

ABOUT THIS POLICY

This policy is a contract subject to various terms and conditions. The GENERAL RULES apply to all parts of this policy. This policy also contains conditions that must be attached to comply with Canadian law. Included in this policy is an explanation of your LOSS DUTIES.

In this policy, the words we, us, our and ours mean the St. Paul Fire and Marine Insurance Company. The words you, your and yours mean the Insured(s) named on the DECLARATIONS. The DECLARATIONS also shows the dates this policy begins and ends.

In return for your premium, we will provide you with the protection stated in this policy. Specific insuring agreements explain the extent of the protection we provide. This policy may be subject to one or more endorsements. Endorsements change your policy.

We have written this policy in plain language that is easy to understand. We encourage you to read your entire policy carefully to determine what is and what is not covered, as well as the rights and duties of those protected.

For purposes of the *Insurance Companies Act* (Canada), this document was issued in the course of St. Paul Fire and Marine Insurance Company's insurance business in Canada.

Questions about this policy and the protection it provides should be directed to our authorized representative who is named on the DECLARATIONS.

THIS POLICY CONTAINS CLAUSES THAT MAY LIMIT THE AMOUNT PAYABLE.

Table of Contents	Page(s)
Part A: General Rules -----	A1 - A3
Part B: Statutory Conditions – Common Law Jurisdictions -----	B1 – B3
Part C: General Conditions – Quebec Civil Code -----	C1 - C4
Part D: Loss Duties -----	D1
Part E: Commercial Property Protection -----	E1 - E18
Part F: Commercial General Liability Protection -----	F1 - F26
Part G: S.P.F. No. 6 – Standard Non-Owned Automobile Policy -----	G1 - G11
Part H: Q.P.F. No. 6 – Quebec Automobile Insurance Policy (Non-Owned Form) --	H1 – H10

These General Rules apply to the entire policy.

Special Rights and Duties of the First Named Insured

You agree that when more than one insured is named on the DECLARATIONS, the first named insured has special rights and duties. These rights and duties are explained in the following General Rules:

- Premiums
- Cancellation Clause
- Policy Changes

Your Policy Period

This policy begins at 12:01 a.m. standard time, on the effective date.

If this policy is changed after its original effective date, changes take effect at 12:01 a.m. standard time on the effective date specified.

This policy ends at 12:01 a.m. standard time on the expiration date. If this policy is cancelled for any reason before that date, all coverage ends at 12:01 a.m. standard time on the cancellation effective date.

Currency Clause

All limits of coverage, premiums and other amounts shown in the policy are in Canadian currency.

Premiums

We calculate the premium you pay for this policy using information that is available at the time. All or part of your premium may be based on estimates. If estimates are used, we will calculate your actual premium when complete information is available. If the actual premium, so calculated, is more than you have paid, you will owe us the difference. If it is less than you have paid, we will owe the difference to you, subject to the retention of any minimum premium agreed upon. The first named insured is responsible for paying all premiums and will be the one to whom refunds are paid.

You must keep accurate records of the information we will need to calculate your actual premium. Our authorized representative can explain the type of records we will need. The first named insured agrees to send copies of these records at the end of each policy period - or any other time we request them.

Our Right to Inspect and Audit

You agree to let us inspect your property and business operations during normal business hours while this policy is in force. We are not, however, required to make inspections. Nor will we guarantee that your property or operations are safe, or that they conform to any laws, codes, standards or regulations. This rule also applies to any organization that conducts insurance inspections, surveys, reports or recommendations for us.

You also agree to let us examine and audit your financial books and records that relate to this insurance at any time up to three years after this policy ends.

Policy Changes

This policy contains all the agreements between you and us concerning this insurance. The first named insured is authorized to make changes to this policy with our consent. This policy can only be changed by a written form included as part of the policy.

Assignment and Transfers

Neither you nor anyone else covered under this policy can assign or turn over your interest in it without our written consent attached to the policy.

There is one exception to this rule. If you are an individual named insured and you die, your rights and duties will be transferred to your legal representative; but only while acting within the scope of their duties as your legal representative. Until your legal representative is appointed, anyone having temporary custody of your property will have your rights and duties concerning that property.

Cancellation Clause

You can cancel this policy in whole or in part at any time. We can also cancel this policy, but we must give you written notice of our intent to cancel as described below.

How you can cancel. To cancel, the first named insured must deliver the policy, or the part to be cancelled, to us or our authorized representative. If this is not possible, notify us by mail and include the date coverage is to end. You will be entitled to a refund of the excess of the premium actually paid over the premium earned for the time the policy has been in force based on the Short Rate Cancellation Table printed in these General Rules.

How we can cancel if you do not pay your premium. If you fail to pay any premium when due, we can cancel your policy. If we cancel for non-payment of premium, we will mail or hand deliver a written cancellation notice to the first named insured at least fifteen (15) days before your coverage will end. The notice will state the date coverage will end. You will be entitled to a refund of the excess of the premium actually paid over the premium earned for the time the policy has been in force computed on a day to day basis.

How we can cancel for any other reason. If we cancel for any reason other than non-payment of premium, we will mail or hand deliver a written cancellation notice to the first named insured at least thirty (30) days before your coverage will end. The notice will state the date coverage will end. You will be entitled to a refund of the excess of the premium actually paid over the premium earned for the time the policy has been in force computed on a day to day basis.

Delivering or mailing the notice. We will deliver or mail the cancellation notice to the first named insured at the last mailing address known to us. If we mail the notice, we will use registered mail. Proof of mailing will be sufficient proof of notice.

Unearned premium. We will refund any unearned premium to the first named insured. If all or part of the premium was estimated, we will await receipt of the final report(s) to enable us to calculate the amount of actual premium due over the period coverage was in force. Regardless of whether we have made or offered a refund, cancellation will be effective from the date stated in the notice we deliver or mail.

Recovering Damages from a Third Party

Any person protected under this policy may be able to recover all or part of a loss from someone other than us. Because of this, each protected person must do all that is possible after a loss to preserve any right of recovery available. If we make a payment under this policy, that right of recovery will belong to us. If we recover more than we have paid, the excess will belong to the person who had the loss, less any expenses we incur.

Fraud and Misrepresentation

This policy is void if you or any other protected person hide any important information from us, mislead us, or attempt to defraud or lie to us about any matter concerning this insurance - either before or after a loss. Of course, everyone makes mistakes. Unintentional errors or omissions will not affect your rights under this policy.

Arbitration of Property Disputes

If your policy includes property insurance and agreement cannot be reached on the amount of a property loss or the value of the property, the following procedure will be used:

1. One of us will make a written demand for an appraisal.
2. Each will select a competent and impartial appraiser and notify the other of the selection within thirty (30) days of the demand.
3. The appraisers will select a competent and impartial umpire. If they cannot agree on an umpire, either may ask that one be selected by a judge of a court having jurisdiction.
4. The appraisers will state separately the amount of the loss and the value of the property. If they do not agree, they will submit their appraisals to the umpire. Agreement of two out of three will be binding.

You will pay your appraiser and we will pay ours. Other costs of the appraisal and the umpire will be shared equally by you and us. If we submit to an appraisal, we will still retain our right to deny the claim.

How Governing Laws Affect This Policy

Any part of this policy that conflicts with a law governing such policy, is automatically changed to conform to the law.

Lawsuits Against Us

No one can sue us to recover under this policy unless all of its terms have been lived up to.

If your policy includes property insurance. Any lawsuit to recover on a property claim must begin within one year (two years in the Province of Manitoba and the Yukon Territory) after the loss or damage occurs.

If your policy includes liability insurance. No one can sue us on a liability claim until the amount of the protected person's liability has been finally decided either by a trial or by a written agreement signed by the protected person, by us and by the party making this claim. Once liability has been determined by judgement or by written agreement, the party making the claim may be able to recover under this policy, up to the limits of coverage that apply. But that party cannot sue us directly or join us in a suit against the protected person until liability has been so determined.

Any lawsuit against us must begin within one year after liability has been determined by judgement or written agreement. If this policy is governed by the law of Quebec, any lawsuit against us must begin within three years from the time the right of action arises.

Bankruptcy

If the protected person or his or her estate goes bankrupt or becomes insolvent, we will still be obligated under this policy.

Short Rate Cancellation Table

Days in Force	Percentage of Premium Retained	Days in Force	Percentage of Premium Retained	Days in Force	Percentage of Premium Retained
		117-120	..... 41	237-240	..... 71
1-4	..... 12	121-124	..... 42	241-244	..... 72
5-8	..... 13	125-128	..... 43	245-248	..... 73
9-12	..... 14	129-132	..... 44	249-252	..... 74
13-16	..... 15	133-136	..... 45	253-256	..... 75
17-20	..... 16	137-140	..... 46	257-260	..... 76
21-24	..... 17	141-144	..... 47	261-264	..... 77
25-28	..... 18	145-148	..... 48	265-268	..... 78
29-32	..... 19	149-152	..... 49	269-272	..... 79
33-36	..... 20	153-156	..... 50	273-276	..... 80
37-40	..... 21	157-160	..... 51	277-280	..... 81
41-44	..... 22	161-164	..... 52	281-284	..... 82
45-48	..... 23	165-168	..... 53	285-288	..... 83
49-52	..... 24	169-172	..... 54	289-292	..... 84
53-56	..... 25	173-176	..... 55	293-296	..... 85
57-60	..... 26	177-180	..... 56	297-300	..... 86
61-64	..... 27	181-184	..... 57	301-304	..... 87
65-68	..... 28	185-188	..... 58	305-308	..... 88
69-72	..... 29	189-192	..... 59	309-312	..... 89
73-76	..... 30	193-196	..... 60	313-316	..... 90
77-80	..... 31	197-200	..... 61	317-320	..... 91
81-84	..... 32	201-204	..... 62	321-324	..... 92
85-88	..... 33	205-208	..... 63	325-328	..... 93
89-92	..... 34	209-212	..... 64	329-332	..... 94
93-96	..... 35	213-216	..... 65	333-336	..... 95
97-100	..... 36	217-220	..... 66	337-340	..... 96
101-104	..... 37	221-224	..... 67	341-344	..... 97
105-108	..... 38	225-228	..... 68	345-348	..... 98
109-112	..... 39	229-232	..... 69	349-352	..... 99
113-116	..... 40	233-235	..... 70	353 & Over	..... 100

If there is conflict between these Statutory Conditions and conditions stated elsewhere in this policy, it will be settled in favour of the Insured. When applicable, these conditions apply to the entire policy.

Misrepresentation

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

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

Material Change

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

Termination

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

* See the "General Rules" attached to this policy for the Short Rate Cancellation Table.

Requirements After Loss

6. (1) Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirement of conditions 9, 10 and 11,
 - (a) forthwith give notice thereof in writing to the Insurer;
 - (b) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration,
 - (i) giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed,
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes,

Requirements After Loss (continued)

- (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the Insured,
 - (iv) showing the amount of other insurances and the names of other Insurers,
 - (v) showing the interest of the Insured and of all others in the property with particulars of all liens, encumbrances and other charges upon the property,
 - (vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract,
 - (vii) showing the place where the property insured was at the time of loss;
- (c) if required give a complete inventory of undamaged property and show in detail quantities, cost, actual cash value;
- (d) if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.
- (2) The evidence furnished under clauses 1 (c) and (d) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

Fraud

7. Any fraud or wilfully false statement in a statutory declaration in relation to any of the above particulars, vitiates 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 here-under including, if necessary, its removal to prevent damage or further damage thereto.
- (2) The Insurer shall contribute proportionately towards any reasonable and proper expenses in connection with steps taken by the Insured and required under sub-paragraph 1 of this condition according to the respective interests of the parties.

Entry, Control, Abandonment

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

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 Insurance Act (Insurance Contracts Act* in Newfoundland) 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 sixty (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 so to do within thirty (30) days after receipt of proofs of loss.
- (2) In that event the Insurer shall commence to so repair, rebuild, or replace the property within forty-five (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 is absolutely barred unless commenced within one (1) year next after 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. Written notice may be given to the Insured named in the contract by letter personally delivered to the Insured or by registered mail addressed to the Insured at the Insured's latest post office address as notified to the Insurer. In this condition, the expression "registered" means registered in or outside Canada.

Reference to Civil Code articles in some instances is for easier reading only and should not be construed as exact quotations. When applicable, these conditions apply to the entire policy.

1. STATEMENTS

1.1 Representation of risk (Article 2408)

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

The client means the person submitting an insurance application.

1.2 Material change in risk (Articles 2466 and 2467)

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

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

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

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

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

1.4 Warranties (Article 2412)

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

2. GENERAL PROVISIONS

2.1 Insurable Interest (Articles 2481 and 2484) (Applicable only to property insurance)

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

2.2 Changes (Article 2405)

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

2.3 Assignment (Articles 2475 and 2476)

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

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

2.4 Books and records

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

2.5 Inspection

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

2.6 Currency

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

3. LOSSES

3.1 Notice of loss (Article 2470)

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

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

3.2 Information to be provided (Article 2471)

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

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

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

3.3 False representation (Article 2472)

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

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

3.4 Intentional Fault (Article 2464)

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

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

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

3.5 Notice to police (applicable to property insurance only)

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

3.6 Safeguarding and examination of property (Article 2495) (applicable to property insurance only)

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

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

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

3.7 Admission of liability and cooperation

The Insured shall cooperate with the Insurer in the processing of all claims. (The following two paragraphs are applicable to liability insurance only: article 2504)

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

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

3.8 Right of Action (Article 2502) (applicable to liability insurance only)

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

4. COMPENSATION AND SETTLEMENT

4.1 Basis of settlement (Articles 2490, 2491, 2493) (applicable to property insurance only)

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

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

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

4.2 Pair and set (applicable to property insurance only)

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

4.3 Parts (applicable to property insurance only)

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

4.4 Replacement (Article 2494) (applicable to property insurance only)

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

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

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

Any outstanding premium may be deducted from the indemnity payable.

4.6 Property of others (applicable to property insurance only)

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

4.7 Waiver

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

4.8 Limitation of actions (Article 2925)

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

4.9 Subrogation (Article 2474)

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

5. OTHER INSURANCE

5.1 *Property insurance (Article 2496)*

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

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

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

5.2 *Liability Insurance*

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

- **Contribution by equal share:**

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

- **Contribution by limits:**

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

6. CANCELLATION (*Articles 2477 and 2479*)

This policy may be cancelled at any time:

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

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

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

* See the "General Rules" attached to this policy for the Short Rate Cancellation Table.

7. NOTICE

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

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

LOSS DUTIES

Loss or damage to covered property. If an accident or incident causes a property loss that is covered by this policy you must:

1. Notify the police if a law may have been broken.
2. Tell us or our authorized representative what happened as soon as possible. Include the time and place of the event, a description of the property and the names and addresses of any witnesses.
3. Do what is reasonable and necessary to protect covered property from further damage. Keep a record of your expenses for consideration in your claim.
4. If feasible, separate the damaged property from the undamaged and make an inventory of the damaged items. This does not apply to automobile insurance if included in your policy.
5. Cooperate with us in the investigation and settlement of the claim. Show us the damaged property and any records you have to prove your loss at such times as may reasonably be required. Also permit us to take samples of damaged property for inspection, testing, and analysis. If your loss involves a covered automobile, permit us to inspect the automobile before it is repaired or disposed of.
6. Allow us to question you under oath at such times as may be reasonably required about any matter relating to this insurance or your claim, including your books and records. If we do, you agree to sign a copy of your answers.
7. Send us a signed, sworn statement of loss containing the information we request to investigate the claim. You must do this within sixty (60) days after our request. We will supply the forms. We will pay you within thirty (30) days after we reach agreement with you.

If someone is injured or something happens which could result in a liability claim. If an accident or incident occurs that may involve this policy, you or any other protected person involved must:

1. Notify the police if a law may have been broken.
2. Tell us or our authorized representative what happened as soon as possible. Do this even though no claim has been made but you or another protected person is aware of having done something that may later result in a claim. This notice should include:
 - the time and place of the event;
 - the protected person involved;
 - the specific nature of the incident including the type of claim that may result; and
 - the names and addresses of any witnesses and injured people.
3. Send us copies of all demands or legal documents if someone makes a claim or starts a lawsuit.
4. Cooperate and assist us in securing and giving evidence, attending hearings and trials, and obtaining the attendance of witnesses.
5. Not assume any financial obligation or pay out any money without our consent. But this rule does not apply to necessary first aid given to others at the time of an accident.

TRAVELERS PART E: COMMERCIAL PROPERTY PROTECTION
 ABOUT THIS AGREEMENT

We have designed this agreement to protect you against a variety of property losses. There are limitations and exclusions that are explained in the agreement. The insured location(s), your selected limits of coverage, deductibles and other items that apply to this agreement are shown on the DECLARATIONS.

Terms and phrases shown in *italics* have special meaning and are defined in the DEFINITIONS section of this agreement.

Table of Contents	Page(s)
Covered Property/Insured Locations	E1
Excluded Property/Costs	E1
Limit Of Coverage	E2
Extensions Of Coverage	E2
Causes Of Loss Covered By This Agreement	E2
When We Will Cover	E2
Additional Benefits	E3 - E6
Optional Coverage: Portable Electronic Devices	E7
Rules For Loss Adjustment	E7
How Covered Property Is Valued	E8
Rules For Valuing Special Property	E8 – E10
Minimum Amount Of Insurance	E10
Deductible	E10
Other Insurance	E11
Exclusions – What We Will Not Cover	E11 - E14
Other Rules For This Agreement	E14
Definitions	E15 – E18

COVERED PROPERTY/INSURED LOCATIONS

Covered Property

We will cover business contents that you own or have a financial interest in while located:

- in or on a building at an insured location;
- in the open within three hundred (300) metres of an insured location; or
- within vehicles in the open within three hundred (300) metres of an insured location.

Business contents includes *equipment, stock, computer hardware, computer software and data media material* used in your business, including similar such property not owned by you, your partners or *employees*, but only if you are contractually required to insure it or to the extent of your legal obligation for property of others in your care, custody or control.

Insured Location(s)

The DECLARATIONS indicates which locations are insured under this agreement.

☛ Section Reference

There are limitations on what we will pay for property covered by this agreement. Refer to the following sections of this agreement for:

- LIMIT OF COVERAGE
- RULES FOR LOSS ADJUSTMENT
- HOW COVERED PROPERTY IS VALUED
- RULES FOR VALUING SPECIAL PROPERTY
- MINIMUM AMOUNT OF INSURANCE
- DEDUCTIBLE
- OTHER INSURANCE

EXCLUDED PROPERTY/COSTS

We will not cover the following property under this agreement:

- aircraft, satellites or spacecraft;
- contraband, or property in the course of illegal transportation or trade;
- fences or outdoor signs;
- *fine arts*;
- furs, fur garments, jewels, jewellery, watches, pearls, precious and semi-precious stones, gold, silver, platinum and other precious metals or alloys;
- live animals, birds or fish;
- *money*, lottery tickets, stamps, *securities*, deeds, accounts, bills, notes and other evidences of debt;
- outdoor trees, plants or shrubs;
- property rented, leased or loaned to others;
- property while waterborne, except while on a regular ferry or railway car transfer in connection with land transportation;
- self-propelled land vehicles licensed and designed for use on public roads, such as cars, trucks and trailers; or
- watercraft including motors, equipment and accessories, while on water.

