Insured's business required by the Insurer to arrive at the loss payable to the Insured.
17. **FIRE DEPARTMENT EXPENSES:** We will reimburse you for fire department charges incurred for attending premises insured under this policy to save or protect insured property from loss or damage, or further loss or damage insured against by this policy.
18. **LEASEHOLD INTEREST:** The Insurer will indemnify the Insured for any leasehold interest which accumulates because the insured "premises" becomes uninhabitable due to a peril insured against under Section 1 - Property Coverages.
19. **CONTINGENT LOSS OF INCOME:** Coverage is extended under Loss of Income for the amount of loss which results from the interruption or interference of the Insured's business caused by the damage or destruction as the result of an insured peril under this Policy, to any building or part thereof or other property of a "contributing property or recipient property" being a business not operated by the Insured.

THE FOLLOWING ADDITIONAL AGREEMENT SUBJECT TO THE POLICY CONDITIONS ARE IN ADDITION TO THE LIMIT OF LIABILITY APPLYING UNDER THIS POLICY

20. **AUTOMATIC COVERAGE:** Coverage is provided for building(s) or additions to existing buildings up to a limit of \$100,000 or to contents up to a limit of \$25,000. This shall cover new building(s) or additions to an existing building or additional contents all to be used in conjunction with the expansion of the Insured's existing business. This additional coverage shall cease 60 days from the date construction begins or contents are shipped, or these additional amounts are reported to the company. Additional premium for such new coverage shall be due and payable for values so reported, computed from the date construction begins or additional contents arrive at the premises.
21. **PEAK SEASON STOCK INCREASE:** Up to 25% of the total amount(s) specified for "stock" may be applied to increase the "stock" limit for 4 months (120 consecutive days) to cover loss by a peril insured against.

SECTION 1 - PROPERTY COVERAGES

LOSS OF INCOME - EARNINGS INSURANCE

The Insurer agrees to indemnify the Insured up to \$10,000.00 against loss directly resulting from necessary interruption of business caused by destruction or damage by the perils insured against to "building(s)", "equipment" or "stock" on the insured "premises".

MEASURE OF RECOVERY

- (a) This insurance is limited to loss of earnings sustained, less operating expenses which do not necessarily continue, commencing with the date of damage or destruction but not limited by the expiration of this insurance, as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace the damaged or destroyed property.
- (b) In determining the loss hereunder due consideration shall be given to:
- (1) the earnings of the business before the date of damage or destruction, and to the probable earnings thereafter, had no loss occurred;
 - (2) the continuation of operating expenses, including payroll expenses to the extent necessary to resume operations with the same quality of service which existed immediately preceding the loss;
 - (3) the reduction of loss which could be made possible by the Insured by resuming complete or partial operation of the described property, or by making use of other property.

INTERRUPTION BY CIVIL AUTHORITY

Coverage is extended to include the actual loss as insured hereunder during the period of time, not exceeding two weeks, while access to the insured "premises" is prohibited by order of civil authority but only when such order is given as a direct result of damage to neighbouring premises by a peril insured against.

EXPENSES TO REDUCE LOSS

This Form also insures such expenses as are necessarily incurred for the purpose of reducing loss under this Form (except expense incurred to extinguish a fire) but in no event shall the aggregate of such expenses exceed the amount by which the loss under this Form is thereby reduced.

SPECIAL DEFINITIONS, EXCLUSIONS AND LIMITATIONS OF EARNINGS INSURANCE DEFINITIONS

- (a) Earnings means net profit plus payroll expense, taxes, interest, rents and all other operating expenses earned by the business.

EXCLUSIONS

The Insurer shall not be liable for:

- (a) any increase of loss directly or indirectly, proximately or remotely, resulting from, or contributed to by, the operation of any by-law, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures unless the liability is otherwise specifically assumed by endorsement hereon;
- (b) any increase of loss caused by delays or loss of time due to the presence of strikers or other persons or to labour disturbances on or about the premises interfering with the rebuilding, repairing, or replacing the damaged or destroyed property or the resumption or continuation of business or free access to or control of the premises or due to the action of sympathetic strikers elsewhere;
- (c) loss due to fines or damages for breach of contract for late or non-completion of orders, or for any penalties of whatever nature;
- (d) loss due to the suspension, lapse or cancellation of any lease or license, contract or order, which may affect the Insured's earnings after the period following any loss during which indemnity is payable;
- (e) any other consequential loss or remote loss.

LIMITATION

Electronic Data Processing Media: 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 the property which has been damaged or destroyed thereby resulting in the loss of earnings, whichever is the greater length of time.