Also, we will not cover any research costs or other expenses incurred to reproduce, reestablish, replace or restore *data or records*.

In addition, we will not cover any costs or expenses associated with the enforcement of any ordinance, regulation or law which requires you or anyone else to:

- test for, monitor, cleanup, remove;
- contain, treat, detoxify, neutralize; or
- in any way respond to or assess the effects of *pollutants*.

☛ Section Reference

Limited coverage is provided under the ADDITIONAL BENEFITS section of this agreement for:

- Accounts Receivable
- Data and Records Restoration Costs
- Fine Arts
- Money and Securities

LIMIT OF COVERAGE

The limit of coverage shown opposite each insured location described on the DECLARATIONS applies separately to covered property at the described insured location.

EXTENSIONS OF COVERAGE

This agreement provides the extensions of coverage described below. Any payments made under these extensions of coverage are subject to and not in addition to the limit of coverage shown on the DECLARATIONS for business contents at the applicable insured location.

Burglary Damage to Building(s)

We will cover direct loss or damage caused by *burglary* or attempted *burglary* to that portion of a building at an insured location occupied by you as a tenant. To be covered, you must be legally responsible for the damage.

Preservation of Property

If you are forced to remove covered property from an insured location because it is endangered by a covered cause of loss, we will cover the property while it is:

- located at temporary location(s);
- being moved to temporary location(s); and
- being returned to the original insured location.

We will also pay for reasonable and necessary expenses you incur for the temporary protection and preservation of covered property actually damaged or threatened with imminent loss or damage from a covered cause of loss.

Tenant's Improvements

We will cover *improvements* that you make to that portion of a building at an insured location that you occupy as a tenant. If you pay for an *improvement* and none of the payment is part of your rent, we will cover the value of your right to use the *improvement*. We will not pay for loss to your *improvement* if someone other than you pays to repair or replace it.

CAUSES OF LOSS COVERED BY THIS AGREEMENT

We will protect property covered by this agreement against risks of direct physical loss or damage except as indicated in the EXCLUSIONS – WHAT WE WILL NOT COVER section.

WHEN WE WILL COVER

We will apply this agreement to covered losses that happen while this agreement is in effect.

We will not cover any loss or damage caused directly or indirectly by an *earthquake event* that begins before this agreement takes effect. An *earthquake event* is considered to have begun with the occurrence of the first earthquake shock.

Also, we will not cover any loss or damage caused directly or indirectly by a *flood event* that begins before this agreement takes effect. Flood is considered to have begun when water first overflows the boundaries within which it is normally contained.

ADDITIONAL BENEFITS

This agreement provides all of the additional benefits described in this section. Unless otherwise specified, the limit shown on the DECLARATIONS for each additional benefit:

- applies in addition to the limit(s) you have selected for covered business contents; and
- is the most we will pay for covered loss or damage in any one event.

With the exception of the MINIMUM AMOUNT OF INSURANCE, all other terms, conditions, limitations and exclusions of this agreement apply to all additional benefits.

Accounts Receivable

If your accounts receivable records at an insured location are lost or damaged by a covered cause of loss, we will pay the following:

- amounts your customers owe you but which you are unable to collect because of loss or damage to your accounts receivable records;
- interest on any loan you have to take out because you are unable to collect your receivables and need money while waiting for payment of your claim; and
- extra collection costs, over and above your normal collection costs, that are made necessary because of loss or damage to your accounts receivable records.

Under this additional benefit, we will not pay for any costs or expenses incurred to reproduce, reestablish, replace or restore accounts receivable records.

Section Reference

Limited coverage is provided under this ADDITIONAL BENEFITS section for:

- Data and Records Restoration Costs

Data and Records Restoration Costs

We will pay for research costs and other expenses actually and necessarily incurred to reproduce, reestablish, replace or restore *data* and *records* that have been lost or damaged by a covered cause of loss.

Debris Removal

If your covered property is damaged by a covered cause of loss we will pay for the cost of removing debris of damaged covered property from the insured location.

Employee Dishonesty

We will pay for loss of or damage to *money*, *securities* and *other property* that results directly from *employee dishonesty*. We will consider all losses in connection with an act or series of related acts as one event, regardless of how many people are involved or how many persons, property owners, covered items, or financial interests are affected.

We will only pay for *employee dishonesty* when:

- there is evidence that the *employee* meant to cause you a loss;
- the evidence shows that the *employee* intended that he or she or another person or organization would get some unearned financial benefit;
- the loss results from acts committed while this agreement is in effect; and
- you discover and report the loss to us no later than thirty (30) days after this agreement ends.

Financial benefit does not include salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned during the normal course of employment.

Expediting Expenses

If property covered by this agreement for replacement cost value is damaged by a covered cause of loss, we will pay the necessary and reasonable extra costs you incur to expedite repair or replacement of such property at an insured location.

Under this additional benefit, we will not pay any costs related to equipment or other property installed to replace the function of the damaged covered property on a temporary basis.

ADDITIONAL BENEFITS**Extra Expense**

We will pay to help you maintain normal operations following direct physical loss or damage to covered property at an insured location by a covered cause of loss. We will pay extra expenses that are over and above your normal operating costs and that are directly related to your covered loss. We will cover your extra expenses from the date of the covered loss for as long as it should reasonably take to rebuild, repair or replace your damaged property regardless of when this agreement ends.

We will also pay to help you maintain normal operations when a civil authority denies access to an insured location as a direct result of physical loss or damage by a covered cause of loss to property not at an insured location. We will pay extra expenses that are over and above your normal operating costs and that are directly related to your covered loss. We will cover your extra expenses for up to two (2) consecutive weeks from the date access to the insured location is denied regardless of when this agreement ends.

Under this additional benefit, we will not pay for:

- the cost of repairing, replacing or restoring damaged property;
- any expenses incurred to reproduce, reestablish, replace or restore *data* or *records*; or
- any other indirect loss other than extra expense.

Fine Arts

We will pay for direct physical loss or damage by a covered cause of loss to your *fine arts* or the *fine arts* of others while in your care, custody, or control while they are located:

- in or on a building at an insured location;
- in the open within three hundred (300) metres of an insured location.

Fire Department Service Charges

When the fire department is called upon to protect your covered property at an insured location from a covered cause of loss, we will pay for charges you have agreed to pay by contract or agreement prior to loss or as required by law.

Fire Protective Equipment

We will pay the cost to refill your fire protection equipment at an insured location, if such equipment accidentally discharges or discharges as intended to control a loss that would be covered by this agreement.

We will not cover any loss that happens at the time of installation, repair or recharge of your fire protection equipment.

Forgery or Alteration

We will pay for loss resulting directly from forgery or alteration of a cheque, draft, promissory note or similar written promises or directions to pay *money* that:

- are or claim to have been made or drawn by you;
- are or claim to have been made or drawn upon you;
- are made or drawn or claim to have been made or drawn by someone acting as your agent.

We will also pay for loss resulting directly from forgery or alteration of a credit, debit or charge card issued to you or any of your *employees*, but only if:

- the credit, debit or charge card is used exclusively for business purposes; and
- you or your *employees* have fully complied with all of the terms and conditions under which the credit, debit or charge card was issued.

In addition, we will pay for reasonable legal expenses that you incur and pay in defence, if you are sued on the basis of refusing to pay on any such forged or altered instrument(s), and you have our written consent to defend against the suit.

We will consider all losses in connection with an act or series of related acts as one event, regardless of how many people are involved or how many persons, property owners, covered items, or financial interests are affected.

ADDITIONAL BENEFITS**Hacking Event or Computer Virus Attack**

We will pay for direct physical loss or damage to covered *computer hardware* or *computer software* caused by a *hacking event* or *computer virus attack*. The limit shown on the DECLARATIONS for this additional benefit is also the most we will pay for all covered loss or damage in a *policy year*.

Inventory or Appraisals, Professional Fees

We will pay for the cost of any inventory or appraisal that we require from you in order to determine the amount of direct physical loss or damage to covered property at an insured location. We will also pay fees you must pay to professionals to prepare information needed to determine the amount of a covered loss under the Extra Expense additional benefit.

Under this additional benefit, we will not pay any fees to public adjusters you appoint.

Money and Securities

We will pay for loss of *money* and *securities* used in your business or operation that results directly from a covered cause of loss. The limit shown on the DECLARATIONS for each of the following applies separately to each covered loss that occurs:

- inside a building at an insured location or within a bank or savings institution; and
- outside an insured location while en route to or from a bank or savings institution, or within the living quarters of someone in charge of the property.

Under this additional benefit, we will not cover manuscripts, *records* or account books.

Newly Acquired Property/Locations

We will pay for direct physical loss or damage to any of the following property if it is damaged by a covered cause of loss:

- Newly acquired business contents at a location already covered by this agreement.
- Business contents at a new location you occupy.

Coverage on this property will end when any of the following first occurs:

- Your policy or this agreement is cancelled or expires.
- One hundred and eighty (180) days after you acquire the new property or move to a new location.
- You report the values of the newly acquired property or report the new location to us.

We will charge you an additional premium from the date new property is acquired.

Off Premises Utility Failure

We will pay for direct physical loss or damage to covered property resulting from the failure of a *utility service* provider to deliver *utility service* to an insured location. You must prove that the failure was a result of direct physical loss or damage by a covered cause of loss to property that is:

- owned, operated or controlled by the *utility service* provider;
- used to deliver *utility service* to an insured location; and
- located away from an insured location.

Under this additional benefit, we will not pay for loss to covered property due to direct physical loss or damage to:

- overhead communication lines; or
- overhead transmission lines.

Also, we will not pay for loss to covered property due to direct physical loss or damage to satellites.

In addition, we will not cover any loss or damage caused directly or indirectly by deliberate act(s) of load shedding.

ADDITIONAL BENEFITS

Personal Belongings

We will pay for direct physical loss or damage by a covered cause of loss to *personal belongings* at an insured location.

Product Samples

We will pay for direct physical loss or damage by a covered cause of loss to product samples owned by you, including trunks, containers or receptacles used to carry product samples, while such property is in the care or custody of your sales representative who is also your *employee*.

Under this additional benefit, we will not pay for loss or damage to covered property:

- left in or on an unattended vehicle or trailer unless there are visible signs of forced entry into the interior of such vehicle or trailer; or
- that has been checked during flight with a commercial airline.

Rewards

We will pay for information that leads to the arrest and conviction of any individual(s) committing or trying to commit any illegal act related to a covered cause of loss or damage to covered business contents. Any such reward will be handled and administrated by the authorities with jurisdiction in the matter.

We will not pay for any reward paid to you, your partners, your officers, or your *employees*.

Transit

We will pay for direct physical loss or damage by a covered cause of loss to your covered business contents while in due course of transit anywhere in the world.

Under this additional benefit, we will not pay for loss or damage to covered business contents:

- once they have been accepted for delivery at their final destination;
- that have been checked during flight with a commercial airline; or
- that are being transported to someone else's premises for the purpose of construction or installation by you or on your behalf.

Also, we will not pay for loss or damage to any portable electronic devices, other than *stock*.

← Section Reference

You may have extended this agreement to cover portable electronic devices. Refer to the OPTIONAL COVERAGE: PORTABLE ELECTRONIC DEVICES section of this agreement.

Unnamed Locations

We will pay for direct physical loss or damage by a covered cause of loss to covered business contents while at an *unnamed location* anywhere in the world.

Under this additional benefit, we will not pay for loss or damage to:

- portable electronic devices, other than *stock*;
- property in due course of transit;
- materials, supplies, fixtures or equipment while located on someone else's premises for the purpose of construction or installation by you or on your behalf; or
- product samples in the care or custody of your sales representatives.

← Section Reference

You may have extended this agreement to cover portable electronic devices. Refer to the OPTIONAL COVERAGE: PORTABLE ELECTRONIC DEVICES section of this agreement.

OPTIONAL COVERAGE: PORTABLE ELECTRONIC DEVICES

You have this optional coverage only if indicated on the DECLARATIONS.

We will pay for direct physical loss or damage by a covered cause of loss to portable electronic devices owned by you and used in your business, including cases used to carry such property, while the property is:

- away from an insured location; and
- in the care or custody of you, your partners or *employees*.

We will cover such property anywhere in the world.

Under this optional coverage, we will not pay for loss or damage to portable electronic devices:

- held as *stock*;
- left in or on an unattended vehicle or trailer unless there are visible signs of forced entry into the interior of such vehicle or trailer; or
- that have been checked during flight with a commercial airline.

If you have this optional coverage, the limits of coverage shown on the DECLARATIONS apply as described below.

Each Event Limit

Subject to any Each Item Limit that applies, the Each Event Limit shown on the DECLARATIONS applies to all covered loss or damage in any one event.

Each Item Limit

Subject to the Each Event Limit, the Each Item Limit shown on the DECLARATIONS applies to all covered loss or damage to any single item.

RULES FOR LOSS ADJUSTMENT

Adjusting Losses

If there is a covered loss to your property we will adjust the loss with you. If there is a covered loss to someone else's property, we will adjust the loss with you for the owner's account. We can choose to settle directly with the owner. If we settle with the owner, the owner's release will satisfy any claim you make for the same loss.

Interested Parties

You may have identified other person(s) or organization(s) as having an interest in property covered by this agreement. If you have, a 'SCHEDULE OF INTERESTED PARTIES' will be attached that names the person(s) or organization(s) and describes their interest. Payment will be made to you and the person(s) or organization(s) named, based on their described interest.

If we cancel this agreement, we will mail or deliver a cancellation notice to person(s) or organization(s) named to the address shown at least thirty (30) days before coverage ends – fifteen (15) days if we cancel for non-payment of premium.

What We Will Pay

If a covered loss occurs, the following sections in this agreement explain what we will pay for covered property:

- HOW COVERED PROPERTY IS VALUED
- RULES FOR VALUING SPECIAL PROPERTY
- MINIMUM AMOUNT OF INSURANCE
- DEDUCTIBLE
- OTHER INSURANCE

We may take over any of the damaged or destroyed property at its agreed or appraised value. We can choose to repair, rebuild or replace the property ourselves provided we give you notice within thirty (30) days after we get your proof of loss. You agree that you will not merely abandon this property to us.

HOW COVERED PROPERTY IS VALUED

Replacement Cost Value

Unless otherwise stated, we will pay the cost of repairing or replacing the damaged property without deduction for depreciation. We will not pay more than the smallest of the following:

- The amount you actually spend in repairing the damage.
- The amount it would cost to replace the damaged property at the time of the loss with new property of similar kind and quality to be used for the same purpose.
- The limit of coverage that applies to the property.

If you decide not to repair or replace the property, the most we will pay is the actual cash value of the lost or damaged property with proper deduction for depreciation. We will not pay more than the limit of coverage that applies to the property.

Section Reference

If any of the following property is covered by this agreement, it is subject to a different method of valuation:

- Accounts Receivable
- Computer Software
- Fine Arts
- Items With Several Parts
- Money
- Pairs and Sets
- Securities
- Tenant's Improvements
- Waterborne Shipments

Refer to the RULES FOR VALUING SPECIAL PROPERTY section of this agreement to determine how this property is valued.

RULES FOR VALUING SPECIAL PROPERTY

Accounts Receivable

We will determine the amount of accounts receivable outstanding as of the time of loss by the following method:

- determine the total of the average monthly amounts of accounts receivable for the twelve (12) months immediately preceding the month in which the "loss" occurs; and
- adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the "loss" occurred or for any demonstrated variance from the average for that month.

The following will be deducted from the total amount of accounts receivable:

- the amount of the accounts for which there is no "loss";
- the amount of the accounts that you are able to reestablish or collect;
- an amount to allow for probable bad debts that you are normally unable to collect; and
- all unearned interest and service charges.

RULES FOR VALUING SPECIAL PROPERTY

Computer Software

The amount we will pay for *computer software* depends upon whether:

- the *computer software* is pre-packaged or custom; and
- the *computer software* can and will be replaced or reconstructed.

Pre-packaged computer software. We will consider the value of *pre-packaged computer software* to be no more than the cost to purchase software of similar kind and quality to be used for the same purpose plus the cost to re-install. This applies only if software of similar kind and quality is available and is actually replaced. If software of similar kind and quality is not available or if you decide not to replace the software, we will pay the actual cash value of the lost or damaged software at the time of loss. Regardless of whether the software can or will be replaced, we will not pay more than the limit of coverage that applies to such property.

Custom computer software. We will consider the value of *custom computer software* to be no more than the cost of blank *software media material* plus the costs actually incurred to reconstruct the program from backups of the original source code and change documentation records. This applies only if backups of the original source code and change documentation records are available to reconstruct the program. If the program cannot be reconstructed because there is no backup of the original source code or change documentation records or if you decide not to reconstruct the program, we will pay only for blank *software media material*. Regardless of whether the program can or will be reconstructed, we will not pay more than the limit of coverage that applies to such property.

Fine Arts

The value of *fine arts* will be based on the market value at the time of loss. When the damaged article is part of a pair or set, you may choose one of the following methods of loss payment:

- The market value of the entire pair or set. If you choose this method, you must return to us the remaining pieces.
- The cost to repair the damaged pieces. If you choose this method, you will keep the undamaged pieces. If the pair or set, with the repaired pieces, has a lower value than it had prior to the loss, we will also pay the difference. In no event will we pay more than the value the pair or set had prior to the loss.
- The market value of the lost or damaged pieces prior to the loss when the pieces cannot be found or repaired. If you choose this method, you will keep the undamaged pieces. If the remaining pieces have a reduced value, we will pay the difference between the value of the remaining pieces prior to the loss and after the loss. In no event will we pay more than the value the pair or set had prior to the loss.

Items With Several Parts

If an item consists, when complete for use, of several parts, we will not pay more than the value of the part(s) physically lost or damaged, plus the cost of installation.

Money

Money losses will be determined by its face value.

Pairs and Sets

If an item that is part of a pair or set is lost or damaged, we will consider the importance of the lost or damaged item to the pair or set in determining the amount we will pay. We will be fair and reasonable, but we will not pay for the entire pair or set.

Securities

Securities loss will be determined by their value at the close of business on the day the loss was discovered. We may, at our option:

- Pay the value of such *securities* or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those *securities*; or
- Pay the cost of any lost *securities* bond required in connection with issuing duplicates of the *securities*. We will only pay the cost of a bond with an amount of coverage that does not exceed the value of the *securities* at the close of business on the day the loss was discovered.

RULES FOR VALUING SPECIAL PROPERTY

Tenant's Improvements

If the damaged *improvement* is not repaired or replaced within a reasonable amount of time, we will determine the value of the *improvement* as follows:

We will take the original cost of the *improvement* and multiply that by a fraction. The fraction is obtained by dividing the amount of time left on your lease when the loss occurred by the amount of time left when the *improvement* was originally made.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

Waterborne Shipments

For waterborne shipments you, your agents, assigns or representatives are all permitted and obligated to pursue any action which may be necessary to:

- reduce actual or imminent loss to covered property; and
- recover the property.

We agree to bear our part of the expenses you voluntarily incur to protect or recover the property. We will also pay general average and salvage charges for covered waterborne shipments.

MINIMUM AMOUNT OF INSURANCE

In return for the coverage provided by this agreement, you agree to insure your covered property for a minimum amount. The minimum amount is the replacement cost value of your covered property at the time a loss occurs, multiplied by the minimum percentage shown on DECLARATIONS.