SEE ALSO GENERAL EXCLUSIONS, DEFINITIONS, AND PROVISIONS OF SECTION 1 - PROPERTY COVERAGES AND THE POLICY STATUTORY CONDITIONS

STANDARD PACKAGE

BUSINESS CONTENTS

COMMERCIAL BUILDING, EQUIPMENT AND STOCK - BROAD FORM

WORDS AND PHRASES IN QUOTATION HAVE SPECIAL MEANING AS DEFINED IN CLAUSE 19

Indemnity Agreement

1. In the event that any of the property insured be lost or damaged by the perils insured against, the Insurer will indemnify the Insured against the direct loss so caused to an amount not exceeding whichever is the least of:

- (a) the actual cash value of the property at the time of loss or damage;
- (b) the interest of the Insured in the property;
- (c) the amount of insurance specified on the "Declarations Page" in respect of the property lost or damaged.

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

Property Insured

2.A. This Form insures the following property but only those items for which an amount of insurance is specified on the "Declarations Page":

"BUILDING"

"EQUIPMENT"

"STOCK"

"CONTENTS OF EVERY DESCRIPTION"

"PROPERTY OF EVERY DESCRIPTION"

The insurance in this clause 2.A. applies only while at the location(s) specified on the "Declarations Page".

2.B. This form also insures "Equipment" and "Stock" but only those items for which an amount of insurance is specified on the "Declarations Page":

"TEMPORARY LOCATIONS": "Equipment" and "Stock" other than at a specified location except while in transit, but there shall be no liability under this item at any location owned, rented or controlled in whole or in part by the Insured.

"NEWLY ACQUIRED LOCATION": "Equipment" and "Stock" at any acquired location that is owned, rented or controlled by the Insured in whole or in part or in or on vehicles within 100 metres of such location. This limit of insurance attaches at the time of the acquisition and extends for a period of 30 days or to the date of endorsement of this Form adding such location whichever first occurs.

"PARCEL POST": "Equipment" and "Stock" in any one package in course of transit by parcel post.

"OTHER TRANSIT": "Equipment" and "Stock", in transit other than by parcel post.

"SALES REPRESENTATIVE": "Equipment" and "Stock", whether in transit or otherwise, in the custody of a sales representative of the Insured.

The insurance in this Clause 2.B. applies only while the described property is within Canada and the continental United States of America (excluding Alaska).

Deductible

3. The Insurer is liable for the amount by which the loss or damage caused by any of the perils insured against exceeds the amount of the deductible specified on the "Declarations Page" in any one occurrence.

Co-Insurance

4. This clause applies separately to each item for which a co-insurance percentage is specified on the "Declarations Page" and only where the total loss exceeds the lesser of 2% of the applicable amount of insurance or \$5,000.

The Insured shall maintain insurance concurrent with this form on the property insured to the extent of at least the amount produced by multiplying the actual cash value of the property by the co-insurance percentage specified on the "Declarations Page", and failing so to do, shall only be entitled to recover that portion of any loss that the amount of insurance in force at the time of loss bears to the amount of insurance required to be maintained by this clause

Insured Perils

5. This Form, except as herein provided, insures against all risks of direct physical loss of or damage to the property insured.

Exclusions

6.A. PROPERTY EXCLUDED

This Form does not insure loss of or damage to:

- (a) sewers, drains or watermains located beyond the outside bearing walls or foundations of the property insured, outside communication towers, antennae (including satellite receivers) and equipment attached thereto, street-clocks, exterior signs, exterior glass or vitrolite and lettering or ornamentation thereon, but this exclusion does not apply to loss or damage caused directly by "Named Perils";
- (b) property at locations which to the knowledge of the Insured, are vacant, unoccupied or shut down for more than thirty (30) consecutive days;
- (c) electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing, unless fire or explosion as described in Clause 19(g) ensues and then only for such ensuing loss or damage;
- (d) growing plants, trees, shrubs or flowers, all while in the open except as provided in the Extensions of Coverage Clause 7(e);
- (e) animals, fish or birds, but this exclusion does not apply to loss or damage caused directly by "Named Perils" or from theft or attempt thereat;
- (f) money, bullion, platinum and other precious metals and alloys, securities, stamps, tickets and tokens, evidence of debt or title;
- (g) automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property, but this exclusion shall not apply to watercraft, amphibious or air cushion vehicles held for sale, unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the "premises" of the Insured;
- (h) furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, precious and semi-precious stones and pre-recorded video tapes, but this exclusion does not apply to:
 - (i) the first one thousand dollars (\$1,000) of any loss insured herein;
 - (ii) any loss or damage caused directly by "Named Perils";
- (i) property insured under the terms of any Marine Insurance and property while waterborne, except while on a regular ferry or railway car transfer in connection with land transportation;
- (j) property on loan or on rental or sold by the Insured under conditional sale, instalment payment or other deferred payment plan, from the time of leaving the Insured's custody, but this exclusion does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at the risk of the Insured;
- (k) property in the custody of a sales representative outside the "premises" of the Insured, unless an amount of insurance is shown on the "Declarations Page" pertaining to "Sales Representative";
- (l) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
- (m)
 - (i) any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure;
 - (ii) any boiler, including the piping and equipment connected thereto, which contains steam or water under steam pressure (except tanks having an internal diameter of 610 millimetres (24 inches) or less used for the storage of hot water for domestic use);
- (n) caused directly or indirectly by explosion, rupture, bursting, cracking, burning out or bulging of such property while connected ready for use, but this exclusion does not apply to:
 - (1) manually portable gas cylinders;
 - (2) explosion of natural, coal or manufactured gas;
 - (3) explosion of gas or unconsumed fuel within a furnace or within the gas passages therefrom to the atmosphere.