If at the time of loss, your covered property is insured for the minimum amount or more, we will pay the amount of the covered loss up to the limit you have selected.

If at the time of loss, your covered property is insured for less than the minimum amount, we will pay a percentage of the amount of the covered loss up to the limit you have selected. The percentage we will pay will be calculated as follows:

First, the amount of the covered loss will be determined. Then we will divide the amount of insurance you had on your property by the minimum amount you should have had. Next, we will multiply this result by 100 to convert it to the percentage to be paid by us.

DEDUCTIBLE

Property covered by this agreement is subject to the deductible amounts shown on the DECLARATIONS. You will be responsible for paying the deductible amount that applies in each event covered by this agreement.

A separate deductible applies to:

- Each *earthquake event*.
- Each *flood event*.
- Each sewer backup event.

If more than one deductible amount could be applied to loss or damage arising out of a single event, only the highest deductible amount will apply.

OTHER INSURANCE

You may have other insurance that applies to a loss also covered by this agreement. If your other insurance covers loss also covered by this agreement, this agreement will provide excess coverage. This means that we will only pay the amount of your covered loss that is remaining after your other insurance has been used up, less the deductible. We will not pay more than the limit of coverage that applies under this agreement. Excess coverage under this agreement does not apply to the deductible amount on other insurance.

EXCLUSIONS – WHAT WE WILL NOT COVER

Data Destruction, Interpretation or Use

We will not cover loss or damage caused directly or indirectly by:

- the erasure, destruction or corruption of *data*;
- the misappropriation or misinterpretation of *data*;
- any error in creating, amending, entering, deleting, interpreting or using *data*; or
- the inability to receive, send or use *data*.

Defects–Errors

We will not cover loss or damage caused by or resulting from:

- defects or errors in the materials, design, development, distribution, processing, manufacturing, workmanship, testing, alteration, or repair of property covered by this agreement;
- errors in systems programming; or
- errors in instructions to a machine.

Delay–Loss of Market

We will not cover loss caused by or resulting from delay, loss of market, loss of use, or any indirect loss.

Disappearance–Inventory Loss

We will not cover loss of property that is missing where the only evidence of the loss is a shortage disclosed on taking inventory or where there is no physical evidence to show what happened to the property.

Dishonesty

We will not cover loss or damage caused by or resulting from any fraudulent, dishonest, or criminal act committed by you or by a partner, director, officer, trustee, agent or *employee* of yours.

Nor will we cover dishonest acts of anyone that you entrust with covered property other than a common carrier.

EXCEPTIONS TO EXCLUSIONS

Data Destruction, Interpretation or Use

If fire, explosion, smoke or sprinkler leakage not otherwise excluded results, we will cover that resulting loss or damage.

☛ **Section Reference**

Limited coverage is provided under the ADDITIONAL BENEFITS section of this agreement for:

- Data and Records Restoration Costs

Defects–Errors

If loss or damage not otherwise excluded results, we will cover that resulting loss.

Delay–Loss of Market

No exceptions apply.

☛ **Section Reference**

Limited coverage is provided under the ADDITIONAL BENEFITS section of this agreement for:

- Extra Expense

Disappearance–Inventory Loss

No exceptions apply.

Dishonesty

This exclusion does not apply to loss or damage not otherwise excluded resulting from acts of destruction by your *employees*, including leased employees.

☛ **Section Reference**

Limited coverage is provided under the ADDITIONAL BENEFITS section of this agreement for:

- Employee Dishonesty

EXCLUSIONS – WHAT WE WILL NOT COVER

Electrical Damage
 We will not cover loss or damage to electrical devices or appliances, including wiring, caused by or resulting from artificially generated electrical currents, including arcing.

Nor will we cover loss to electronic recordings caused by or resulting from electrical or magnetic injury, disturbance or erasing.

Governmental Action
 We will not cover loss or damage caused directly or indirectly by:

- seizure or destruction of property under quarantine or customs regulation; or
- confiscation of property by any government or public official.

Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

Hacking Event or Computer Virus Attack
 We will not cover loss or damage caused directly or indirectly by a *hacking event* or *computer virus attack*.

Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

Mechanical Breakdown
 We will not cover loss or damage caused by or resulting from:

- mechanical breakdown or failure;
- derangement of mechanical parts; or
- rupture caused by centrifugal force.

Nuclear Activity
 We will not cover loss or damage caused directly or indirectly by nuclear reaction, nuclear radiation or radioactive contamination.

Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

Pollution Loss or Damage
 We will not cover loss or damage caused directly or indirectly by *pollution*.

Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

EXCEPTIONS TO EXCLUSIONS

Electrical Damage
 If fire or explosion results, we will cover that resulting loss or damage.

This exclusion does not apply to covered:

- *computer hardware*, including wiring; or
- *computer software*.

Also, this exclusion does not apply to the following coverages provided under the ADDITIONAL BENEFITS section of this agreement:

- Accounts Receivable
- Data and Records Restoration Costs

Governmental Action
 This exclusion does not apply to covered property destroyed by a civil authority in order to stop the actual spread of fire.

Hacking Event or Computer Virus Attack
 No exceptions apply.

☛ **Section Reference**
 Limited coverage is provided under the ADDITIONAL BENEFITS section of this agreement for:

- Hacking Event or Computer Virus Attack

Mechanical Breakdown
 If fire results, we will cover that resulting loss or damage.

We will cover mechanical breakdown of covered *computer hardware* caused by an *accident*.

Nuclear Activity
 No exceptions apply.

Pollution Loss or Damage
 If direct physical loss or damage to covered property by an otherwise covered cause of loss results in direct physical loss or damage to covered property due to the discharge, dispersal, release, leakage, seepage, migration or escape of *pollutants*, we will cover that resulting loss.

EXCLUSIONS – WHAT WE WILL NOT COVER	EXCEPTIONS TO EXCLUSIONS
<p>Property Being Worked Upon We will not cover loss or damage to covered property that happens at the same time and as a direct result of it being tested, repaired, adjusted or serviced.</p>	<p>Property Being Worked Upon If fire or explosion not otherwise excluded results, we will cover that resulting loss or damage.</p>
<p>Seepage–Leakage–Entry of Water We will not cover loss or damage caused directly or indirectly by:</p> <ul style="list-style-type: none"> ▪ seepage, leakage or entry of water derived from natural sources through basement walls, doors, windows or other openings in such walls, doors or windows, foundations, basement floors, sidewalks or sidewalk lights; or ▪ the entry of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings. 	<p>Seepage–Leakage–Entry of Water This exclusion does not apply to loss or damage that happens at the same time and as a direct result of a cause of loss not otherwise excluded.</p>
<p>Terrorism We will not cover loss or damage caused directly or indirectly, in whole or in part, by <i>terrorism</i>.</p> <p>Nor will we cover loss or damage caused directly or indirectly, in whole or in part, by any activity or decision of a government agency or other entity to prevent, respond to or terminate <i>terrorism</i>.</p> <p>Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.</p>	<p>Terrorism No exceptions apply.</p>
<p>Utility Failure We will not cover loss or damage caused directly or indirectly by the failure to deliver <i>utility service</i> to an insured location if the break in service occurs away from that location.</p> <p>Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.</p>	<p>Utility Failure This exclusion does not apply to the following coverages provided under the ADDITIONAL BENEFITS section of this agreement:</p> <ul style="list-style-type: none"> ▪ Accounts Receivable ▪ Data and Records Restoration Costs <p>➤ Section Reference Limited coverage is provided under the ADDITIONAL BENEFITS section of this agreement for:</p> <ul style="list-style-type: none"> ▪ Off Premises Utility Failure
<p>War We will not cover loss or damage caused directly or indirectly by:</p> <ul style="list-style-type: none"> ▪ war (declared or undeclared); ▪ warlike action by a military force; ▪ invasion or insurrection; ▪ rebellion, revolution or civil war; ▪ seizure of power; or <p>anything done to hinder or defend against these actions.</p> <p>Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.</p>	<p>War No exceptions apply.</p>

EXCLUSIONS – WHAT WE WILL NOT COVER

Wear–Tear–Deterioration–Animals–Defect

We will not cover loss or damage caused by or resulting from:

- wear and tear;
- deterioration, mould, wet or dry rot, rust or corrosion;
- shrinkage, evaporation, loss of weight;
- changes in flavour, colour, texture or finish;
- nesting or infestation or discharge or release of waste products or secretions by insects, birds, rodents or other animals; or
- the *inherent nature* of the property.

EXCEPTIONS TO EXCLUSIONS

Wear–Tear–Deterioration–Animals–Defect

If loss or damage not otherwise excluded results, we will cover that resulting loss.

OTHER RULES FOR THIS AGREEMENT

Insurance for your benefit. The insurance provided by this agreement is for your benefit. No third party having temporary possession of your property, such as a transportation company, can benefit directly or indirectly from it.

Preserving your rights. The following replaces the ‘Recovering Damages from a Third Party’ clause in the General Rules:

You must do all you can to preserve any rights you have to recover your loss from others. If you do anything to impair these rights, we will not pay for your loss.

Before a loss occurs, you can give anyone a written release from any responsibility for losses to property. You can also accept ordinary bills of lading from a shipper, even if they limit the carrier’s liability for losses.

After a loss, you can release only:

- your tenant;
- another person covered under this policy; or
- any firm or organization that you own or control or that owns or controls you.

Property protection systems. As soon as you know about it, you must notify us of any interruption to, or flaw or defect in any:

- sprinkler or other fire extinguishing system;
- fire detection system; or
- intrusion detection system.

You must also notify us if:

1. any contract that provides monitoring or maintenance services to any of these systems is cancelled or not renewed; or
2. police service in response to any of these systems is suspended.

If you do not notify us as described above, we will not be obligated to pay for a loss that would otherwise covered by this agreement, but only to the extent that such loss is caused or made worse by:

- the interruption, flaw or defect in any of these systems; or
- the suspension or cancellation of services to any of these systems.

DEFINITIONS**Accident**

Accident means a sudden and accidental breakdown of *computer hardware*. At the time the breakdown occurs, it must manifest itself by physical damage to the *computer hardware* that necessitates repair or replacement.

Accident does not mean wear and tear.

Burglary

Burglary means the taking of covered property by a person unlawfully entering or leaving the building as evidenced by visible marks of forced entry.

Computer Hardware

Computer hardware means physical machine components, including but not limited to central processing units, personal computers, remote terminals, cables, disk drives, tape drives, printers, monitors, keyboards, modems and air conditioning equipment, all used exclusively in your computer operations.

Computer Software

Computer software means *pre-packaged computer software* and *custom computer software* that can be executed or run by a computer system.

Computer Virus

Computer virus means a piece of computer code that is written with the intention of destroying, altering, contaminating, infecting or otherwise impairing the use, operation, performance or reliability of any computer or telecommunications system, network, software or electronic data.

Computer Virus Attack

Computer virus attack means the introduction of a *computer virus* into a computer or telecommunications system or network for the purpose of fraud, nuisance, malicious tampering or destruction.

Custom Computer Software

Custom computer software means:

- computer programs that are written on a custom basis to perform specific functions or tasks; or
- pre-packaged computer programs that are customized to perform functions or tasks not supported by the original program.

Data

Data means representations of information or concepts in any form.

Data Media Material

Data media material means tangible materials that hold *data* in any form or that allow *data* to pass through them, including but not limited to paper, transparencies, hard, floppy and optical disks, magnetic tape, wire, cable and fibre.

Earthquake Event

Earthquake event means the first earthquake shock and all subsequent earthquake shocks that occur over a consecutive period of one hundred and sixty-eight (168) hours.

DEFINITIONS

Employee

Employee means any individual:

- in your service and for thirty (30) days after termination of service;
- whom you compensate directly by salary, wages or commissions; and
- whom you have the right to direct and control while performing services for you.

Employee includes any individual employed by an employment contractor, but only while performing services for you and whom you have the right to direct and control while performing such services.

Employee does not include:

- you or any of your partners;
- any individual employed by an employment contractor or any volunteer workers having care and custody of property outside *your premises*;
- any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- any director or trustee, except while performing acts coming within the scope of the usual duties of an *employee*.

Employee Dishonesty

Employee dishonesty means only dishonest acts committed by an *employee* whether identified or not, while acting alone or with other persons.

Equipment

Equipment means furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances, other than *stock, computer hardware, computer software or data media material*.

Fine Arts

Fine arts mean antiques and objects of art of every nature and description.

Flood Event

Flood event means a period of continued or protracted overflow of any body of water or stream.

Hacking Event

Hacking event means the unauthorized access or use of a computer or telecommunications system by circumventing a security system or procedure.

Improvement

Improvement means a permanent alteration or addition that cannot legally be removed.

Inherent Nature

Inherent nature means a latent defect or any quality in the property that causes it to deteriorate or destroy itself.

Money

Money means:

- currency, coins and bank notes in current use and having a face value;
- bullion; and
- travellers cheques, registered cheques and money orders held for sale to the public.

Other Property

Other property means any tangible property of intrinsic value not otherwise excluded.

Personal Belongings

Personal belongings means property not used in your business or operation that is owned by you, your officers, your partners, or your *employees*.

DEFINITIONS**Policy Year**

Policy year means the policy period shown on the DECLARATIONS when the policy period is one year or less. When the policy period is longer than one year, it means each consecutive annual period and the remaining period if any, that the policy is in effect, starting with the date the policy begins as shown on the DECLARATIONS. If the original policy period shown on the DECLARATIONS is extended for less than twelve (12) months, each extended period will be considered to be part of the last policy year.

Pollutants

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant including:

- smoke, vapors, soot, fumes;
- acids, alkalis, chemicals; and
- waste or *waste pollutants*.

Waste includes materials to be recycled, reconditioned or reclaimed.

Pollution

Pollution means the existence of, or the actual, alleged, or threatened discharge, dispersal, release, leakage, seepage, migration or escape of *pollutants*.

Pre-Packaged Computer Software

Pre-packaged computer software means computer programs that are purchased and used "as is" to perform specific functions and tasks.

Records

Records means any records pertaining to your business or operation in any format.

Waste Pollutants

Waste pollutants means those *pollutants* which are at any time transported, handled, stored, treated, disposed of or processed as waste by or for you or any other person or organization for whom you are legally responsible.

Securities

Securities means negotiable and non-negotiable instruments or contracts representing either money or other property such as:

- tokens, tickets, revenue and other stamps in current use, whether represented by actual stamps or unused value in a meter; and
- evidences of debt issued in connection with credit or charge cards not issued by you.

Securities does not include *money*.

Software Media Material

Software media material means tangible materials that are used to record software programs, including but not limited to hard, floppy and optical disks.

Stock

Stock means:

- merchandise of every description usual to your business or operation; and
- all packing, wrapping and advertising materials.

Terrorism

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

DEFINITIONS

Utility Service

Utility service means water, communications or power supply services.

Unnamed Location

Unnamed location means a location you do not own, operate or control.

Your Premises

Your premises means that portion of any building at an insured location occupied by you in conducting your business or operation.

TRAVELERS PART F: COMMERCIAL GENERAL LIABILITY PROTECTION
 ABOUT THIS AGREEMENT

We have designed this agreement to protect you against a variety of liability losses. There are limitations and exclusions that are explained in the agreement. Your selected limits of coverage, deductible(s) and other items that apply to this agreement are shown on the DECLARATIONS.

Terms and phrases shown in *italics* have special meaning and are defined in the DEFINITIONS section of this agreement.

Table of Contents	Page(s)
Bodily Injury and Property Damage Liability -----	F1
Medical Expenses -----	F1
Tenants' Legal Liability -----	F1
Personal Injury Liability -----	F2
Advertising Injury Liability -----	F2
Right And Duty To Defend -----	F2
When We Will Cover -----	F2
Where We Will Cover -----	F3
Protected Persons -----	F3, F4
Separation of Insureds And Protected Persons -----	F4
Limits Of Coverage And How They Apply -----	F5
Additional Payments -----	F6
Deductible -----	F6
Optional Coverage: Employers' Liability And Voluntary Compensation -----	F6 – F9
Exclusions – What We Will Not Cover -----	F10 – F17
Other Insurance -----	F18
Definitions -----	F19 – F26

BODILY INJURY AND PROPERTY DAMAGE LIABILITY

We will pay amounts any protected person is legally required to pay as compensatory damages for covered *bodily injury* or *property damage* that:

- results from *your premises, your work, your products or your completed work*;
- happens while this agreement is in effect; and
- is caused by an *event* that happens in the *coverage territory*.

☛ Section Reference

There are limitations on what we will pay for *bodily injury* and *property damage* liability covered by this agreement. Refer to the following sections of this agreement for:

- LIMITS OF COVERAGE AND HOW THEY APPLY
- DEDUCTIBLE
- OTHER INSURANCE

MEDICAL EXPENSES

We will pay the necessary and reasonable medical expenses incurred by a person during the one year after sustaining *bodily injury* that:

- results from *your premises or your work*;
- happens while this agreement is in effect; and
- is caused by an *event* that happens in the *coverage territory*.

We will pay covered medical expenses even if the protected person is not legally required to do so.

Medical expenses includes:

- first aid received at the time of an *event*;
- ambulance and emergency care services;
- dental, hospital, medical, nursing, surgical, x-ray and other health care services;
- artificial limbs and organs; and
- funeral services.

☛ Section Reference

There are limitations on what we will pay for medical expenses covered by this agreement. Refer to the following sections of this agreement for:

- LIMITS OF COVERAGE AND HOW THEY APPLY
- DEDUCTIBLE
- OTHER INSURANCE

TENANTS' LEGAL LIABILITY

We will pay amounts any protected person is legally required to pay as compensatory damages for covered *property damage*:

- to that portion of premises of others rented to you or occupied by you in conducting your business;
- that happens while this agreement is in effect; and
- that is caused by an *event* that happens in the *coverage territory*.

☛ Section Reference

There are limitations on what we will pay for *property damage* covered by this agreement. Refer to the following sections of this agreement for:

- LIMITS OF COVERAGE AND HOW THEY APPLY
- DEDUCTIBLE
- OTHER INSURANCE

PERSONAL INJURY LIABILITY

We will pay amounts any protected person is legally required to pay as compensatory damages for covered *personal injury* that:

- results from your business activities; and
- is caused by a *personal injury offence* committed in the *coverage territory* while this agreement is in effect.

Section Reference

There are limitations on what we will pay for *personal injury* covered by this agreement. Refer to the following sections of this agreement for:

- LIMITS OF COVERAGE AND HOW THEY APPLY
- DEDUCTIBLE
- OTHER INSURANCE

ADVERTISING INJURY LIABILITY

We will pay amounts any protected person is legally required to pay as compensatory damages for covered *advertising injury* that:

- results from the *advertising* of your goods, products or services; and
- is caused by an *advertising injury offence* committed in the *coverage territory* while this agreement is in effect.

Section Reference

There are limitations on what we will pay for *advertising injury* covered by this agreement. Refer to the following sections of this agreement for:

- LIMITS OF COVERAGE AND HOW THEY APPLY
- DEDUCTIBLE
- OTHER INSURANCE

RIGHT AND DUTY TO DEFEND

We will have the right and duty to defend any *claim* or *suit* for covered injury or damage made or brought against any protected person. We will do so even if any of the allegations of any such *claim* or *suit* are groundless, false or fraudulent. We have no duty to perform other acts or services.