6.B. PERILS EXCLUDED

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

- (a) by earthquake, except for ensuing loss or damage which results directly from fire, explosion, smoke or leakage from fire protective equipment, all as described in Clause 19(g);
- (b) by flood, including waves, tides, tidal waves, tsunamis, or the rising of, the breaking out or the overflow of, any body of water, whether natural or man-made, but this exclusion does not apply to ensuing loss or damage which results directly from fire, explosion, smoke, leakage from fire protective equipment, all as described in Clause 19(g) or leakage from a watermain;

exclusions (a) and (b) do not apply to property in transit;

- (c) (i) by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings therein, foundations, basement floors, sidewalks, sidewalk lights, or by the backing up of sewers, sumps, septic tanks or drains, unless concurrently and directly caused by a peril not otherwise excluded in Clause 6.B. hereof;
- (ii) by the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings unless through an aperture concurrently and directly caused by a peril not otherwise excluded in Clause 6.B. hereof;
- (d) by centrifugal force, mechanical or electrical breakdown or derangement in or on the "premises", unless fire ensues and then only for the loss or damage caused by such ensuing fire;
- (e) by dampness or dryness of atmosphere, changes of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, contamination, pollution, change in colour or texture or finish, rust or corrosion, marring, scratching or crushing, but this exclusion does not apply to loss or damage caused directly by "Named Perils", rupture of pipes or breakage of apparatus not excluded under paragraph (m) of Clause 6.A. hereof, theft or attempt thereof or accident to transporting conveyance. Damage to pipes caused by freezing is insured provided such pipes are not excluded in paragraph (m) of Clause 6.A. hereof;
- (f) by smoke from agricultural smudging or industrial operations;
- (g) by rodents, insects or vermin, but this exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded in Clause 6.B. hereof;
- (h) by delay, loss of market, or loss of use or occupancy;
- (i) by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- (j) (i) by any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
- (ii) by contamination by radioactive material;
- (k) by any dishonest or criminal act on the part of the Insured or any other party of interest, employees or agents of the Insured, or any person to whom the property may be entrusted (bailees for hire excepted), but this exclusion does not apply to physical damage, caused directly by employees of the Insured, which results from a peril otherwise insured and not otherwise excluded under this form;
- (l) to "buildings" by:
 - (i) snowslide, landslide, subsidence or other earth movement, except for ensuing loss or damage which results directly from fire, explosion, smoke or leakage from fire protective equipment, all as described in Clause 19(g);
 - (ii) explosion (except with respect to explosion of natural, coal, or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire:
 - (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) 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 but this exclusion does not apply to loss or damage resulting from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimetres (24 inches) or less used for the heating and storage of hot water for domestic use;
 - (d) moving or rotating machinery or parts thereof;
 - (e) any vessels and apparatus and pipes connected therewith while undergoing pressure tests but this exclusion does not apply to other property insured hereunder that has been damaged by such explosion;
 - (f) gas turbines;

(iii) settling, expansion, contraction, moving, shifting or cracking unless concurrently and directly caused by a peril not otherwise excluded in Clause 6.B. hereof;

(m) proximately or remotely, arising in consequence of or contributed to by the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which by-law, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss

NOR DOES THIS FORM INSURE:

(n) wear and tear, gradual deterioration, latent defect, inherent vice, or the cost of making good faulty or improper material, faulty or improper workmanship, faulty or improper design, provided, however, to the extent otherwise insured and not otherwise excluded under this Form, resultant damage to the property is insured;

(o) mysterious disappearance or shortage of "equipment" or "stock" disclosed on taking inventory;

(p) loss or damage sustained to "equipment" or "stock" while actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting or servicing of "equipment" or "stock", unless fire or explosion as described in Clause 19(g) ensues and then only for such ensuing loss or damage;

(q) disturbance or erasure of electronic recordings by electric or magnetic injury except by lightning.

(r) against loss or damage caused directly or indirectly by mechanical breakdown, unless fire ensues and then only for the loss or damage caused by such ensuing fire.

6.C. POLLUTION EXCLUSION

This Form does not insure against:

(a) loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", nor the cost or expense of any resulting "clean up", but this exclusion does not apply:

(1) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is the direct result of a peril not otherwise excluded under this Form;

(2) to loss or damage caused directly by a peril not otherwise excluded under this Form;

(b) cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

Extensions Of Coverage

7. The following extensions of coverage shall not increase the amounts of insurance applying under this Form and are subject to all conditions of this Form.

(a) **Removal:** If any of the insured property is necessarily removed from the location(s) specified herein to prevent loss or damage or further loss or damage thereto, that part of the insurance under this Form that exceeds the amount of the Insurer's liability for any loss already incurred shall, for 7 days only or for the unexpired term of the policy if less than 7 days, insure the property removed and any property remaining in the location(s) specified herein in the proportions which the value of the property in each of the respective location(s) bears to the value of the property in them all.

(b) (i) **Debris Removal:** The Insurer will indemnify the insured for expenses incurred in the removal from the "premises" of debris of the property insured, occasioned by loss or damage to such property for which loss or damage insurance is afforded under this Form.

The amount payable under this extension shall not exceed 25% of the total amount payable for the direct physical loss to property insured plus the amount of the applicable deductible.

(ii) **Removal of Windstorm Debris:** The Insurer will indemnify the Insured for expenses incurred in the removal of debris or other property which is not insured by this Form but which has been blown by windstorm upon a location specified on the "Declarations Page".

Extensions of coverage b(i) and b(ii) do not apply to costs or expenses:

(a) to "clean up" "pollutants" from land or water; or

(b) for testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

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

(c) **Personal Property of Officers and Employees:** At the option of the Insured, "equipment" also includes personal property of officers and employees of the Insured. The insurance on such property:

(i) shall not attach if it is insured by the owner unless the Insured is obliged to insure it or is liable for its loss or damage;

(ii) is, in any event, limited to a maximum recovery of \$250 in respect of any one officer or employee;

(iii) shall apply only to loss or damage occurring at a location specifically described on the "Declarations Page" or included in "Newly Acquired Location".

- (d) **"Building" Damage by Theft:** This Form is extended to insure damage (except by fire) to that part of a "building" occupied by the Insured directly resulting from theft or any attempt thereat and from vandalism or malicious acts committed on the same occasion, provided the Insured is the owner of such "building" or is liable for such damage and the "building" is not otherwise insured hereunder. This extension of cover shall be limited to a maximum recovery of twenty-five hundred dollars (\$2,500) in respect of any one loss. Glass and lettering or ornamentation thereon is excluded from this extension.
- (e) **Growing Plants, Trees, Shrubs or Flowers in the Open:** This Form is extended to insure loss or damage to growing plants, trees, shrubs or flowers in the open caused directly by "Named Perils" (with the exception of windstorm or hail as described in clause 19(g)) or from theft or attempt thereat. This extension of coverage shall be limited to a maximum recovery of five hundred dollars (\$500) for each growing plant, tree, shrub or flower in the open including debris removal expense.

Permission

8. Permission is hereby granted:

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

Breach Of Conditions

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

Reinstatement

10. Loss under any item of this Form shall not reduce the applicable amount of insurance.

Subrogation

11. The Insurer, upon making any payment or assuming liability therefore under this Form, shall be subrogated to all rights of recovery of the Insured 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 the Insurer and the Insured in the proportion in which the loss or damage has been borne by them respectively.

Any release from liability entered into by the Insured prior to loss shall not affect the right of the Insured to recover.

Property Protection Systems

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

- (a) sprinkler or other fire extinguishing system; or
- (b) fire detection system; or
- (c) intrusion detection system;

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

Premium Adjustment

13. This clause is applicable if a specific amount of insurance is shown on the "Declarations Page" for "Stock".

If within six months after the expiry or anniversary date of each period of insurance, the Insured shall file with the Insurer a Premium Adjustment Application Form showing, for the said period, the actual cash value of the "stock" insured on the last day of each month at each location as commented upon by the Insured's Accountant, the actual premium for the said period shall then be calculated at the rate applying to each location for the average amount of the total values declared. If the premium paid by the Insured for such "stock" exceeds the actual premium thus calculated, the Insurer shall refund to the Insured any excess paid, subject to a maximum refund of 50% of the premium paid. In the event of any monthly declared values being in excess of the amount of insurance, the amount of the excess shall not be included in the premium adjustment calculations.

Verification of Values

14. The Insurer or its duly appointed representative shall be permitted at all reasonable times during the term of this Policy, or within a year after termination or expiration, to inspect the property insured and to examine the Insured's books, records and such policies as relate to any property insured hereunder. Such inspection or examination shall not waive nor in any manner affect any of the terms or conditions of this Form.