Our duty to defend *claims* or *suits* ends when we have used up the limits of coverage that apply with the payment of judgements, settlements or medical expenses.

We will have the right to investigate any *claim* or *suit* to the extent that we believe is proper. We will also have the right to settle any *claim* or *suit* within:

- any deductible that applies; or
- the available limit of coverage.

WHEN WE WILL COVER

We will apply this agreement to *claims* or *suits* for covered injury or damage whenever they are made or brought.

We will apply this agreement to covered medical expenses only when they are reported to us within one (1) year following the date of the *event*.

WHERE WE WILL COVER

We will defend *claims* or *suits*, or pay judgements, settlements or medical expenses only in the *coverage territory* and only for covered injury or damage that is caused by *events* that happen or offences that are committed in the *coverage territory*.

We will also defend *claims* or *suits*, or pay judgements, settlements or medical expenses in the *coverage territory* for covered injury or damage that is caused by *events* that happen or offences that are committed anywhere in the world, but only if:

- the *events* or offences result from the activities of a protected person whose home is in the *coverage territory*, but is away for a short time on your business;
- the *events* result from *your products* made or sold by you in the *coverage territory*; or
- the offences are committed in or with any electronic means of communication.

PROTECTED PERSONS

Individual. If you are an individual, you and your spouse are protected persons only for the conduct of a business of which you are the sole owner.

Partnership or Joint Venture. If you are a partnership or joint venture, you are a protected person. Your partners or co-venturers and their spouses are protected persons only for the conduct of your business.

No person or organization is a protected person for the conduct of any current or past partnership or joint venture that is not named on the DECLARATIONS.

Limited Liability Company. If you are a limited liability company, you are a protected person. Your members are protected persons only for the conduct of your business. Your managers are protected persons only for their duties as your managers.

Corporation or Other Organization. If you are a corporation or *other organization*, you are a protected person. Your executive officers and directors are protected persons only for the conduct of their duties as your officers or directors. Your stockholders are protected persons only for their liability as your stockholders.

Employees, Volunteer Workers. Your *employees* are protected persons only for work done within the scope of their employment by you or their performance of duties related to the conduct of your business. Your *volunteer workers* are protected persons only for activities or work they conduct or perform at your direction and within the scope of their duties for you.

No *employee* or *volunteer worker* is a protected person for *bodily injury* or *personal injury* to:

- you;
- your partners or co-venturers if you are a partnership or joint venture;
- your managers if you are a limited liability company;
- your executive officers or directors if you are a corporation or *other organization*;
- any fellow *employees*;
- any fellow *volunteer workers*;
- any of your *employees*;
- the spouse or any child, parent, brother or sister of that *employee* or *volunteer worker* if such injury results from the *bodily injury* or *personal injury* to the fellow *employee* or *volunteer worker*; or
- any person who at the time of injury is entitled to benefits under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

Also, no *employee* or *volunteer worker* is a protected person for *property damage* to property that is *controlled by*:

- you;
- your partners or co-venturers if you are a partnership or joint venture;
- your managers if you are a limited liability company;
- your executive officers or directors if you are a corporation or *other organization*;
- any fellow *employees*;
- any fellow *volunteer workers*; or
- any of your *employees*.

PROTECTED PERSONS

Newly Acquired Organizations. Any organization, other than a partnership or joint venture, which you acquire or form while this agreement is in effect is a protected person, if you own it or have *controlling interest* in it.

No newly acquired or formed organization is a protected person for:

- *bodily injury* or *property damage* that results from an *event* that happened before you acquired or formed it;
- *personal injury* or *advertising injury* that results from an offence committed before you acquired or formed it; or
- injury or damage that is covered under any other liability insurance.

Protection for newly acquired or formed organizations will end at the earliest of:

- the end of the policy period;
- one hundred and eighty (180) days from the date you acquire or form it; or
- the date you ask us to add the newly acquired organization.

Real Estate Managers. Any individuals (other than your *employees*) or organizations acting as your real estate managers are protected persons, but only for their management of premises that you own or you rent, lease or borrow from others.

Operators of Registered Mobile Equipment. All operators of registered *mobile equipment controlled* by you are protected persons, but only for covered *bodily injury* or *property damage* that results from their driving of such equipment on a public street or road with your permission. Any person or organization legally responsible for the driving conduct of the operator is also a protected person for such covered *bodily injury* or *property damage* but only if there is no *other valid and collectible insurance* available to cover their liability for the operators.

No operator or any other person or organization is a protected person for:

- *bodily injury* to a fellow employee of the operator; or
- *damage* to property *controlled* by you or the employer of an operator.

Lessors of Leased Equipment. Any lessor of equipment leased to you is a protected person, but only:

- with respect to *bodily injury* or *property damage* arising out of the maintenance, operation or use by you of the leased equipment; and
- if you are required by contract to provide *bodily injury* or *property damage* liability insurance such as is afforded by this agreement.

No lessor is a protected person for:

- any *event* which takes place after any equipment lease expires or the end of the policy period, whichever first occurs; or
- *bodily injury* or *property damage* arising out of the sole negligence of the lessor.

Landlords. Any *landlord* of a premises rented or leased to you is a protected person, but only with respect to the ownership, maintenance or use of the premises while you rent or lease it.

No *landlord* is a protected person for any injury or damage arising out of any of the following work done by or for the *landlord*:

- Structural changes.
- New construction work.
- Demolition work.

SEPARATION OF INSUREDS AND PROTECTED PERSONS

This agreement applies:

- as if each insured named on the DECLARATIONS were the only insured named; and
- separately to each protected person against whom *claim* is made or *suit* is brought.

Regardless of this separation of insureds and protected persons:

- the limits applying to your selected liability coverage(s) are shared by all insureds and protected persons; and
- any right or duty specifically assigned to the first insured named on the DECLARATIONS as explained in the General Rules remains unchanged.

LIMITS OF COVERAGE AND HOW THEY APPLY

The limits shown on the DECLARATIONS and the information contained in this section fix the most we will pay regardless of the number of:

- protected persons;
- *claims* made or *suits* brought; or
- persons or organizations making *claims* or bringing *suits*.

General Total Limit

Subject to the Each Event Limit and the Medical Expenses Limit, the General Total Limit shown on the DECLARATIONS is the most we will pay for the combined total of:

- all covered *bodily injury* and *property damage* that happens in a *policy year*; and
- all covered medical expenses that result from all *events* that happen in a *policy year*.

This limit does not apply to covered:

- tenants' legal liability;
- *personal injury*;
- *advertising injury*; or
- *bodily injury* or *property damage* that results from *your products* or *your completed work*.

Personal Injury and Advertising Injury Total Limit

Subject to the Personal Injury Each Person or Organization Limit and the Advertising Injury Each Person or Organization Limit, the Personal Injury and Advertising Injury Total Limit shown on the DECLARATIONS is the most we will pay for the combined total of all covered:

- *personal injury* caused by all *personal injury offences* committed in a *policy year*; and
- *advertising injury* caused by all *advertising injury offences* committed in a *policy year*.

Products and Completed Work Total Limit

Subject to the Each Event Limit, the Products and Completed Work Total Limit shown on the DECLARATIONS is the most we will pay for the combined total of all covered *bodily injury* and *property damage* that:

- results from *your products* and *your completed work*; and
- happens in a *policy year*.

Each Event Limit

Subject to the General Total Limit, the Each Event Limit shown on the DECLARATIONS is the most we will pay for all covered *bodily injury* and *property damage* that results from any one *event*. This limit does not apply to covered medical expenses or tenants' legal liability.

Medical Expenses Limit

Subject to the General Total Limit, the Medical Expenses Limit shown on the DECLARATIONS is the most we will pay for all covered medical expenses that are incurred by any one person and result from any one *event*.

Tenants' Legal Liability Limit

The Tenants' Legal Liability Limit shown on the DECLARATIONS is the most we will pay for all covered *property damage* that results from any one *event*.

Personal Injury Each Person or Organization Limit

Subject to the Personal Injury and Advertising Injury Total Limit, the Personal Injury Each Person or Organization Limit shown on the COVERAGE SUMMARY is the most we will pay for all covered *personal injury* that:

- is sustained by any one person or organization; and
- is caused by all *personal injury offences* committed in a *policy year*.

Advertising Injury Each Person or Organization Limit

Subject to the Personal Injury and Advertising Injury Total Limit, the Advertising Injury Each Person or Organization Limit shown on the COVERAGE SUMMARY is the most we will pay for all covered *advertising injury* that:

- is sustained by any one person or organization; and
- is caused by all *advertising injury offences* committed in a *policy year*.

ADDITIONAL PAYMENTS

We will have the duty to make only the additional payments described below in connection with any *claim* or *suit* against a protected person when we:

- investigate or settle the *claim* or *suit*; or
- defend the protected person against the *claim* or *suit*.

These payments are in addition to the limits of coverage.

Our duty to make such additional payments ends when we have used up the limit of coverage that applies with the payment of judgements, settlements or medical expenses.

Our expenses. We will pay all expenses we incur.

Bonds to release property. We will pay the cost of bonds to release property that is being used to secure a legal obligation when the bond amount is within the limit of coverage that applies. We do not have to furnish such bonds.

Expenses incurred by protected persons. We will pay all reasonable expenses that any protected person incurs at our request while helping us investigate or defend a *claim* or *suit*. The most we will pay for such expenses is **\$250** per day for earnings actually lost by the protected person because of time taken off from work.

Taxed costs. We will pay all costs taxed against any protected person in a *suit*.

Interest on Judgements. We will pay the interest that accumulates on the full amount of that part of a judgement for which we make a payment. We will only pay such interest from the date of the judgement to the date we pay, or offer to pay, or deposit in court the limit of coverage that applies to the judgement.

DEDUCTIBLE

You will be responsible for paying the deductible amount shown on the DECLARATIONS in all *claims* made or *suits* brought for covered *bodily injury* or *property damage* that results from any one *event*. We will pay for covered *bodily injury* or *property damage* that exceeds the deductible amount up to the limit of coverage that applies.

We may pay all or part of the deductible amount to settle a *claim* or *suit*. If we do, you agree to repay any deductible amount paid by us as soon as we notify you of the amount of the settlement.

OPTIONAL COVERAGE: EMPLOYERS' LIABILITY AND VOLUNTARY COMPENSATION

You have this optional coverage only if indicated on the DECLARATIONS.

COVERED EMPLOYMENT

This optional coverage applies only to clerical office *employees*.

WHAT WE WILL COVER

We will pay amounts any protected person is legally required to pay as compensatory damages for covered *bodily injury* sustained by your *employee(s)* that:

- results from covered employment in Canada;
- happens while this optional coverage is in effect; and
- is caused by an *event*.

OPTIONAL COVERAGE: EMPLOYERS' LIABILITY AND VOLUNTARY COMPENSATION**WHERE WE WILL COVER**

We will defend *claims* or *suits* or pay judgements or settlements only in Canada and only for covered *bodily injury* caused by *events* that happen in Canada.

We will also defend *claims* or *suits* or pay judgements or settlements in Canada for covered *bodily injury* caused by *events* that happen anywhere in the world if they result from the activities of a covered *employee* whose home is in Canada, but who is away for a short time on your business.

PROTECTED PERSONS

Individual. If you are an individual, you and your spouse are protected persons only for the conduct of a business of which you are the sole owner.

Partnership or joint venture. If you are a partnership or joint venture, you are a protected person. Your partners or co-venturers and their spouses are protected persons only for the conduct of your business.

No person or organization is a protected person for the conduct of any current or past partnership or joint venture that is not named on the DECLARATIONS.

Limited liability company. If you are a limited liability company, you are a protected person. Your members are protected persons only for the conduct of your business. Your managers are protected persons only for their duties as your managers.

Corporation or other organization. If you are a corporation or *other organization*, you are a protected person. Your executive officers and directors are protected persons for the conduct of their duties as your officers or directors. Your stockholders are protected persons for their liability as your stockholders.

Newly acquired organizations. Any organization, other than a partnership or joint venture, which you acquire or form while this agreement is in effect is a protected person, if you own it or have *controlling interest* in it.

No newly acquired or formed organization is a protected person for:

- *bodily injury* that results from an *event* that happened before you acquired or formed it;
- *bodily injury* that results from employment that is not covered employment; or
- *bodily injury* that is covered under any other liability insurance.

Protection for newly acquired or formed organizations will end at the earliest of:

- the end of the policy period;
- one hundred and eighty (180) days from the date you acquire or form it; or
- the date you ask us to add the *employees* of the newly acquired organization.

LIMITS OF COVERAGE AND HOW THEY APPLY

The limits shown on the DECLARATIONS and the information contained in this section fix the most we will pay regardless of the number of:

- protected persons;
- *claims* made or *suits* brought; or
- persons or organizations making *claims* or bringing *suits*.

Each Person Limit

Subject to the Each Event Limit, the Each Person Limit shown on the DECLARATIONS is the most we will pay for all covered *bodily injury* sustained by any one person in any one *event*.

Each Event Limit

Subject to the Each Person Limit, the Each Event Limit shown on the DECLARATIONS is the most we will pay for all covered *bodily injury* sustained by two or more persons in any one *event*.

OPTIONAL COVERAGE: EMPLOYERS' LIABILITY AND VOLUNTARY COMPENSATION

ADDITIONAL EXCLUSIONS – WHAT WE WILL NOT COVER

In addition to the exclusions described in the EXCLUSIONS – WHAT WE WILL NOT COVER section of this agreement, the exclusions described below also applies to this optional coverage.

Employment law violation. We will not cover *bodily injury* to any *employee* who, with the knowledge of any protected person, is employed in violation of the law.

Leased workers. We will not cover *bodily injury* to any *leased worker*.

EXCLUSIONS THAT DO NOT APPLY

The exclusions described below contained in the EXCLUSIONS – WHAT WE WILL NOT COVER section of this agreement do not apply to this optional coverage.

- Employer's Liability
- Vehicles and Equipment
- Watercraft

EXTENSION OF COVERAGE – VOLUNTARY COMPENSATION

We will pay the '**DESCRIBED COMPENSATION**' to or for any covered *employee* who sustains covered *bodily injury* under this optional coverage. We will pay the described compensation even if the protected person is not legally obligated to do so, provided all of the following conditions are met:

1. the covered *employee* or anyone claiming for or on behalf of a covered *employee* agrees to accept such described compensation;
2. no *claim* or *suit* is made or brought against any protected person in respect of such *bodily injury*;
3. the covered *employee* or anyone claiming for or on behalf of a covered *employee* provides a full legal release of liability for such *bodily injury*; and
4. the covered *employee* or anyone claiming for or on behalf of a covered *employee* agrees to transfer all rights of recovery against anyone other than a protected person in respect of such *bodily injury*.

We will not pay the '**DESCRIBED COMPENSATION**':

- to or for any *employee* who, with the knowledge of any protected person, is employed in violation of the law;
- to or for any *employee* who refuses, or is not made available by you or others to be examined as often as we decide, within reason, by doctors we choose;
- to or for any *leased worker*;
- for the death of an *employee* if our request for an autopsy is refused if the request complies with all laws applying to autopsies in the place where the *employee* died; or
- for any loss resulting from hernia.

DESCRIBED COMPENSATION

1. Death

If your *employee* dies as a result of covered *bodily injury* within a period of twenty-six (26) weeks from the date of the *event*, we will pay:

- A. To the dependants of the *employee* who were wholly dependent on the *employee* for their support on or after the date of the *event* and before the time of the *employee's* death, an amount equal to one hundred (100) times the *weekly indemnity amount*. We will consider this amount to be in addition to any amounts payable under the described compensation for Temporary Total Disability.
- B. To anyone responsible for funeral expenses, the actual expenses incurred, but not exceeding **\$500**.

2. Temporary Total Disability

If within a period of fourteen (14) days from the date of the *event*, your *employee* is *totally disabled* as a result of covered *bodily injury*, we will pay the *weekly indemnity amount* for the period that your *employee* is *totally disabled*, but not exceeding a period of twenty-six (26) weeks. If your *employee* is *totally disabled* as a result of covered *bodily injury* for a period of less than six (6) weeks, we will pay such *weekly indemnity amount* only after a period of seven (7) days from the date of the *event*.

OPTIONAL COVERAGE: EMPLOYERS' LIABILITY AND VOLUNTARY COMPENSATION

DESCRIBED COMPENSATION (continued)

3. Permanent Total Disability

If within a period of twenty-six (26) weeks from the date of the *event*, your *employee* is declared by furnished satisfactory medical evidence to be permanently *totally disabled* as a result of covered *bodily injury*, we will pay the *weekly indemnity amount* after a period of twenty-six (26) weeks for a further period not exceeding one hundred (100) weeks.

4. Dismemberment

If within a period of twenty-six (26) weeks from the date of the *event*, covered *bodily injury* to your *employee* results in any one or more of the incapacities listed below in the 'SCHEDULE OF INCAPACITIES', we will pay the *weekly indemnity amount* for the number of weeks indicated. We will consider this amount to be in addition to any amounts payable under the described compensation for Temporary Total Disability, but not in addition to any amounts payable under the described compensation for Death or Permanent Total Disability.

SCHEDULE OF INCAPACITIES

Loss of or Total Irrecoverable Loss of Use of:	No. Weeks
Arm – at or above elbow	100
Arm – below elbow	80
Hand – at wrist	80
Thumb – at or above the second phalangeal joint	25 (see Note 1.)
Thumb – below the second phalangeal joint, involving a portion of the second phalange	18 (see Note 1.)
Index Finger – at or above the second phalangeal joint	25 (see Note 1.)
Index Finger – at or above the third phalangeal joint	18 (see Note 1.)
Index Finger – below the third phalangeal joint, involving a portion of the third phalange	12 (see Note 1.)
Finger (other than index finger) – at or above the second phalangeal joint	15 (see Note 1.)
Finger (other than index finger) – at or above the third phalangeal joint	8 (see Note 1.)
Finger (other than index finger) – below the third phalangeal joint, involving a portion of the third	5 (see Note 1.)
Leg – at or above knee	100
Leg – below knee	75
Foot – at ankle	75
Great Toe – at or above the second phalangeal joint	15 (see Note 2.)
Great Toe – below the second phalangeal joint, involving a portion of the second phalange	8 (see Note 2.)
Toe (other than great toe) – at or above the second phalangeal joint	10 (see Note 2.)
Toe (other than great toe) – at or above the third phalangeal joint	5 (see Note 2.)
Toe (other than great toe) – below the third phalangeal joint, involving a portion of the third phalange	3 (see Note 2.)
One Eye	50
Both Eyes	100
Hearing of One Ear	25
Hearing of Both Ears	100

Note:

1. For a combination of two (2) or more thumb or finger dismemberments, the total number of weeks during which a weekly indemnity amount is payable will not exceed eighty (80).
2. For a combination of two (2) or more toe dismemberments, the total number of weeks during which a weekly indemnity amount is payable will not exceed thirty-five (35).

5. Medical Expenses

In addition to all other described compensation, if covered *bodily injury* to your *employee* results in necessary medical or surgical treatment or confinement to a hospital, we will pay the following described expenses actually incurred, subject to the maximum period stated from the date of the *event*.

- **For a maximum of twenty-six (26) weeks:** expenses incurred for necessary medical, surgical, dental, pharmaceutical and hospital services. We will pay such expenses in accordance with the scale of charges set out in the applicable Worker's Compensation Act. We will not pay any such expenses that are already covered under any Hospital Insurance Act.
- **For a maximum of fifty-two (52) weeks:** expenses incurred for the supply and reasonable renewal of necessary prosthetic or orthopedic appliances.