Valuations

15. For the purpose of calculating the total value of the property for the application of Co-Insurance, value reporting and for loss adjustment, the following valuation basis applies:
- (a) on unsold "stock"-the actual cash value of the property at the time any loss occurs, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;
 - (b) on sold "stock"-the selling price after allowance for discounts;
 - (c) on property of others in the custody or control of the Insured for the purpose of performing work thereon-the amount for which the Insured is liable but in no event to exceed the actual cash value at the time and place of loss plus allowance for labour and materials expended to such time;
 - (d) on tenant's improvements and records-as defined in paragraphs (a) and (b) of Clause 16;
 - (e) on all other property insured under this Form and for which no more specific conditions have been set out-the actual cash value at the time the loss or damage occurs but in no event to exceed what it would then cost to repair or replace with material of like kind and quality.

Special Basis of Settlement

16.(a) **Tenant's Improvements:** The liability of the Insurer shall be determined as follows:

- (1) **if repaired or replaced with due diligence and dispatch, the amount actually and necessarily expended but in no event exceeding the actual cash value of the tenant's improvements immediately prior to the time of destruction or damage;**
- (2) **f not repaired or replaced with due diligence and dispatch after such loss, that portion of the original cost of the damaged or destroyed tenant's improvements which the unexpired term of the lease at the time of loss bears to the period(s) from the date(s) such tenant's improvements were made to the expiration date of the lease.**

(b) **Records:** The liability of the Insurer for loss or damage to:

- (1) 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;
- (2) media, data storage devices, and programme devices for electronic and electro-mechanical data processing or for electronically controlled equipment, shall not exceed the cost of reproducing such media, data storage devices, and programme devices from duplicates or from originals of the previous generation of the media, 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.

Property Of Others

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

Locked Vehicle Warranty

18. This Clause does not apply to property which is under the control of a common carrier.

Warranted by the Insured that any vehicle in which the property insured is carried is equipped with a fully enclosed metal body or compartment, and the Insurer shall be liable in case of loss by theft from an unattended vehicle only as a direct result of forcible entry (of which there shall be visible evidence) into such body or compartment the doors and windows of which shall have been securely locked.

Definitions

19. Wherever used in this Form:

(a) **"Declarations Page"** means the Declarations Page applicable to this Form.

(b) **"Building"** means:

the building(s) described on the "Declarations Page" and includes:

- 1) fixed structures pertaining to the building(s) and located on the "premises";
- 2) additions and extensions communicating and in contact with the building(s);
- 3) permanent fittings and fixtures attached to and forming part of the building(s);
- 4) materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to the "building" or for building services;
- 5) growing plants, trees, shrubs or flowers inside the "building" used for decorative purposes when the Insured is the owner of the "building".

(c) **"Equipment"** means:

- 1) generally all contents usual to the Insured's business including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances other than "building" or "stock" as herein defined;

- 2) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;
 - 3) tenant's improvements which are defined as building improvements, alterations and betterments made at the expense of the Insured to a "building" occupied by the Insured and which are not otherwise insured, provided the Insured is not the owner of such "building". If the Insured purchased the use interest in tenant's improvements made by a predecessor tenant, this Form applies as though such tenant's improvements had been made at the expense of the Insured;
- (d) **"Stock"** means:
- 1) merchandise of every description usual to the Insured's business;
 - 2) packing, wrapping and advertising materials; and
 - 3) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;
- (e) **"Premises"** means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described on the "Declarations Page" and in or on vehicles within 100 metres (328 feet) of such locations.
- (f) **"Fire Protective Equipment"** includes tanks, watermains, hydrants, valves and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:
- 1) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - 2) any watermains or appurtenances located outside of the described "premises" and forming a part of the public water distribution system;
 - 3) any pond or reservoir in which the water is impounded by a dam.
- (g) **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- (h) **"Clean Up"** means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to the aforementioned processes.
- (i) **"Named Perils"** means:
- (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) **RIOT, VANDALISM OR MALICIOUS ACTS:** The term Riot includes open assemblies of strikers inside or outside the "premises" who have quitted work and of locked-out employees.
There shall in no event be any liability hereunder for loss or damage:
- (i) due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
 - (ii) due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under Clause 19(g);
 - (iii) due to theft or attempt thereat.
- (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.

Gold & Standard Packages
COMMERCIAL GENERAL LIABILITY POLICY
(Occurrence Form)

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered. Throughout this policy 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 end when we have used up the applicable limit of insurance in the payment of judgements or settlements under Coverages A, B or D or medical expenses under Coverage C.
- b) Compensatory damages because of "bodily injury" include compensatory damages claimed by any person or organization for care, loss or 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:
 - i) assumed in a contract or agreement that is an "insured contract"; or
 - ii) 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:

- 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:

- i) To liability assumed by the Insured under an "insured contract"; or
 - ii) 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) "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" including in the "products-completed operations hazard".

i) "Property damage" to "your product" arising out of it or any part of it;

j) "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.

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

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

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

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

l) 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.

m) "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 m) does not apply:

(a) To "property damage" arising out of work performed on your behalf by any contractor or sub-contractor;
or

(b) To "property damage" included within the "product-completed operations hazard".

n) Pollution Liability - See exclusion herein;

o) Nuclear Liability - See exclusion herein;

p) War Risks - See exclusion herein.