EXCLUSIONS – WHAT WE WILL NOT COVER

Aircraft, Airport, Aircraft Landing Area

We will not cover *bodily injury* or *property damage* or medical expenses resulting from the ownership, maintenance, use, operation, *loading or unloading*, or the *entrustment to others*, by or on behalf of any protected person of:

- any aircraft; or
- any air cushion vehicle.

Nor will we cover *bodily injury* or *property damage* or medical expenses resulting from the ownership, maintenance, use or operation by or on behalf of any protected person of any airport or aircraft landing area.

Asbestos Injury or Damage

We will not cover any injury or damage or medical expenses resulting from the existence of, or any actual, alleged or threatened absorption, ingestion or inhalation of, asbestos in any form.

This exclusion applies:

- to damages for which the protected person may be held liable in any capacity; and
- to any obligation of the protected person to share damages with or repay someone else who must pay damages.

Asbestos Work Loss, Cost or Expense

We will not cover any loss, cost or expense that results from any:

- supervision, instructions, recommendations, warnings or advice given or that should have been given in connection with *asbestos work*;
- request, demand or order that any protected person or others perform *asbestos work*; or
- *claim or suit* by or for any governmental authority for damages that result from the performance of *asbestos work*.

Breach of Contract

We will not cover *personal injury* or *advertising injury* that results from the failure of any protected person to do what is required by a contract or agreement.

Computer Virus

We will not cover any loss, cost or expense that results from *computer virus*, however caused or introduced.

Contract Liability

We will not cover any injury or damage for which the protected person has assumed liability under any contract or agreement.

EXCEPTIONS TO EXCLUSIONS

Aircraft, Airport, Aircraft Landing Area

No exceptions apply.

Asbestos Injury or Damage

No exceptions apply.

Asbestos Work Loss, Cost or Expense

No exceptions apply.

Breach of Contract

This exclusion does not apply to *advertising injury* that results from the unauthorized use of an *advertising* idea if such use is not specifically prohibited by the contract or agreement.

Computer Virus

No exceptions apply.

Contract Liability

This exclusion does not apply to liability for compensatory damages:

- assumed in a contract or agreement that is a *covered contract*; or
- that the protected person would have in the absence of the contract or agreement.

EXCLUSIONS – WHAT WE WILL NOT COVER	EXCEPTIONS TO EXCLUSIONS
<p>Damage to Your Completed Work We will not cover <i>property damage</i> to <i>your completed work</i> that is caused by the work itself or by any of its parts.</p>	<p>Damage to Your Completed Work This exclusion does not apply if:</p> <ul style="list-style-type: none"> ▪ the completed work is covered by this agreement; and ▪ the damaged completed work or the completed work that causes the <i>property damage</i> was done for you by others.
<p>Damage to Your Products We will not cover <i>property damage</i> to any of <i>your products</i> that is caused by the product itself or by any of its parts.</p>	<p>Damage to Your Products No exceptions apply.</p>
<p>Data Destruction, Interpretation or Use We will not cover <i>property damage</i> that results from:</p> <ul style="list-style-type: none"> ▪ the erasure, destruction or corruption of <i>data</i>; ▪ the misappropriation or misinterpretation of <i>data</i>; ▪ any error in creating, amending, entering, deleting, interpreting or using <i>data</i>; or ▪ the inability to receive, transmit or use <i>data</i>. 	<p>Data Destruction, Interpretation or Use No exceptions apply.</p>
<p>Deliberately Breaking the Law We will not cover <i>personal injury</i> or <i>advertising injury</i> that results from:</p> <ul style="list-style-type: none"> ▪ any protected person knowingly breaking any criminal law; or ▪ any person or organization breaking any criminal law with the consent or knowledge of any protected person. 	<p>Deliberately Breaking the Law No exceptions apply.</p>
<p>Employer’s Liability We will not cover <i>bodily injury</i> to an <i>employee</i> arising out of and in the course of his or her:</p> <ul style="list-style-type: none"> ▪ employment by a protected person; or ▪ the performance of duties related to the conduct of the protected person’s business. <p>Nor will we cover <i>bodily injury</i> to the spouse, child, parent, brother or sister of that <i>employee</i> that results from <i>bodily injury</i> to the <i>employee</i>.</p> <p>This exclusion applies:</p> <ul style="list-style-type: none"> ▪ whether the protected person may be held liable as an employer or in any other capacity; and ▪ to any obligation of the protected person to share damages with or repay someone else who must pay damages because of the injury. 	<p>Employer’s Liability This exclusion does not apply:</p> <ul style="list-style-type: none"> ▪ to liability assumed by a protected person in a contract or agreement that is a <i>covered contract</i>; or ▪ to any <i>employee</i> on whose behalf a protected person has paid – or should have paid – assessments (premiums) to any Canadian Workers’ Compensation authority.

EXCLUSIONS – WHAT WE WILL NOT COVER	EXCEPTIONS TO EXCLUSIONS
<p>Employment-Related Practices We will not cover any injury that results from any <i>employment-related practices</i>.</p> <p>Nor will we cover injury to the spouse or any child, parent, brother or sister of any person sustaining injury that results from any <i>employment-related practices</i>.</p> <p>This exclusion applies:</p> <ul style="list-style-type: none"> ▪ whether the protected person may be held liable as an employer or in any other capacity; and ▪ to any obligation of the protected person to share damages with or repay someone else who must pay damages because of the injury. 	<p>Employment-Related Practices No exceptions apply.</p>
<p>False Material We will not cover <i>personal injury</i> or <i>advertising injury</i> that results from false material which:</p> <ul style="list-style-type: none"> ▪ was made known by or for a protected person; and ▪ the protected person knew was false when it was made known. 	<p>False Material No exceptions apply.</p>
<p>Impaired Property We will not cover <i>property damage</i> to <i>impaired property</i> or to property that is not physically damaged resulting from:</p> <ul style="list-style-type: none"> ▪ a defect, deficiency, inadequacy or dangerous condition in <i>your products</i> or <i>your completed work</i>; or ▪ a delay or failure by you or anyone acting on your behalf to fulfill the terms of a contract or agreement. 	<p>Impaired Property This exclusion does not apply to the loss of use of other property that results from sudden and accidental physical damage to <i>your products</i> or <i>your completed work</i> after it has been put to its intended use.</p>
<p>Infringement or Violation of Rights or Laws We will not cover any loss, cost or expense that results from any actual or alleged infringement or violation of any patent, trade secret or intellectual property rights or laws.</p>	<p>Infringement or Violation of Rights or Laws No exceptions apply.</p>
<p>Intended or Expected Injury or Damage We will not cover <i>bodily injury</i> or <i>property damage</i> that is intended or expected from the standpoint of the protected person. Nor will we cover medical expenses that result from <i>bodily injury</i>.</p>	<p>Intended or Expected Injury or Damage This exclusion does not apply to <i>bodily injury</i> that results from the use of reasonable force to protect people or property.</p>
<p>Material Previously Made Known We will not cover <i>personal injury</i> or <i>advertising injury</i> that results from material that was first made known before this agreement went into effect.</p>	<p>Material Previously Made Known No exceptions apply.</p>

EXCLUSIONS – WHAT WE WILL NOT COVER

Medical Expenses

We will not cover medical expenses if:

- the payment of such expenses is prohibited by law; or
- the injured person is entitled to benefits under any worker’s compensation or disability benefits law or a similar law.

Nor will we cover medical expenses that are incurred by or for any person:

- injured while qualifying as a protected person;
- injured while performing duties for any protected person or any tenant of a protected person;
- injured on that part of any premises you own, rent or lease that the injured person normally occupies;
- injured while taking part in any athletic or sports clinic, instruction, practice, lesson, contest or exhibition;
- injured by *your products* or *your completed work*;
- injured while being detained, held or imprisoned in any correctional facility, jail, penal institution, penitentiary, prison or similar facility;
- injured while receiving care or services or residing in any *health care facility, residential care facility or shelter facility*; or
- who refuses to be examined as often as we require, within reason, by doctors we choose.

Mould, Other Fungi or Bacteria Injury or Damage

We will not cover any injury or damage or medical expenses resulting from the actual, alleged or threatened absorption, ingestion or inhalation of *mould, other fungi or bacteria*, however caused.

Nor will we cover any injury or damage or medical expenses resulting from the existence, presence, spread, reproduction, discharge or growth of *mould, other fungi or bacteria*, however caused.

This exclusion applies:

- to damages for which the protected person may be held liable in any capacity; and
- to any obligation of the protected person to share damages with or repay someone else who must pay damages.

EXCEPTIONS TO EXCLUSIONS

Medical Expenses

No exceptions apply.

Mould, Other Fungi or Bacteria Injury or Damage

This exclusion does not apply to *bodily injury* or *property damage* that results from *mould, other fungi or bacteria* which is on, in or part of any of *your products* that are intended to be consumed as a food, beverage or medicine.

EXCLUSIONS – WHAT WE WILL NOT COVER	EXCEPTIONS TO EXCLUSIONS
<p>Mould, Other Fungi or Bacteria Work Loss, Cost or Expense We will not cover any loss, cost or expense that results from any:</p> <ul style="list-style-type: none"> ▪ supervision, instructions, recommendations, warnings or advice given or that should have been given in connection with <i>mould, other fungi or bacteria work</i>; ▪ request, demand or order that any protected person or others perform <i>mould, other fungi or bacteria work</i>; or ▪ <i>claim or suit</i> by or for any governmental authority for damages that result from the performance of <i>mould, other fungi or bacteria work</i>. 	<p>Mould, Other Fungi or Bacteria Work Loss, Cost or Expense No exceptions apply.</p>
<p>Nuclear Energy Liability We will not cover liability imposed by or resulting from any nuclear liability act, law or statute or any amendments to such act, law or statute.</p> <p>Nor will we cover <i>bodily injury</i> or <i>property damage</i> for which any protected person:</p> <ul style="list-style-type: none"> ▪ is also protected under a nuclear energy liability insurance policy (whether the protected person is unnamed in such policy and whether or not it is legally enforceable by the protected person) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers; or ▪ would have been protected under any such policy but for its termination upon exhaustion of its limit of liability. <p>In addition, we will not cover any injury or damage or medical expenses resulting directly or indirectly from the <i>nuclear energy hazard</i> arising out of:</p> <ul style="list-style-type: none"> ▪ the ownership, maintenance, operation or use of a <i>nuclear facility</i> by or on behalf of any protected person; ▪ the furnishing by any protected person of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any <i>nuclear facility</i>; or ▪ the possession, consumption, use, handling, disposal or transportation of <i>fissionable substances</i> or of other <i>radioactive material</i> used, distributed, handled or sold by any protected person. 	<p>Nuclear Energy Liability We will cover <i>bodily injury</i> or <i>property damage</i> or medical expenses resulting from the <i>nuclear energy hazard</i> arising out of the possession, consumption, use, handling, disposal or transportation of radioactive isotopes away from a <i>nuclear facility</i> which have reached the final stage of fabrication so as to be useable for any scientific, medical, agricultural, commercial or industrial purpose.</p>

EXCLUSIONS – WHAT WE WILL NOT COVER	EXCEPTIONS TO EXCLUSIONS
<p>Pollution Injury or Damage We will not cover any injury or damage or medical expenses resulting from the existence of, or any actual, alleged or threatened discharge, dispersal, escape, migration, release or seepage of, any <i>pollutant</i>.</p> <p>This exclusion applies:</p> <ul style="list-style-type: none"> ▪ to damages for which the protected person may be held liable in any capacity; and ▪ to any obligation of the protected person to share damages with or repay someone else who must pay damages. 	<p>Pollution Injury or Damage This exclusion does not apply to <i>bodily injury, property damage</i> or medical expenses that:</p> <ul style="list-style-type: none"> ▪ is caused by heat, smoke or fumes from, or fire extinguishing substances used to fight, a <i>hostile fire</i> at, on, in or from <i>your premises</i> that is not a <i>waste site</i>, but only if the <i>hostile fire</i> does not result from <i>pollution work</i> being performed by or for any protected person; or ▪ results from fumes, smoke, soot or vapours from equipment located within, and used to heat, a building at or on <i>your premises</i> that is not a <i>waste site</i>; or ▪ results from <i>your products</i> or <i>your completed work</i> that are not and were not at any time: <ul style="list-style-type: none"> - transported, handled, stored, treated, disposed of, or processed as waste by or for any protected person or any person or organization to whom any protected person may be legally responsible; or - being used for cleaning up, containing, detoxifying, disposing of, handling, monitoring, neutralizing, processing, removing, storing, testing for, transporting or treating any <i>pollutant</i> at, on, in or from a <i>waste site</i>; or ▪ results from the escape of <i>operating fluid</i> from <i>mobile equipment</i> when: <ul style="list-style-type: none"> - the <i>mobile equipment</i> is being maintained, operated or used in connection with <i>your work</i> that is not <i>pollution work</i>; and - the <i>operating fluid</i> escapes from a <i>mobile equipment</i> part designed to hold, store or receive it.
<p>Pollution Work Loss, Cost or Expense We will not cover any loss, cost or expense that results from any:</p> <ul style="list-style-type: none"> ▪ supervision, instructions, recommendations, warnings or advice given or that should have been given in connection with <i>pollution work</i>; ▪ request, demand or order that any protected person or others perform <i>pollution work</i>; or ▪ <i>claim</i> or <i>suit</i> by or for any governmental authority for damages that result from the performance of <i>pollution work</i>. 	<p>Pollution Work Loss, Cost or Expense No exceptions apply.</p>
<p>Poor Quality or Performance We will not cover <i>advertising injury</i> that results from the failure of <i>your products</i> or <i>your completed work</i> to conform with advertised quality or performance.</p>	<p>Poor Quality or Performance No exceptions apply.</p>

EXCLUSIONS – WHAT WE WILL NOT COVER	EXCEPTIONS TO EXCLUSIONS
<p>Product Recall We will not cover any loss, cost or expense incurred by you or others that results from the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:</p> <ul style="list-style-type: none"> ▪ <i>impaired property;</i> ▪ <i>your products;</i> or ▪ <i>your completed work;</i> <p>if such property, products or completed work is withdrawn or recalled from the market or from use by any person or organization for any reason.</p>	<p>Product Recall No exceptions apply.</p>
<p>Professional Liability We will not cover any injury or damage or medical expenses resulting from the rendering of or the failure to render professional services, or any error or omission, malpractice or mistake of a professional nature committed by or on behalf of any protected person.</p>	<p>Professional Liability This exclusion does not apply to <i>bodily injury</i> that results from <i>incidental medical malpractice</i>.</p>
<p>Property in Your Care, Custody or Control We will not cover <i>property damage</i> to:</p> <ul style="list-style-type: none"> ▪ property loaned to you; ▪ personal property in your care, custody or control; or ▪ that particular part of real property being worked on by or for you if such <i>property damage</i> results from <i>your work</i>. 	<p>Property in Your Care, Custody or Control This exclusion does not apply to liability assumed under a sidetrack agreement.</p>
<p>Property Restored, Repaired or Replaced We will not cover <i>property damage</i> to that particular part of any property that must be restored, repaired or replaced because <i>your work</i> was incorrectly performed on it.</p>	<p>Property Restored, Repaired or Replaced This exclusion does not apply to:</p> <ul style="list-style-type: none"> ▪ liability assumed under a sidetrack agreement; or ▪ <i>your completed work</i>.
<p>Property You Own, Rent or Occupy We will not cover <i>property damage</i> to property you own, rent or occupy.</p>	<p>Property You Own, Rent or Occupy This exclusion does not apply to covered tenants' legal liability.</p>
<p>Property You Sell, Give Away or Abandon We will not cover <i>property damage</i> to premises you sell, give away or abandon, if the <i>property damage</i> arises out of any part of those premises.</p>	<p>Property You Sell, Give Away or Abandon This exclusion does not apply if the premises are <i>your completed work</i> and were never occupied, rented or held for rental by you.</p>
<p>Terrorism We will not cover any injury or damage or medical expenses arising directly or indirectly, in whole or in part, out of <i>terrorism</i>.</p> <p>Nor will we cover any injury or damage or medical expenses arising directly or indirectly, in whole or in part, out of any activity or decision of a government agency or other entity to prevent, respond to or terminate <i>terrorism</i>.</p> <p>This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the injury or damage.</p>	<p>Terrorism No exceptions apply.</p>

EXCLUSIONS – WHAT WE WILL NOT COVER	EXCEPTIONS TO EXCLUSIONS
<p>Vehicles and Equipment We will not cover <i>bodily injury</i> or <i>property damage</i> or medical expenses resulting from the ownership, use or operation by or on behalf of any protected person of:</p> <ul style="list-style-type: none"> ▪ any self-propelled land motor vehicle, trailer or semi-trailer (including any machinery, apparatus or equipment mounted on or attached to any such vehicle) which is principally designed and is being used for transportation of persons or property on public roads; ▪ any motorized snow vehicle or its trailers; ▪ any vehicle while being used in any demolition or speed contest or in any stunting activity or in practice or preparation for such contest or activity; ▪ 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. <p>Nor will we cover liability for <i>bodily injury</i> or <i>property damage</i> that is insured under any motor vehicle liability policy:</p> <ul style="list-style-type: none"> ▪ in effect; ▪ which would be in effect if its limits had not been used up; or ▪ which is required by law to be in effect. 	<p>Vehicles and Equipment 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.</p> <p>Nor does this exclusion apply to <i>bodily injury</i> to an <i>employee</i> on whose behalf a protected person has paid - or should have paid - assessments (premiums) to any Canadian Workers' Compensation authority.</p>
<p>War We will not cover any injury or damage or medical expenses arising directly or indirectly, in whole or in part, out of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power.</p>	<p>War No exceptions apply.</p>
<p>Watercraft We will not cover <i>bodily injury</i> or <i>property damage</i> or medical expenses resulting from the ownership, maintenance, use, operation, <i>loading or unloading</i> or the <i>entrustment to others</i>, by or on behalf of any protected person of any watercraft.</p>	<p>Watercraft This exclusion does not apply to:</p> <ul style="list-style-type: none"> ▪ watercraft while ashore on premises you own, rent or lease; or ▪ watercraft you do not own that is less than twelve (12) metres long and is not being used to carry persons or property for a charge. <p>Nor does this exclusion apply to <i>bodily injury</i> to an <i>employee</i> on whose behalf a protected person has paid – or should have paid – assessments (premiums) to any Canadian Workers' Compensation authority.</p>
<p>Worker's Compensation We will not cover any obligation that a protected person has under any workers' compensation, disability benefits or unemployment compensation law or any similar law.</p>	<p>Worker's Compensation No exceptions apply.</p>
<p>Wrong Price Description We will not cover <i>advertising injury</i> that results from the wrong description of the price of <i>your work, your products or your completed work</i>.</p>	<p>Wrong Price Description No exceptions apply.</p>

OTHER INSURANCE

This agreement is primary insurance. If there is any *other valid and collectible insurance* covering injury or damage that is also covered by this agreement, the following applies in connection with that other insurance:

Insurance covering aircraft, watercraft or vehicles. We will apply this agreement as excess insurance over the part or parts of any other insurance that provides *bodily injury* or *property damage* coverage on aircraft, watercraft or vehicles.