Professional Liability - See exclusion herein.

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 end when we have used up the applicable limit of insurance in the payment of judgements 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 offence:

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":

1) Arising out of oral or written publication of material, if done by or at the direction of the Insured with knowledge of its falsity;

2) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;

3) Arising out of the wilful violation of a penal statute or ordinance committed by or with the consent of the Insured; or

4) 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:

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. 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

Necessary ambulance, hospital, professional nursing and funeral services.

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 a tenant of any Insured,

c. To a person injured on that part of premises you own or rent that the person normally occupies,

- a. 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,
- b. To a person injured while taking part in athletics,
- c. The payment of which is prohibited by law,
- d. Included within the "products-completed operations hazard",
- e. Excluded under Coverage A.

COVERAGE D. TENANT'S LEGAL LIABILITY

1. Insuring Agreement.

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. 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 "property damage" caused by fire, explosion, smoke or leakage from fire protective equipment to premises rented to you or occupied by you. This insurance applies only to "property damage" which occurs during the policy period. The "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:

- a. The amount we will pay for compensatory damages is limited as described in SECTION III - LIMITS OF INSURANCE;
- b. We may investigate and settle any claim or "action" at our discretion; and
- c. Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgements or settlements under Coverages A, B or D or medical expenses under Coverage C.

2. Exclusions

This insurance does not apply to:

- a. "Property damage" expected or intended from the standpoint of the Insured,
- b. "Property damage" for which the Insured is obligated to pay 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. Pollution Liability - See exclusion herein,
- d. Nuclear Energy Liability - See exclusion herein,
- e. War Risks - See exclusion herein.

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 judgement upon that part of the judgement 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 Insured's, but only with respect to the conduct of a business of which you are the sole owner,
- b. A partnership or joint venture, you are an Insured. Your members, your partners, and their spouses are also Insured's, 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 Insured's, but only with respect to their duties as your officers or directors. Your stockholders are also Insured's, but only with respect to their liability as stockholders.

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

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

The limits of 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 determining the Limits of Insurance.

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

(Applicable to this rider (see divider for Common Conditions))

1. 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 demand, 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 defence of the claim or "action"; and

- 1) 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's 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.

2. Other Insurance.

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

a. Primary Insurance

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

LIABILITY - Insuring Agreement

In return for the payment of the premium and in reliance upon the statements in the Declarations made a part of this policy and subject to all the terms and conditions of the policy and the riders and endorsements attached, we agree with you to provide the insurance specified in the riders and endorsements.

The following Definitions, Pollution Exclusion, Nuclear Energy Liability Exclusion and Conditions apply to all Liability Riders and/or Endorsements attached to this policy except as they may be modified or supplemented by the riders and/or endorsements attached.

Definitions

When used in this policy and its endorsements:

"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.

"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 persona or property on public roads.

"Bodily Injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

"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.

"Impaired Property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

- (a) It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

(b) You have failed to fulfil the terms of a contract or agreement;

if such property can be restored to use by:

- (a) The repair, replacement, adjustment or removal of "your product" or "your work"; or
- (b) Your fulfilling the terms of the contract or agreement.

"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;
-) 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.

"Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

"Personal Injury" means injury, other than "bodily injury", arising out of one or more of the following offences:

- (a) False arrest, detention or imprisonment;
- (b) Malicious prosecution;
- (c) Wrongful entry into, or eviction of a person from, a room, dwelling or premises that the person occupies;
- (d) Oral or written publication of material that slanders or libel a person or organization or disparages a person's or organization's goods, products or services; or
- (e) oral or written publication of material that violates a person's right of privacy.

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, odor, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

"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:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned.

"Your work" will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed.
- (2) 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.
- (3) 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.

This hazard does not include "bodily injury" or "property damage" arising out of the existence of tools, uninstalled equipment or abandoned or unused materials.

"Property damage" means:

- (a) Physical injury to tangible property, including all resulting loss of use of that property; or
- (b) Loss of use of tangible property that is not physically injured.

"Your product" means

- (a) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (1) You;
 - (2) Others trading under your name; or
 - (3) A person or organization whose business or assets you have acquired; and

(b) 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.

"Your work" means:

- (a) Work or operations performed by you or on your behalf; and
- (b) 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) or (b) above.

COMMON EXCLUSIONS - COVERAGES A, C AND D

1. Pollution Liability Exclusion

This insurance does not apply to:

(a) "Bodily Injury" or "property damage" arising out of the actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of pollutants:

At or from any premises, site or location which is or was at any time, owned or occupied by, or rented or loaned to an Insured;

- (2) 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;
- (3) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any Insured or any person or organization for whom the Insured may be legally responsible; or
- (4) 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:
 - (a) if the pollutants are brought on or to the premises, site or location in connection with such operations by such Insured, contractor or subcontractor; or
 - (b) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify, decontaminate, stabilize, remediate or neutralize, or in any way respond to, or assess the effect of pollutants.