We explain how we will apply this agreement as excess insurance in this section.

Property insurance. We will apply this agreement as excess insurance over the part or parts of any other insurance that provides property or similar coverage for *property damage* to *your work* or to premises you rent, lease or borrow from others.

We explain how we will apply this agreement as excess insurance in this section.

Wrap-up insurance program. We will apply this agreement as excess insurance for the conduct of your business in a construction project that is subject to a *wrap-up insurance program* in which you are or were a participant.

We explain how we will apply this agreement as excess insurance in this section.

Other primary insurance. When there is other primary insurance, we will use one of the methods described below to share with such other insurance:

- *Contribution by equal shares.* If all of the other insurance permits contribution by equal shares, we will also follow this method. Under this method, each insurer contributes equal amounts until it has paid its applicable limits of coverage or none of the loss remains, whichever first occurs.
- *Contribution by limits.* 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 coverage to the total applicable limits of coverage provided by all insurers.

Excess insurance. When this agreement is excess insurance, we will not have a duty to defend any *claim* or *suit* that any other insurer has a duty to defend. Also, we will pay only the amount of covered injury or damage that is in excess of:

- the total amount that all such other insurance would pay if this agreement did not exist; and
- the total of all deductible and self-insured amounts under all such other insurance.

We will not pay more than the limits of coverage that apply to this agreement.

DEFINITIONS**Advertising**

Advertising means attracting the attention of others by any means for the purpose of seeking customers or increasing sales or business. We will not consider information used to identify or record customers or supporters such as a list of customers or supporters to be advertising.

Advertising Injury

Advertising injury means injury, other than *bodily injury* or *personal injury*, which is caused by an *advertising injury offence*.

Advertising Injury Offence

Advertising injury offence means only the following offences:

- Libel or slander in or with *covered advertising material*.
- Making known to any individual or organization *covered advertising material* that disparages the goods, products or services of others.
- Making known to any individual or organization *covered advertising material* that violates a person's right of privacy.
- Unauthorized use of any *advertising* idea, material, slogan, style, or title of others in your *covered advertising material*.

Architect, Engineer or Surveyor Indemnity

Architect, engineer or surveyor indemnity means that part of any contract or agreement which indemnifies any architect, engineer or surveyor for *bodily injury* or *property damage* that results from:

- the preparation or approval of or failure to prepare or approve, any drawing and specification, map, opinion, report or survey, or any change order, field order, or shop drawing; or
- the giving of or failure to give any direction or instruction if that giving or failure is the primary cause of the *bodily injury* or *property damage*.

Architect, Engineer or Surveyor Professional Services by Protected Person Indemnity

Architect, engineer or surveyor professional services by protected person indemnity means that part of any contract or agreement which indemnifies any individual or organization for any injury or damage that results from the performance of or failure to perform architect, engineer or surveyor professional services by the protected person who is an architect, engineer or surveyor.

Asbestos Work

Asbestos work means:

- the testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing of asbestos; or
- the responding to or assessing in any way the effects of asbestos.

Bodily Injury

Bodily injury means any physical harm, including sickness or disease to the physical health of other persons.

Bodily injury includes any of the following that results at any time from such physical harm, sickness or disease:

- Mental anguish, injury, or illness.
- Emotional distress.
- Care, loss of services, or death.

Broadcasting

Broadcasting means transmitting any audio or visual material by any means if that material is part of any radio or television programming, other entertainment, music or news programming, or any *advertising* transmitted with that programming.

DEFINITIONS

Claim

Claim means a demand in which compensatory damages are alleged.

Computer Virus

Computer virus means a piece of computer code that is written with the intention of destroying, altering, contaminating, infecting or otherwise impairing the use, operation, performance or reliability of any computer or telecommunications system, network, software or electronic data.

Controlled By

Controlled by means:

- owned, rented, leased, occupied, borrowed, or used by;
- in the care, custody or control of; or
- being physically controlled for any purpose by.

Controlling Interest

Controlling interest means you own more than 50% of the outstanding voting securities representing the present right to vote for the election of directors of the organization.

Coverage Territory

Coverage territory means Canada, the United States, its territories and possessions, and Puerto Rico.

Coverage territory includes international waters or airspace only during travel or transportation between any of the places in the coverage territory.

Covered Advertising Material

Covered advertising material means any form of written, printed, spoken, audio or visual material made known to others by you or on your behalf in the *advertising of your goods, products or services* using any medium, but not including:

- any *advertising*, borders or frames for or of others, or links for or to others, that are on or in your website.

Covered Contract

Covered contract means any:

- lease of premises;
- sidetrack agreement;
- elevator maintenance agreement;
- easement agreement, including any license agreement in connection with vehicle or pedestrian private railroad grade crossings; or
- promise to reimburse a municipality that is required by ordinance and is not connected with *your work* for that municipality.

Covered contract also includes that part of any other contract or agreement under which you assume the *tort liability* of another to pay compensatory damages for covered *bodily injury* or *property damage* to others if such contract or agreement:

- is related to *your premises, your work, your products or your completed work*; and
- is made before the *bodily injury* or *property damage* happens.

We will not consider the following parts of any contract or agreement under which you assume the *tort liability* of others to pay damages to be a covered contract:

- *Architect, engineer or surveyor indemnity.*
- *Architect, engineer or surveyor professional services by protected person indemnity.*

DEFINITIONS**Covered Material**

Covered material means any form of written, printed, spoken, audio or visual material made known to others by you or on your behalf, using any medium, but not including:

- any website, part of a website or content of a website that is designed, built, maintained or determined for others by or for any protected person;
- any material made known in an electronic chatroom or bulletin board over which any protected person exercises control or that any protected person hosts or owns; or
- any material made known in connection with any *advertising, broadcasting or publishing* done by or for you.

Data

Data means representations of information or concepts in any form.

Employee

Employee means any individual:

- who is performing duties for you;
- whom you compensate directly by salary, wages or commissions; and
- whom you have the right to direct and control while performing duties for you.

Unless otherwise specified, employee includes *leased workers*.

Employee does not include:

- you;
- your partners or co-venturers if you are a partnership or joint venture;
- your managers if you are a limited liability company; or
- your executive officers or directors if you are a corporation or *other organization*.

Employee Leasing Firm

Employee leasing firm means any organization that hires out workers to others. It includes any:

- employment agency, contractor, or service;
- labour leasing firm; or
- temporary help service.

Employment-Related Practices

Employment-related practices means any:

- wrongful refusal to employ, failure to promote, wrongful evaluation, demotion, reassignment or termination;
- sexual harassment, hostile or abusive work environment or discriminatory harassment;
- violation of right of privacy;
- violation of federal, provincial or local laws prohibiting employment discrimination; or
- other employment-related act, error or omission, including libel, slander, defamation, failure to supervise, misrepresentation, coercion and wrongful discipline.

Entrustment to Others

Entrustment to others means:

- the permitting of others to use or do something; or
- the giving of something to others for safekeeping.

Event

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

Fissionable Substance

Fissionable substance means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.

DEFINITIONS

Health Care Facility

Health care facility means any:

- alcohol or drug treatment facility;
- convalescent or nursing home;
- hospital;
- mental-psychopathic facility;
- outpatient clinic, dispensary or infirmary; or
- similar facility.

Health Care Professional Services

Health care professional services means:

- any dental, medical, mental, nursing, surgical, x-ray or other health care professional service, including any advice, instruction, food or beverage provided with such service;
- the dispensing of drugs or medical or dental supplies and appliances; or
- the handling or treatment of corpses, including autopsies, organ donation and other postmortem procedures.

Hostile Fire

Hostile fire means a fire that becomes uncontrollable or breaks out from where it was intended to be.

Impaired Property

Impaired property means tangible property, other than *your products* or *your completed work*, that can be restored to use by nothing more than:

- an adjustment, repair, replacement or removal of *your products* or *your completed work* which forms a part of it; or
- your fulfilling the terms of a contract or agreement.

Incidental Medical Malpractice

Incidental medical malpractice means the rendering of or the failure to render necessary first aid on premises you own, operate or occupy by any protected person who is not in the business or occupation of providing *health care professional services*.

Landlord

Landlord means the owner, lessor or manager of a premises you rent or occupy.

Leased Worker

Leased worker means any individual:

- who is hired from an *employee leasing firm* under a contract or agreement between you and that firm;
- who is compensated directly by the *employee leasing firm*; and
- whom you have the right to direct and control while performing duties for you.

Loading or Unloading

Loading or unloading means the handling of property:

- while it is being moved from the place where it is accepted for transportation;
- while it is being loaded, transported and unloaded; and
- until it is moved to a place where it is finally delivered.

Mobile Equipment

Mobile equipment means any land vehicle that is:

- designed for use primarily off public streets or roads; or
- kept for use only on or next to premises *controlled by you*.

DEFINITIONS**Mould, Other Fungi or Bacteria**

Mould, other fungi or bacteria means:

- any type or form of mould, other fungus or bacterium; or
- any mycotoxin, spore, scent or by-product that is produced or released by such mould, other fungus or bacterium.

Mould, Other Fungi or Bacteria Work

Mould, other fungi or bacteria work means:

- the testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing of *mould, other fungi or bacteria*; or
- the responding to or assessing in any way, the effects of *mould, other fungi or bacteria*.

Nuclear Energy Hazard

Nuclear energy hazard means the radioactive, toxic, explosive or other hazardous properties of *radioactive material*.

Nuclear Facility

Nuclear facility means:

- 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;
- any equipment or device designed or used for separating the isotopes of plutonium, thorium and uranium, or any one or more of them;
- any equipment or device designed or used for processing or packaging waste;
- 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 a protected person at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233, or more than 25 grams of plutonium or uranium 233 combined, or more than 250 grams of uranium 235;
- any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste *radioactive material*; or

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

Operating Fluid

Operating fluid means only a fuel, lubricant or other *operating fluid* that:

- is needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of *mobile equipment* or any of its parts;
- is not intended to be discharged, dispersed or released as part of the operation of *mobile equipment* or any of its parts; and
- is not intended to be discharged, dispersed or released as part of the work being performed by or for the protected person.

Other Organization

Other organization means an organization other than a corporation, partnership, joint venture or limited liability company.

Other Valid and Collectible Insurance

Other valid and collectible insurance means insurance policies or contracts or alternative risk transfer or financing methods, such as risk retention groups or self-insurance programs.

Personal Injury

Personal injury means injury, other than *bodily injury* or *advertising injury*, that is caused by a *personal injury offence*.

DEFINITIONS

Personal Injury Offence

Personal injury offence means only the following offences:

- False arrest, detention, or imprisonment.
- Malicious prosecution.
- Wrongful entry into or wrongful eviction from a room, dwelling or premises that a person occupies.
- Invasion of the right of private occupancy of a room, dwelling or premises that a person occupies.
- Libel or slander in or with *covered material*.
- Making known to any individual or organization *covered material* that disparages the goods, products or services of others.
- Making known to any individual or organization *covered material* that violates a person's right of privacy.

Policy Year

Policy year means the policy period shown on the DECLARATIONS when the policy period is one year or less. When the policy period is longer than one year, it means each consecutive annual period and the remaining period if any, that the policy is in effect, starting with the date the policy begins as shown on the DECLARATIONS.

If the original policy period shown on the DECLARATIONS is extended for less than twelve (12) months, each extended period will be considered to be part of the last policy year.

Pollutant

Pollutant means any solid, liquid, gaseous or thermal irritant or contaminant, including:

- smoke, vapours, soot, fumes;
- acids, alkalis, chemicals; and
- waste.

Waste includes materials to be recycled, reconditioned or reclaimed.

Pollution Work

Pollution work means:

- the testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing of any *pollutant*, or
- the responding to or assessing in any way, the effects of any *pollutant*.

Property Damage

Property damage means:

- Physical damage to tangible property of others, including all resulting loss of use of that property. All such loss of use will be considered to have happened at the time of the physical damage that caused it; or
- Loss of use of tangible property of others that is not physically damaged. All such loss of use will be considered to have happened at the time of the *event* that caused it.

Publishing

Publishing means creating and producing any material in an electronic or printed format for distribution or sale to others for any purpose. We will not consider creating and producing any of the following material in an electronic or printed format to be publishing:

- Correspondence written in the conduct of your business.
- Material that describes or reports your business activities, including bulletins, financial or annual reports and newsletters.

Radioactive Material

Radioactive material means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substance which may be designated by any nuclear liability act, law or statute, or any amendments to such act, law or statute, as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy.

DEFINITIONS**Residential Care Facility**

Residential care facility means any:

- home for the elderly, orphaned or physically handicapped; or
- similar facility.

Shelter Facility

Shelter facility means any:

- halfway or settlement house;
- mission;
- shelter; or
- similar facility.

Suit

Suit means an action or civil proceeding in which compensatory damages are alleged. It includes:

- an arbitration proceeding for such damages to which the protected person must submit or submits with our consent; and
- any other alternative dispute resolution proceeding for such damages to which the protected person submits with our consent.

Terrorism

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

Tort Liability

Tort liability means a liability that would be imposed by law without any contract or agreement.

Totally Disabled

Totally disabled means a disability that totally and continuously disables the *employee* and prevents the *employee* from performing any and every duty related to any occupation or employment.

Volunteer Worker

Volunteer worker means any individual:

- who is performing duties for you voluntarily;
- whom you do not compensate directly by salary, wages or commissions; and
- whom you have the right to direct and control while performing duties for you.

Waste Site

Waste site means any premises, site or location which is or was at any time used by or for any protected person or others for the handling, storage, disposal, processing or treatment of waste.

Weekly Indemnity Amount

Weekly indemnity amount means two-thirds of the injured employee's weekly gross wage, but not exceeding **\$500.** per week.

Wrap-Up Insurance Program

Wrap-up insurance program means an insurance program that:

- is limited to a specific construction project;
- requires that some or all of the individuals or organizations working on the project participate in the program; and
- is purchased by you or for you.

DEFINITIONS**Your Completed Work**

Your completed work means *your work* that is completed at the earliest of the following times, including work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete:

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

Your completed work does not include:

- work that has not yet been completed or abandoned; or
- uninstalled equipment, abandoned or unused materials, or tools.

Your Premises

Your premises means any premises, site or location which is owned, rented, leased, borrowed, used or occupied by you for the purpose of conducting *your work*.

Your Products

Your products means goods or products that:

- you;
- others using your name; or
- others whose business or assets you have acquired;

have manufactured, sold, handled, distributed or disposed of, including containers, materials, parts or equipment provided in connection with *your products*. It includes warranties or statements made about the fitness, quality, durability or performance of *your products*.

Your products does not include:

- goods or products that are still in your physical possession;
- real property;
- containers that are vehicles;
- property rented or leased to others; or
- property you have not sold, but which you allow others to use.

Your Work

Your work means work, other than *your completed work*, that you are performing or others are performing for you at, on, in or from any premises, site or location which is owned, rented, leased, borrowed, used or occupied by you. It includes materials, parts and equipment furnished in connection with *your work* and warranties or statements made about the fitness, quality, durability or performance of *your work*.



PART G: S.P.F. No. 6 – STANDARD NON-OWNED AUTOMOBILE POLICY

(Approved for use in all provinces except Quebec)

**ST. PAUL FIRE AND MARINE INSURANCE COMPANY
(HEREINAFTER CALLED THE INSURER)**

BROKER: As stated on the DECLARATIONS.

POLICY NO.: As stated on the DECLARATIONS.

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

ITEMS	APPLICATION
1. FULL NAME OF THE APPLICANT:	<u>As stated on the DECLARATIONS.</u>
POSTAL ADDRESS (INCLUDING COUNTY OR DISTRICT):	<u>As stated on the DECLARATIONS.</u>
APPLICANT IS:	<u>As known to the Insurer.</u>
(STATE WHETHER INDIVIDUAL, PARTNERSHIP, CORPORATION, MUNICIPALITY OR ESTATE)	

2. POLICY PERIOD	12:01 A.M. LOCAL TIME AT THE APPLICANT'S POSTAL ADDRESS STATED HEREIN AS TO EACH OF SAID DATES
Policy period as stated on the DECLARATIONS.	

3. THE AUTOMOBILES IN RESPECT OF WHICH INSURANCE IS TO BE PROVIDED ARE THOSE NOT OWNED IN WHOLE OR IN PART BY, NOR LICENSED IN THE NAME OF THE APPLICANT, USED IN THE APPLICANT'S BUSINESS OF:

As known to the Insurer.

4. THE APPLICANT'S PARTNERS, OFFICERS, EMPLOYEES AND AGENTS AS OF THE DATE OF THIS APPLICATION ARE AS FOLLOWS:

LOCATION	PARTNERS, OFFICERS AND EMPLOYEES WHO REGULARLY USE AUTOMOBILES NOT OWNED BY THE APPLICANT IN HIS BUSINESS.						ALL OTHER PARTNERS, OFFICERS AND EMPLOYEES			ALL APPLICANT'S AGENTS		
	CLASS "A1" PRIVATE PASSENGER			CLASS "A2" COMMERCIAL			CLASS "B"			CLASS "C"		
	NUMBER	RATE	PREMIUM	NUMBER	RATE	PREMIUM	NUMBER	RATE	PREMIUM	NUMBER	RATE	PREMIUM

All partners, officers, employees and agents of the APPLICANT.

5. "HIRED AUTOMOBILES" -- THE AUTOMOBILES HIRED BY THE APPLICANT ARE AS FOLLOWS:

TYPE OF AUTOMOBILE	ESTIMATED COST OF HIRE	RATES PER \$100 OF COST OF HIRE	ADVANCE PREMIUM

All hired automobiles covered, subject to reporting and premium adjustment.

THE ADVANCE PREMIUM IS SUBJECT TO ADJUSTMENT AT THE END OF THE POLICY PERIOD AS PROVIDED IN THE POLICY

6. "AUTOMOBILES OPERATING UNDER CONTRACT" ON BEHALF OF THE APPLICANT ARE AS FOLLOWS:

TYPE OF AUTOMOBILE AND DESCRIPTION OF USE	ESTIMATED CONTRACT COST	RATES PER \$100 OF CONTRACT COST	ADVANCE PREMIUM

All automobiles operated under contract covered, subject to reporting and premium adjustment.

THE ADVANCE PREMIUM IS SUBJECT TO ADJUSTMENT AT THE END OF THE POLICY PERIOD AS PROVIDED IN THE POLICY

7. THIS APPLICATION IS MADE FOR INSURANCE AGAINST THE PERILS MENTIONED IN THIS ITEM AND UPON THE TERMS AND CONDITIONS OF THE INSURER'S CORRESPONDING STANDARD POLICY FORM AND FOR THE FOLLOWING SPECIFIED LIMIT.

INSURING AGREEMENT	PERILS	LIMIT	COMBINED PREMIUMS
SECTION A THIRD PARTY LIABILITY	LEGAL LIABILITY FOR BODILY INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO PROPERTY OF OTHERS NOT IN THE CARE, CUSTODY OR CONTROL OF THE APPLICANT.	As stated on the DECLARATIONS.	(EXCLUSIVE OF INTEREST AND COSTS) FOR LOSS OR DAMAGE RESULTING FROM BODILY INJURY TO OR THE DEATH OF ONE OR MORE PERSONS, AND FOR LOSS OR DAMAGE TO PROPERTY, REGARDLESS OF THE NUMBER OF CLAIMS ARISING FROM ANY ONE ACCIDENT.
ENDORSEMENTS	As stated on the DECLARATIONS.		Included
MINIMUM RETAINED PREMIUM	Included	TOTAL PREMIUM	Included

8. HAS ANY INSURER CANCELLED, DECLINED OR REFUSED TO RENEW OR ISSUE, AUTOMOBILE INSURANCE TO THE APPLICANT WITHIN THREE YEARS PRECEDING THIS APPLICATION? IF SO, STATE NAME OF INSURER.