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 fire becomes uncontrollable or breaks out from where it was intended to be.

(b) Any loss, cost, or expense arising out of any request, demand or order that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify, decontaminate, stabilize, remediate or neutralize or in any way respond to, or assess the effect of pollutants unless such loss, cost or expense is consequent upon "bodily injury" or "property damage" covered by this policy.

2. Nuclear Energy Liability Exclusion

(Applicable to all coverage riders other than Comprehensive Personal Liability, Farmers Comprehensive Liability and Storekeepers Liability.)

This insurance does not apply to:

- (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 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 policy:

- (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;
 - (e) 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 Exclusion

This insurance does not apply to:

"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.

This policy is subject to the terms and conditions set forth herein together with such other items and conditions as may be endorsed hereon or added hereto. No term or condition of this policy shall be deemed to be waived in whole or in part by the Insurer unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by the Insurer.

4. Professional Liability Exclusion

"Bodily injury" or "property damage" or "personal Injury" due to the rendering of or failure to render any professional services which 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 service or treatment conducive to health or of a professional nature;
- (c) the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
- (d) the handling of deceased human bodies or performing of autopsies thereon;
- (e) any cosmetic, ear piercing, tonsorial, massage, physiotherapy, chiropody, hearing aid, optical or optometrical service or treatment;
- (f) the preparation or approval of maps, drawings, plans, opinions, reports, surveys, change orders, designs or specifications;
- (g) Architectural or engineering services including supervisory or inspection services in connection therewith; or
- (h) Accountant'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;

Common Conditions

1. Bankruptcy.

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

2. Canadian Currency Clause.

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

3. Cancellation.

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

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

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

- (c) We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- (d) The policy period will end on the date cancellation takes effect.
- (e) If this policy is cancelled, we will send the first named Insured any premium refund due, if we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- (f) If notice is mailed, proof of mailing will be sufficient proof of notice.

4. Changes.

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

5. Examination of Your Books and Records.

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

6. Inspections and Surveys.

We have the right but are not obligated to:

- (a) Make inspections and surveys at any time;
- (b) Give you reports on the conditions we find; and
- (c) Recommend any 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 the health or safety of workers or the public. And we do not warrant that conditions:

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

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.

7. Legal Action Against Us.

No person or organization has a right under this policy:

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

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured 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 year next after the date of such judgement 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 years from the time the right of action arises.

8. Premium Audit.

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

9. 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.

10. 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.

11. 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.

12. Transfer of Rights of Recovery Against Others To Us.

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

13. 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.

TENANTS' LEGAL LIABILITY COVERAGE ENDORSEMENT - BROAD FORM

This endorsement modifies insurance provided under the Commercial General Liability Policy.

THE COVERAGE D. TENANTS' LEGAL LIABILITY Insuring Agreement in your policy, or in an endorsement attached to it, is amended as follows:

1. By deleting the following sentence from that Insuring Agreement:

"This insurance applies only to "property damage" caused by fire, explosion, smoke or leakage from fire protective equipment to premises rented to you or occupied by you"; and

2. By replacing that sentence with the following new sentence:

"This insurance applies only to "property damage" to premises rented to you or occupied by you".

COVERAGE L3

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

INSURING AGREEMENT

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

SECTION A - THIRD PARTY LIABILITY 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:

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

for any liability imposed upon any person insured by this policy:

by any workmen's compensation law; or

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

for any liability assumed by any person insured by this policy voluntarily under any contract or agreement; or

for loss or damage to property carried in or upon an automobile personally driven by any person insured by this policy or to any property owned or rented by, or in the care, custody or control of any such person; or

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.

ADDITIONAL AGREEMENTS OF INSURER

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

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

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

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 judgement upon that part of the judgement which is within the limits of the Insurer's liability; and

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

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

not set up any defence to a claim that might not be set up if the policy were a motor vehicle liability policy issued in the province or territory of Canada in which the accident occurred.

AGREEMENTS OF INSURED

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

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 AUTOMOBILES DEFINED

The term "Hired Automobiles" as used in this policy means automobiles hired or leased from others with or without drivers, used under the control of the Insured in the business stated 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 "Automobile 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 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 state 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

In these Statutory Conditions, unless the context otherwise requires, the word "insured" means a person insured by this contract whether named or not

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 his knowledge;
- (2) Without restricting the generality of the foregoing, the words "change in the 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 this 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.