As known to the Insurer.

9. STATE PARTICULARS OF ALL ACCIDENTS OR CLAIMS ARISING OUT OF THE USE OR OPERATION IN HIS BUSINESS OF NON-OWNED AUTOMOBILES BY THE APPLICANT WITHIN THE THREE YEARS PRECEDING THIS APPLICATION.

INJURY TO PERSONS	DAMAGE TO PROPERTY OF OTHERS
As known to the Insurer.	As known to the Insurer.

10. ALL THE STATEMENTS IN THIS APPLICATION ARE TRUE AND THE APPLICANT HEREBY APPLIES FOR A CONTRACT OF AUTOMOBILE INSURANCE TO BE BASED ON THE TRUTH OF THE SAID STATEMENTS.

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

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

INSURING AGREEMENT

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

SECTION A - THIRD PARTY LIABILITY

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

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

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

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

*Not applicable in the Province of Ontario

ADDITIONAL AGREEMENTS OF INSURER

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

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

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

GENERAL PROVISIONS AND DEFINITIONS

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

5. TWO OR MORE AUTOMOBILES

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

GENERAL PROVISIONS AND DEFINITIONS**6. PREMIUM ADJUSTMENT**

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

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

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

The Insurer shall have the right and opportunity, wherever 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
(Ontario)**

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

**STATUTORY CONDITIONS
(Common Law Jurisdictions Except Ontario and British Columbia)**

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

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

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

1. Material Change in Risk

- (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.

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

2. Prohibited Use by Insured

- (1) The insured shall not drive or operate the automobile,
 - (a) unless he is for the time being either authorized by law or qualified to drive or operate the automobile; or
 - (b) while his licence to drive or operate an automobile is suspended or while his right to obtain a licence is suspended or while he is prohibited under order of any court from driving or operating an 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 the automobile,
 - (a) by any person,
 - (i) unless that person is for the time being either authorized by law or qualified to drive or operate the automobile; or
 - (ii) while that person is under the age of sixteen years or under such other age as is prescribed by the law of the province in which 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
 - (b) by any person who is a member of the household of the insured while his licence to drive or operate an automobile is suspended or while his right to obtain a licence is suspended or while he is prohibited under order of any court from driving or operating an automobile; or
 - (c) for any illicit or prohibited trade or transportation; or
 - (d) in any race or speed test.

In the case of Saskatchewan, Statutory Condition 2 reads as follows:

2. Prohibited Use by Insured

- (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 16 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.

STATUTORY CONDITIONS
(Common Law Jurisdictions Except Ontario and British Columbia)

Prohibited Use by Others

- (2) *The insured shall not permit, suffer, allow or connive at the use of the 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 16 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.*

3. Requirements Where Loss or Damage to Persons or Property

- (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.

4. Requirements Where Loss or Damage to Automobile

- (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
 - (c) deliver 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 willful act or neglect, procurement, means or connivance of the insured.
- (2) Any further loss or damage accruing to the automobile directly or indirectly from a failure to protect it as required under 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 damaged 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 the appraisal as provided under *The Insurance Act* (in Newfoundland, *The Insurance Contracts Act*) before there can be recovery under this contract, whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefor is made in writing and until after proof of loss has been delivered.

5. Inspection of Automobile

The insured shall permit the insurer at all reasonable times to inspect the automobile and its equipment.

6. Time and Manner of Payment of Insurance Money

- (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.

STATUTORY CONDITIONS
(Common Law Jurisdictions Except Ontario and British Columbia)

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.

NOTE:

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

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

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

7. Who May Give Notice and Proofs of Claim

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.

8. Termination

- (1) This contract may be terminated,
 - (a) by the insurer giving to the insured fifteen days' notice of termination by registered mail or five days' written notice of termination personally delivered;
 - (b) by the insured at any time on request.
- (2) Where this contract is terminated by the insurer,
 - (a) the insurer shall refund the excess of premium actually paid by the insured over the *pro rata* premium for the expired time, but in no event shall the *pro rata* premium for the expired time be 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 sub-condition (1) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

NOTE:

*In the Northwest Territories, paragraph (a) of sub-condition 1 has the following words added:
"and by notifying the registrar of motor vehicles as required by the Vehicles Ordinance".*

9. Notice

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 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. In this condition, the expression "registered" means registered in or outside Canada.

NOTE:

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

STATUTORY CONDITIONS
(British Columbia)

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

1. Material Change in Risk

- (1) The insured named in this contract must promptly notify the insurer or its local agent in writing of any change in the risk material to the contract and within the insured's knowledge.
- (2) Without restricting the generality of the foregoing, the words "change in 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 of it.

**STATUTORY CONDITIONS
(British Columbia)**

2. Prohibited Use by Insured

- (1) The insured must 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,
 - (b) unless he or she is for the time being either authorized by law or qualified to drive or operate the automobile,
 - (c) while he or she is under the age of 16 years or under such other age as is prescribed by the law of the province in which he or she 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 her,
 - (d) for any illicit or prohibited trade or transportation, or
 - (e) in any race or speed test.

Prohibited Use by Others

- (2) The insured must not permit, suffer, allow or connive at the use of the 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,
 - (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 16 years or under such other age as is prescribed by the law of the province in which he or she 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 her,
 - (c) for any illicit or prohibited trade or transportation, or
 - (d) in any race or speed test.

3. Requirements if Loss or Damage to Persons or Property

- (1) The insured must
 - (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 the insured from or on behalf of the claimant.
- (2) The insured must not
 - (a) voluntarily assume any liability or settle any claim except at the insured's own cost, or
 - (b) interfere in any negotiations for settlement or in any legal proceeding.
- (3) The insured must, whenever requested by the insurer, aid in securing information and evidence and the attendance of any witness and must 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.

4. Requirements if Loss or Damage to Automobile

- (1) If loss of or damage to the automobile occurs, the insured must, if the loss or damage is covered by this contract,
 - (a) promptly give notice of it in writing to the insurer with the fullest information obtainable at the time,
 - (b) at the expense of the insurer, and as far as reasonably possible, protect the automobile from further loss or damage, and
 - (c) deliver to the insurer within 90 days after the date of the loss or damage a statutory declaration stating, to the best of the insured's knowledge and belief, the place, time, cause, and amount of the loss or damage, the interest of the insured and of all others in it, the encumbrances on it, all other insurance, whether valid or not, covering the automobile and that the loss or damage did not occur through any wilful act or neglect, procurement, means or connivance of the insured.
- (2) Any further loss or damage accruing to the automobile directly or indirectly from a failure to protect it as required under subcondition (1) of this condition is not recoverable under this contract.
- (3) Repairs, other than those that are immediately necessary for the protection of the automobile from further loss or damage, must not be undertaken and physical evidence of the loss or damage must not 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 must submit to examination under oath, and must produce for examination at such reasonable place and time as is designated by the insurer or its representative, all documents in the insured's possession or control that relate to the matters in question, and the insured must permit extracts and copies of them to be made.

Insurer Liable for Cash Value of Automobile

- (5) The insurer is not liable for more than the actual cash value of the automobile at the time any loss or damage occurs, and the loss or damage must be ascertained or estimated according to that actual cash value with proper deduction for depreciation, however caused, and must not exceed the amount that it would cost to repair or replace the automobile, or any part of it, 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 of it is 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) Unless an appraisal has been made, the insurer, instead of making payment, may, within a reasonable time, repair, rebuild or replace the property damaged or lost with other of like kind and quality if, within 7 days after the receipt of the proof of loss, it gives written notice of its intention to do so.

No Abandonment; Salvage

- (7) There must 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, vests 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 must 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 is no right to an appraisal until a specific demand for it is made in writing and until after proof of loss has been delivered.

**STATUTORY CONDITIONS
(British Columbia)****5. Inspection of Automobile**

The insured must permit the insurer at all reasonable times to inspect the automobile and its equipment.

6. Time and Manner of Payment of Insurance Money

- (1) The insurer must pay the insurance for which it is liable under this contract within 60 days after the proof of loss has been received by it or, if an appraisal is made under subcondition (8) of statutory condition 4, within 15 days after the award is rendered by the appraisers.

When Action May be Brought

- (2) The insured must 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 provided under those conditions 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 must 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 must be commenced within one year next after the cause of action arose and not afterwards.

7. Who May Give Notice and Proofs of Claim

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.

8. Termination

- (1) This contract may be terminated
 - (a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or
 - (b) by the insured at any time on request.
- (2) If this contract is terminated by the insurer,
 - (a) the insurer must refund the excess of premium actually paid by the insured over the proportionate premium for the expired time, but in no event must the proportionate premium for the expired time be deemed to be less than any minimum retained premium specified, and
 - (b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to the amount, in which case the refund must be made as soon as practicable.
- (3) If this contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time, but in no event must 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 15 days mentioned in clause (a) of sub-condition (1) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

9. Notice

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 British Columbia. Written notice may be given to the insured named in this contract by letter personally delivered to the insured or by registered mail addressed to the insured at the insured's latest post office address as notified to the insurer. In this condition, the expression "registered" means registered in or outside Canada.

Standard Endorsement Form No. 94 - Legal Liability For Damage To Hired Automobiles

This endorsement changes your non-owned automobile policy – S.P.F. No. 6.

NOTE: THIS ENDORSEMENT CONTAINS A PARTIAL PAYMENT OF LOSS CLAUSE

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

SECTION B - LEGAL LIABILITY FOR DAMAGE TO HIRED AUTOMOBILES

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

Subsection 1 – ALL PERILS – from all perils;

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

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

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

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

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

DEDUCTIBLE CLAUSE

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

TWO OR MORE AUTOMOBILES

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

EXCLUSIONS

The Insurer shall not be liable:

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

or

- (3) under subsections 3 (Comprehensive) 4 (Specified Perils) for a collision loss or damage occurring after theft by any person or persons residing in the same dwelling premises as the Insured, or by any employee of the Insured engaged in the operation, maintenance or repair of the automobile whether the theft occurs during the hours of such service or employment or not unless the policy provides insurance under subsections 1 or 2.

ADDITIONAL AGREEMENT

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

SUBSECTION	LIMITS AND AMOUNTS	TYPE OF AUTOMOBILE	ESTIMATED COST OF HIRE	RATE PER \$100	ADVANCE PREMIUM
1. All Perils	Limit as stated on the DECLARATIONS. (exclusive of interests and costs) any one accident. Amount Deductible: Deductible as stated on the DECLARATIONS.	Private Passenger or Light Commercial (not exceeding 4500 kg G.V.W.)	As known to the Insurer.	Flat Charge	Included
2. Collision or Upset	\$ (exclusive of interests and costs) any one accident. \$ Amount Deductible		\$		\$
3. Comprehensive	\$ (exclusive of interests and costs) any one accident. \$ Amount Deductible		\$		\$
4. Specified Perils	\$ (exclusive of interests and costs) any one accident. \$ Amount Deductible		\$		\$
Minimum Retained Premium	Included				TOTAL Included

The advance premiums for this endorsement are subject to adjustment in the same manner as those stated under Item 5 of the application.

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

Standard Endorsement Form No. 96 – Contractual Liability

This endorsement changes your non-owned automobile policy – S.P.F. No. 6.

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

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

DATE(S) OF CONTRACT(S)	NAME(S) OF OTHER CONTRACTING PARTY OR PARTIES
All written contracts in force during the policy period stated on the DECLARATIONS.	All contracting parties named on all written contracts in force during the policy period stated on the DECLARATIONS.

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

Standard Endorsement Form No. 99 – Excluding Long Term Leased Vehicles

This endorsement changes your non-owned automobile policy – S.P.F. No. 6.

In consideration of the premium for which this policy is issued, it is understood and agreed that Item 3 (Hired Automobiles Defined) of General Provisions and Definitions of the policy to which this endorsement is attached is hereby amended to read as follows:

The term "Hired Automobiles" as used in this policy means (a) automobiles hired or leased from others with drivers or (b) hired or leased by the named Insured from others without driver for periods not exceeding thirty (30) days, used under the control of the Insured in the business stated in Item 3 of the application but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

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



PART H: Q.P.F. No. 6 – QUEBEC AUTOMOBILE INSURANCE POLICY
(NON-OWNED FORM)

Approved by the Autorité des marchés financiers

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

Policy No.: As stated on the DECLARATIONS.

ITEM 1 Full name and address of the Insured: **As stated on the DECLARATIONS.**

Insured is: **As known to the Insurer.** (State whether individual, partnership, corporation, association, etc.)

ITEM 2 Contract period: **As stated on the DECLARATIONS.**

12:01 A.M. standard time at the Insured's address stated above as to each of said dates.

ITEM 3 The automobiles in respect of which insurance is to be provided are those not owned in whole or in part by, nor registered in the name of the Insured, used in the Insured's business of: **As known to the Insurer.**

ITEM 4 INSURED'S EMPLOYEES, SHAREHOLDERS, OFFICERS, MEMBERS, PARTNERS OR MANDATARIES AS OF THE DATE OF THE APPLICATION

Relationship To Insured	Employees, shareholders, officers, members or partners who regularly use automobiles not owned by the insured in his business						All other employees, officers, shareholders, members or partners			Mandarities Of Insured		
	Class "A1" Private Passenger			Class "A2" Commercial			Class "B"			Class "C"		
	Number	Rate	Premium	Number	Rate	Premium	Number	Rate	Premium	Number	Rate	Premium

All partners, officers, employees and mandarities of the Insured.

ITEM 5 AUTOMOBILES HIRED BY THE INSURED

Type of automobile	Estimated cost of hire	Rates per \$100 cost of hire	Advance premium

All hired automobiles are covered, subject to reporting and premium adjustment.

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

ITEM 6 AUTOMOBILES OPERATED UNDER CONTRACT ON BEHALF OF THE INSURED

Type of automobile and use	Estimated contract cost	Rates per \$100 of contract cost	Advance premium

All automobiles operated under contract are covered, subject to reporting and premium adjustment.

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

ITEM 7 Insurance is hereby provided against the perils mentioned in this item for which a premium is specified and upon the terms and conditions of this contract and subject to the following amount.

INSURING AGREEMENT	PERILS	AMOUNT	PREMIUM
SECTION A Civil Liability	Bodily injury to or death of others or damage to their property	As stated on the DECLARATIONS. (Exclusive of interest, expenses and costs) for loss or damage resulting from bodily injury to or the death of one or more persons, and for loss or damage to property, regardless of the number of claims arising from any one accident.	Included
Endorsements:	As stated on the DECLARATIONS.		Included
Premium due date:			Total premium: Included

ITEM 8 IMPORTANT STATEMENTS FOR UNDERWRITING THE RISK
As known to the Insurer.

ITEM 9 NOTICE
As known to the Insurer.

Broker or agent: **As stated on the DECLARATIONS.**
At: **As stated on the DECLARATIONS.**

Authorized Representative

TRAVELERS PART H: Q.P.F. No. 6 – QUEBEC AUTOMOBILE INSURANCE POLICY
(NON-OWNED FORM)

INSURING AGREEMENT

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

SECTION A -- CIVIL LIABILITY

The Insurer agrees to indemnify the Insured, the Insured's succession or legal representatives against the pecuniary consequences of civil liability the Insured may incur for loss or damage arising from the use or operation in the business described in the Declarations of any automobile not owned (in whole or in part) by or registered in the name of the Insured, and resulting from bodily injury to or death of others or damage to property of others not in the care, custody or control of the Insured. However, where the loss exceeds the amounts of insurance, the indemnity shall be applied first to the pecuniary consequences of civil liability incurred by the Named Insured.

EXCLUSIONS

The Insurer shall not be liable under this section:

- (1) except where the Automobile Insurance Act does not apply, for bodily injury or death covered under the said Act, the Act respecting industrial accidents and occupational diseases or the Crime Victims Compensation Act;
- (2) 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;
- (3) for any liability imposed by any workmen's compensation law upon any person insured by this section;
- (4) for loss or damage sustained by the Insured or any employee, shareholder, officer, member, partner or mandatary of the Insured while engaged in the business of the Insured, except as provided under a Direct Compensation Agreement established in accordance with the aforementioned Automobile Insurance Act;
- (5) for any liability assumed voluntarily by any person insured by this section under any contract or agreement;
- (6) for loss or damage to property carried in or upon an automobile personally driven by any person insured by this section or to any property owned or rented by, or in the care, custody or control of any such person;
- (7) for any sum in excess of the amount stated in section A of Item 7 of the Declarations, and expenditures provided for in the Additional Agreements of this section, irrespective of the number of persons or interests insured;
- (8) for any loss or damage resulting from bodily injury to or death of any person or damage to property arising out of a nuclear energy hazard and in excess of the compulsory amount of liability insurance prescribed by the Automobile Insurance Act or the Act respecting off-highway vehicles, depending on the type of vehicle involved.

See also General Provisions, Definitions, Exclusions and Conditions.

ADDITIONAL AGREEMENTS

Where indemnity is provided by this section the Insurer further agrees:

- (1) immediately upon receipt of notice of loss, to serve any person insured by this section by such investigation thereof, or by such transactions with the claimant, or by such settlement of any resulting claims, as may be deemed expedient by the Insurer;
- (2) to take up the interest of any person entitled to the benefit of the insurance and assume his defence in any action which may be brought against him;
- (3) bear, over and above the proceeds of the insurance costs and expenses resulting from actions against the Insured, including those of the defence, and interest on the proceeds of the insurance;
- (4) if the injury is to a person, to reimburse any person insured by this section for expenses incurred for such medical aid as may be immediately necessary at the time of such injury;
- (5) to be liable up to the minimum amount(s) of liability insurance prescribed by any legislation respecting Automobile Insurance and applying in that province or territory of Canada or in that State of the United States of America in which the accident occurred, if that amount(s) is higher than the amount(s) stated in section A of Item 7 of the Declarations;
- (6) not to 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 or in the United States of America in which the accident occurred.

AGREEMENTS OF INSURED

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

- (a) empowers the Insurer as their representative to appear and defend in any province or territory of Canada or in any State of the United States of America in which action is brought against the Insured arising out of the use or operation of an automobile with respect to which insurance is provided hereunder;
- (b) renounces his right to unilaterally revoke such mandate;
- (c) shall reimburse the Insurer, upon demand, in the amount which the Insurer has paid by reason of the provisions of any statute relating to automobile insurance and which the Insurer would not otherwise be liable to pay under this section.

GENERAL PROVISIONS, DEFINITIONS AND EXCLUSIONS

1. TERRITORY

Unless extended by endorsement, insurance provided by this contract applies only within Canada, the United States of America and upon a vessel and/or aircraft serving ports or airports of those countries.

2. PERSONNEL OF OTHER GARAGES EXCLUDED

No person who is engaged in a garage business, shall be entitled to indemnity or payment under this contract for any loss, damage, injury or death sustained while using, operating or working upon the automobile in the course of that business or while so engaged is an occupant of or enters or gets onto or alights from such automobile, unless the person is the Insured or the Insured's employee, shareholder, member, partner or mandatary or is actually driving the automobile in Quebec.

3. DEFINITIONS

In this policy:

- (a) The term **automobiles operated** under contract shall mean automobiles operated in the business of the Insured stated in Item 3 of the Declarations where the complete supervision, direction and control of such automobiles remain with the owner thereof, but shall not include any automobile owned in whole or in part by or registered in the name of the Named Insured or any employee, shareholder, officer, member, partner or mandatary of the Insured.
- (b) The term **garage business** includes any business involving the custody, selling, equipping, repairing, maintaining, storing, parking, moving or servicing of automobiles;
- (c) The term **hired automobiles** 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 Declarations but shall not include any automobile owned in whole or in part by or registered in the name of the Named Insured or any employee, shareholder, officer, member, partner or mandatary of the Insured.
- (d) The words **nuclear energy hazard** mean the radioactive, toxic, explosive or other hazardous properties of prescribed substances under the Atomic Energy Control Act (Canada).

4. TWO OR MORE AUTOMOBILES

- (a) When two or more automobiles are insured hereunder the terms of this contract shall apply separately to each, but a motor vehicle and one or more trailer or trailers or semi-trailers attached thereto shall be held to be one automobile with respect to the amounts of insurance under section A. Where two or more automobiles are insured under one or more contracts issued by the same insurer, only one amount of insurance, the highest, shall apply in the event of loss under Section A.
- (b) If section B is included in this policy through endorsement Q.E.F. No. 6-94, Civil Liability for damage to hired automobiles and/or automobiles operated under contract, such automobiles shall be held to be separate automobiles with respect to the amount(s) of insurance, including any deductible provisions, under Section B.
- (c) Section A shall apply to the Insured's liability for damage caused to a non-owned trailer, other than a trailer designed or used to carry passengers or for demonstration, sale, office or dwelling purposes, while:
 - (i) attached to an automobile of the private passenger type insured under said section;
 - (ii) not attached to any other vehicle, provided such trailer is generally attached to an automobile of the private passenger type insured under said section.

5. ADDITIONAL INSURED

This contract also insures every employee, shareholder, officer, member, partner or mandatary of the Named Insured, who, with the consent of the owner of the automobile involved:

- (a) and in the business of the Named Insured stated in Item 3 of the Declarations, personally drives any automobile not owned in whole or in part by or registered in the name of (1) the Named Insured, or (2) such additional insured person, or (3) any person having the same domicile as the Named Insured or such additional insured person;
- (b) any automobile rented or hired in the name of the Named Insured and not owned in whole or in part by or registered in the name of such additional insured person.

6. PREMIUM ADJUSTMENT

The advance premiums stated in Items 5 and 6 of the Declarations and in Q.E.F. No. 6-94, if applicable, are computed on the estimated total "cost of hire" or "contract cost", as the case may be, for the contract 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 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 contract period when the Insured shall deliver to the Insurer a written statement of the total amounts expended for "cost of hire" and "contract cost" during the contract period based on the provisions contained in Q.E.F. No. 6-100, Final adjustment of premium computation statement.

7. AUDIT

Provided the Insured has authorized the Insurer in writing, the Insurer may at any time during regular business hours and upon fourteen days' prior notice examine the books and records of the Insured insofar as they relate to the subject matter of the contract.

8. CROSS LIABILITY

Every Named Insured sustaining loss or damage because of another Named Insured shall, in respect of such loss or damage, be deemed to be a third party under this contract; provided that this provision shall not operate to increase the limit of the Insurer's liability.

9. EXCLUDED USES

Unless coverage is indicated in the Declarations or expressly given by an endorsement, the Insurer shall not be liable under this contract while:

- (a) the automobile is rented or leased to another;
- (b) the automobile is used to carry explosives, or to carry radioactive material for research, education, development or industrial purposes, or for purposes incidental thereto;
- (c) the automobile is used as a taxicab, bus, livery or sightseeing conveyance.

CONDITIONS

This contract is subject to the Civil Code of Quebec, the Code of Civil Procedure of Quebec, the Automobile Insurance Act and its regulations and the Act respecting off-highway vehicles if applicable.

1. REPRESENTATION OF RISK

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

The client means the person submitting an insurance application.

2. MATERIAL CHANGE IN RISK

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

On being notified of any material change in the risk, the Insurer may, under Condition 21, cancel the contract or propose, in writing, a new rate of premium. Unless the new premium is accepted and paid by the Insured within thirty days of the proposal, the policy ceases to be in force.

If the Insurer continues to accept the premiums or if he pays an indemnity after a loss, he is deemed to have acquiesced in the change notified to him.

3. MISREPRESENTATIONS OR CONCEALMENT

Section A of the policy may be nullified at the instance of the Insurer where the Insured or the client has misrepresented or concealed relevant facts mentioned in Condition 1 and in the first paragraph of Condition 2 which are likely to materially influence a reasonable insurer in the decision to cover the risk. Unless such misrepresentation or concealment is established, the Insurer remains liable towards the Insured for such proportion of the indemnity as the premium he collected bears to the premium he should have collected.

Section B of endorsement Q.E.F. No. 6-94 may be nullified at the instance of the Insurer where the Insured or the client has misrepresented or concealed relevant facts mentioned in Condition 1 and in the first paragraph of Condition 2 which are likely to materially influence a reasonable insurer, even in respect of losses not connected with the risk so misrepresented or concealed. Unless the bad faith of the Insured or the client is established or unless it is established that the Insurer would not have covered the risk if he had known the true facts, the Insurer remains liable towards the Insured for such proportion of the indemnity as the premium he collected bears to the premium he should have collected.

4. BREACH OF WARRANTY

A breach of warranty aggravating the risk suspends the coverage. The suspension ceases upon the acquiescence of the Insurer or the remedy of the breach.

5. PROHIBITED USE

The Insured shall not drive or operate the automobile nor permit the use of the automobile by others:

- (a) unless the driver is for the time being authorized by law or qualified to drive or operate the automobile, or while he is under 16 years of age or under such other age as is prescribed by law to drive an automobile;
- (b) for any illicit trade or transportation;
- (c) in any race or speed test.

6. INSPECTION OF AUTOMOBILE

The Insurer shall be permitted at all reasonable times to inspect the automobile and its equipment.

7. NOTICE OF LOSS

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

The failure to fulfil the obligation set out in the preceding paragraph entails forfeiture of the right to indemnity where such failure has caused prejudice to the Insurer.

8. INFORMATION TO BE PROVIDED

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

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

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

9. DECEITFUL REPRESENTATION

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

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

10. ABANDONMENT, SAFEGUARDING AND EXAMINATION OF PROPERTY

The Insured may not abandon the damaged property if there is no agreement to that effect with the Insurer.

The Insured shall facilitate the salvage and inspection of the insured property by the Insurer. He shall, in particular, permit the Insurer and his representatives to visit the premises and examine the insured automobile and its equipment.

In addition, the Insured shall at the expense of the Insurer, and as far as reasonably possible, protect the automobile from further loss or damage, and any such further loss or damage accruing directly or indirectly, from a failure to protect shall not be recoverable hereunder.

No repairs shall be undertaken or any physical evidence of the loss or damage removed without the written consent of the Insurer, except such repairs as are immediately necessary for the protection of the automobile from further loss or damage, or until the Insurer has had a reasonable time to make the examination provided for in Condition 6.

11. ADMISSION OF LIABILITY AND COOPERATION

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

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

The Insured shall cooperate with the Insurer in the processing of all claims.

12. VALUATION AND MANNER OF PAYMENT

The Insurer shall not be liable beyond 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 with proper deduction for depreciation, however caused, and shall in no event exceed what it would cost to repair or replace the automobile or any part thereof with material of like kind and quality provided that in the event of any part of the automobile being obsolete and out of stock, the liability of the Insurer in respect thereof shall be limited to the value of original equipment manufacturer parts at the time of loss or damage not exceeding the manufacturer's latest list price.

For the purposes of the above coverage, the values of damages caused to the automobile shall be based on original equipment manufacturer parts where the age of the automobile and mileage are less than two (2) years and forty thousand kilometres (40,000 km), or less than one (1) year in the case of an automobile used for commercial purposes. Where the age and mileage are greater, such value may be based on similar automobile parts. However, the Insured may opt for original equipment manufacturer, if available, by communicating such option to the Insurer at the time of the notice of loss. The Insurer shall then specify the applicable conditions and additional costs that the Insured shall assume as a result of such option.

In the event of a total or constructive total loss, the Insurer agrees, at the option of the Insured and subject to supporting evidence, to cover reasonable expenses incurred to restore the automobile to the same condition as it was before the loss.

Except where an arbitration has been made and subject to the rights of preferred and hypothecary creditors, the Insurer, instead of making payment may, within a reasonable time, repair, rebuild or replace the property damaged or lost with other of like kind and quality, giving written notice of its intention so to do within seven days after the receipt of the proofs of loss.

In all cases, the salvage, if any, shall revert to the Insurer.

13. ARBITRATION IN CASE OF DISAGREEMENT

In the event of disagreement as to the nature, extent or amount of the loss or damage or as to the adequacy of repairs or replacements, such questions shall be determined by arbitration before recovery can be made under this contract, whether the right to recover on this contract is disputed or not, and independently of all other questions.

The Insured and the Insurer shall each select one appraiser, and the two so chosen shall then select a disinterested arbitrator. Thereafter the two appraisers together shall estimate or appraise the loss or damage, stating separately sound value and damage, or determine the adequacy of repairs or replacements, and, failing to agree, shall submit their differences to the arbitrator.

In case either party fails to name an appraiser within seven clear days after being served with written notice so to do, or in case the appraisers fail to agree upon an arbitrator within fifteen days after their appointment, or in case an appraiser or arbitrator refuses to act or is incapable of acting, or dies, a Judge of a Court having jurisdiction where the arbitration is to be held may appoint such appraiser or arbitrator on the application of the Insured or of the Insurer.

The arbitration award shall be made in writing by the two appraisers, or by one appraiser and the arbitrator. For the surplus, the procedure provided in Sections 940 to 951.2 of the Code of Civil Procedure of Quebec shall apply mutatis mutandis. Each party shall pay the appraiser selected by him, and shall bear equally the expenses of the arbitration.

14. NON-WAIVER

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

15. TIME OF PAYMENT

Claims under Section B shall be paid within sixty days after receipt of notice of loss or of information or proof of loss required by the Insurer or, where an arbitration is held, within fifteen days after award is accepted by the Insured.

16. CONTINUATION OF COVERAGE

Coverage is maintained after a loss.

17. PRESCRIPTION

Every action against the Insurer under this contract is prescribed by three years from the date the right of action has arisen.

18. SUBROGATION

The Insurer shall be subrogated to the extent of the amount paid under this contract to the rights of the Insured against persons responsible for the loss except when they are members of the Insured's household.

The Insurer may be fully or partly released from his obligation towards the Insured where, owing to any act of the Insured, he cannot be so subrogated.

19. OTHER LIABILITY INSURANCE

Insurance under a contract evidenced by a valid owner's policy is, in respect of liability arising from or occurring in connection with the ownership, use or operation of an automobile owned by the Insured named in the policy and within the description or definition thereof in the policy, a first loss insurance, and insurance attaching under any other valid motor vehicle liability policy is excess insurance only.

However, insurance evidenced by a valid garage policy, not describing the specific automobile(s) insured, shall in respect to non-owned or customers' automobiles while being used, operated or worked upon in the course of the policyholder's business as a garage be a first loss insurance and insurance attaching under any other valid motor vehicle policy shall be excess insurance only.

20. RENEWAL OF CONTRACT

This contract shall be renewed of right, for the same premium and for the same period, at expiry, unless notice to the contrary is given by the Insurer and the Insured; if given by the Insurer, the notice of non-renewal or of a change in the premium must be sent to the Insured, at his last known address, not later than the thirtieth day preceding the date of expiry, counting that date.

Where the Insured deals through a broker, the notice provided for in the first paragraph is sent by the Insurer to the broker, the latter being entrusted to remit it to the Insured.

21. CANCELLATION

This contract may be cancelled at any time:

- (a) by each of the Named Insureds giving mere written notice to the Insurer. Cancellation takes effect upon receipt of the notice by the Insurer and the Insured shall therefore be entitled to a refund of the excess of the premium actually paid over the premium earned for the time the contract has been in force, on the basis of the Short Rate Cancellation Table *;
- (b) within sixty days after its coming into force, by the Insurer giving written notice to each Named Insured. Cancellation takes effect fifteen days following receipt of such notice by the Named Insured at his last known address.

At the expiry of such period of sixty days, the contract shall not be cancelled by the Insurer except in the case of an aggravation of risk which is likely to materially influence a reasonable insurer in the decision to continue to insure, or when the premium has not been paid. The Insurer so wishing to cancel the contract shall notify each Named Insured in writing; cancellation takes effect thirty days following receipt of such notice by the Named Insured at his last known address or, if the Described Automobile, with the exception of a school bus, is an automobile contemplated in Title VIII.1 of the Highway Safety Code, fifteen days after receipt of the notice.

The Insurer shall refund the excess of the premium actually paid over the earned premium computed on a day to day basis.

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

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

*** See the "General Rules" attached to this policy for the Short Rate Cancellation Table.**

22. NOTICE

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

Quebec Endorsement Form No. 6-94 – Civil Liability For Damage To Hired Automobiles And/Or Automobiles Operated Under Contract

This endorsement changes your non-owned automobile policy – Q.P.F. No. 6.

In consideration of the premium herein stated, it is hereby understood and agreed that the following section is added to this Policy, subject always to the condition that the Insurer shall be liable under the subsection or subsections of the Insuring Agreement hereof for which a premium is stated and no other.

INSURING AGREEMENT
SECTION B – CIVIL LIABILITY FOR DAMAGE TO HIRED AUTOMOBILES
AND/OR AUTOMOBILES OPERATED UNDER CONTRACT

The Insurer agrees to indemnify the Insured against the pecuniary consequences of the contractual or extracontractual liability of the Insured for, loss of or damage to “hired automobiles” or “automobiles operated under contract”, as defined in General Provisions, Definitions and Exclusions of this policy, including their equipment.

INSURING AGREEMENT SECTION B	DIVISION/ PERILS	AMOUNTS	DEDUCTIBLE	CLASS OF AUTOMOBILE	ESTIMATED COST OF HIRE OR CONTRACT COST	RATE PER \$100	ADVANCE PREMIUM
Loss of or damage to hired automobiles and/or automobiles operated under contract	1. All Perils	As stated on the DECLARATIONS. (exclusive of interest, expenses and costs)	As stated on the DECLARATIONS.	Private Passenger or Light Commercial (not exceeding 4500 kg G.V.W.)	As known to the Insurer.	Flat Charge	Included
	2. Collision or Upset	\$ (exclusive of interest, expenses and costs)	\$		\$		\$
	3. Comprehensive	\$ (exclusive of interest, expenses and costs)	\$		\$		\$
	4. Specified Perils	\$ (exclusive of interest, expenses and costs)	\$		\$		\$
Premium Due Date:						TOTAL	Included

Subsection 1 – ALL PERILS

Subsection 2 – COLLISION OR UPSET

Collision includes collision with (a) a vehicle to which the automobile is attached and (b) the surface of the ground.

Upset means the total or partial upset of the automobile.

Subsection 3 – COMPREHENSIVE – meaning any peril other than collision or upset.

For the purpose of subsection 3, loss or damage caused by missiles, falling or flying objects, fire, theft, explosion, earthquake, windstorm, hail, rising water, malicious mischief, riot or civil commotion shall be deemed loss or damage caused by perils for which insurance is provided under this subsection 3. In addition, coverage under subsection 3 is extended to include loss or damage caused by collision with a person or with an animal.

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

Quebec Endorsement Form No. 6-94 – Civil Liability For Damage To Hired
Automobiles And/Or Automobiles Operated Under Contract

DEDUCTIBLE CLAUSE

The Insured shall be required to contribute the deductible amount stated in the Declarations with respect to loss or damage insured under section B, except for loss or damage by fire or lightning, in any one occurrence.

EXCLUSIONS

The Insurer shall not be liable:

- (1) under any subsection of section B for loss or damage:
 - (a) to any automobile while personally driven by the Named Insured if the Name Insured is an individual;
 - (b) to tires or consisting of or caused by mechanical fracture or breakdown of any part of an automobile or by rusting, corrosion, wear and tear, freezing, or explosion within the combustion chamber, unless the loss or damage is coincident with other loss or damage covered by such subsection or is caused by fire, theft or malicious mischief covered by such subsection;
 - (c) to any automobile while being used without the consent of the owner thereof;
 - (d) to contents of trailers;
 - (e) to tapes and equipment for use with a tape player or recorder, or to compact discs, unless such tapes, equipment or discs are in the tape player, recorder or disc player;
 - (f) caused directly or indirectly by bombardment, invasion, civil war, insurrection, rebellion, revolution, military or usurped power, or by operation of armed forces while engaged in hostilities, whether war be declared or not;
- (2) Under subsections 3 and 4 for loss or damage caused by theft by anyone whose domicile is the same as the Insured's, or by any employee of the Insured engaged in the operation, maintenance, repair, servicing or parking of the automobile whether the theft occurs in the course of such service or employment or not.

ADDITIONAL AGREEMENTS

- (1) Where loss or damage arises from a peril insured against hereunder, the Insurer further agrees to pay general average, salvage and fire department charges, and customs duties of Canada or of the United States of America, for which the Insured is civilly liable.
- (2) The Additional Agreements under section A shall, insofar as they are applicable, extend to the indemnity provided herein.

The advance premiums for this endorsement are subject to adjustment in the same manner as those stated under Items 5 and 6 of the Declarations.

All other terms and conditions of the contract remain the same.

TRAVELERS PART H: Q.P.F. No. 6 – QUEBEC AUTOMOBILE INSURANCE POLICY
(NON-OWNED FORM)

Quebec Endorsement Form No. 6-96 – Contractual Liability

This endorsement changes your non-owned automobile policy – Q.P.F. No. 6.

In consideration of the premium for which this policy is issued, it is understood and agreed that exclusion (5) of Section A of the Policy is amended to read as follows:

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

DATE(S) OF CONTRACT(S)	NAME(S) OF OTHER CONTRACTING PARTY OR PARTIES
All written contracts in force during the policy period stated on the DECLARATIONS.	All contracting parties named on all written contracts in force during the policy period stated on the DECLARATIONS.

All other terms and conditions of the contract remain the same.

Quebec Endorsement Form No. 6-99 – Excluding Long Term Leased Vehicles

This endorsement changes your non-owned automobile policy – Q.P.F. No. 6.

In consideration of the premium for which this policy is issued, it is understood and agreed that clause 3 of the General Provisions, Definitions and Exclusions of the Policy is hereby amended to read as follows:

3. DEFINITIONS

(a) The term **hired automobiles** means:

- (i) automobiles hired or leased from others with drivers;
- (ii) hired or leased by the Named Insured from others without driver for periods not exceeding 30 days, used under the control of the Insured in the business stated in Item 3 of the Declarations but shall not include any automobile owned in whole or in part by or registered in the name of the Insured or any employee, shareholder, officer, member, partner or mandatary of the Insured.

All other terms and conditions of the contract remain the same.