PROHIBITED USE BY INSURED

2. (1) The insured shall not drive or operate the automobile,
 - (a) while under the influence of intoxicating liquor or drugs to such an extent as to be for the time being incapable of the proper control of the automobile; or
 - (b) unless he is for the time being either authorized by law or qualified to drive or operate the automobile; or
 - (c) while he 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 licence 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 automobile,
 - (a) by any person under the influence of intoxicating liquor or drugs to such an extent as to be for the time being incapable of the proper control of the automobile; or
 - (b) 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 he resides at the time this contract is made as being the minimum age at which a licence or permit to drive an automobile may be issued to him; or
 - (c) for any 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, advice or writ received by him from or on behalf of the claimant.
- (2) The insured shall not,
 - (a) voluntarily assume any liability or settle any claim except at his 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 defence 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,
 - (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

- (a) delivery to the Insurer within ninety days after the date of the loss or damage a statutory declaration stating, to the best of his 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 wilful act of 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 subcondition (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 his possession or control that relate to the matters in question, and he 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 that actual cash value with proper deduction for depreciation, however caused, and shall not exceed the amount that it would cost to repair 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 damage or lost with other of like kind and quality if, within seven 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 appraisal as provided under The Insurance 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 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 days after the proof of loss has been received by it or, where an appraisal is made under subcondition 8 of statutory condition 4, within fifteen 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.

LIMITATION 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 next after the cause of action arose 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 day's notice of termination by registered mail or five day's written notice of termination personally delivered;
 - (b) by the Insured at any time on request.
- (2) Where this contract is terminated by the Insurer,
- (a) The Insurer shall refund the excess of premium actually paid by the insured over the pro rata premium for the expired time, but in no event shall the pro rata premium for the expired time be deemed to be less than any minimum retained premium specified; and
 - (b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to 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 fifteen days mentioned in clause a of subcondition 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.

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.

MISINTERPRETATION OF DATE EXCLUSION ENDORSEMENT

This exclusion applies to all and every section and coverage and endorsement of the policy contract (except for any loss or damage insured by Equipment Breakdown Coverage and/or Boiler and Machinery Coverage if that coverage is indicated on the Declaration Page).

The Policy does not insure against loss or damage caused directly or indirectly by the failure of any:

- a. electronic data processing equipment, or other equipment, including microchips embedded therein;
- b. computer program;
- c. software;
- d. media;
- e. data;
- f. memory storage system;
- g. memory storage device;
- h. real time clock;
- i. date calculator; or
- j. any other related component, system, process or device,

to correctly read, recognize, interpret or process any encoded, abbreviated or encrypted date, time or combined date/time data or data field. Such failure shall include any error in original or modified data entry or programming. This exclusion does not apply to loss or damage caused directly by a "Named Peril".

In this endorsement a "Named Peril" shall mean:

- 1. FIRE OR LIGHTNING
- 2. 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.
3. **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".
4. **RIOT, VANDALISM OR MALICIOUS ACTS:** The term Riot includes open assemblies of strikers inside or outside the "premises" who have quitted work and of locked-out-employees. There shall in no event be any liability hereunder for loss or damage:
- (i) due to cessation of work or interruption to process or business operations or by change(s) in temperature;
 - (ii) due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under the Explosion peril as defined and limited;
 - (iii) due to theft or attempt thereat.
5. **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.
6. **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 "Declaration Page" or for adjoining premises and loss or damage caused by the fall or breakage or freezing of such equipment.
7. **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.
- Further this insurance does not apply to any sums which the insured is legally obligated to pay as compensatory damages for third party "bodily injury", "property damage" and "personal injury" arising out of the failure of any:
- a. electronic data processing equipment, or other equipment, including microchips embedded therein;
 - b. computer program;
 - c. software;
 - d. media;
 - e. data;
 - f. memory storage system;
 - g. memory storage device;
 - h. real time clock;
 - i. date calculator; or
 - j. any other related component, system, process or device,
- to correctly read, recognize, interpret or process any encoded, abbreviated or encrypted date, time or combined date/time data or data field. Such failure shall include any error in original or modified data entry or programming. All other terms and conditions of the policy to which this endorsement applies remain unchanged.

PHYSICAL AND/OR PSYCHOLOGICAL EXCLUSION

The Insurance provided under Commercial General Liability Policy does not apply to “Bodily Injury”, “Property Damage” or “Personal Injury” sustained by any person arising out of or resulting from:

- a) Actual or threatened “abuse” by, at the direction of, or with the knowledge of, the Insured or any person for whom the Insured is legally responsible;
- b) The Insured’s failure to act to prevent any actual or threatened “abuse” described in a), above, or
- c) The Insured’s failure to:
 - (1) check references of the employment history of;
 - (2) supervise;
 - (3) investigate information or complaints concerning alleged actual or threatened “abuse” by;
 - (4) report to the proper authorities any information or complaints concerning alleged actual or threatened “abuse” by; or
 - (5) retain a person for whom any Insured is legally responsible and whose conduct would be excluded from coverage by a), above.

“Abuse” means sexual, physical, psychological or emotional abuse or molestation, sexual harassment or corporal punishment of which you have knowledge, or should have reasonably known.