



H&W

INSURANCE FOR HEALTH AND WELLNESS ORGANIZATIONS

Policy Document

Contents

Preamble	1
Insuring Clauses	1
How Much We Will Pay	5
Your Deductible	6
Definitions	6
Exclusions	10
General Conditions	14
Statutory Conditions	17
Notice Concerning Personal Information	18
Ontario Commercial Liability Notice	19
Lloyd's Underwriters' Policyholders' Complaint Protocol	19
Subscription Notice	20
Code of Consumer Rights and Responsibilities	20



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PREAMBLE

This Policy is a contract of insurance between **you** and **us**. **Your** Policy contains all the details of the cover that **we** provide. This Policy consists of and must be read together with the Declarations page and any Endorsements. This Policy is not complete unless it is signed and a Declarations page is attached.

The Sections of this Policy are identified by the **BLUE LINES** across the page with **WHITE UPPER CASE PRINT**. Clause headings in **BLUE UPPER CASE PRINT** are for information only and do not form part of the cover given by this Policy. Other terms in **bold lower case print** are defined terms and have a special meaning as set forth in the **DEFINITIONS** section and elsewhere. Words stated in the singular shall include the plural and vice versa. However, this protocol does not apply to the **STATUTORY CONDITIONS** and subsequent sections.

IMPORTANT: INSURING CLAUSES 1, 2, 3 (SECTION A only), 7 (SECTIONS A and B only), 8 and 9 all provide cover on a claims made and reported basis. Under these **INSURING CLAUSES** a **claim** must be first made against **you** and notified to **us** during the **period of the policy** or the Extended Reporting Period to be covered. These **INSURING CLAUSES** do not cover any **claim** arising out of any actual or alleged act, error or omission occurring, in whole or in part, on or before the Retroactive Date stated in the Declarations.

In consideration of the Premium and in reliance upon the information that **you** have provided to **us** prior to the commencement of this insurance and which is deemed to form the basis of this contract of insurance, **we** agree to provide the cover as set out below:

INSURING CLAUSES

INSURING CLAUSE 1: ERRORS & OMISSIONS

SECTION A: PROFESSIONAL LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** and notified to **us** during the **period of the policy** arising out of **bodily injury** or **third party** financial loss caused by **healthcare services**.

We will also pay **costs and expenses** on **your** behalf.

SECTION B: FIDELITY OF EMPLOYEES

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** and notified to **us** during the **period of the policy** arising out of the theft of property or **money** from a **third party** and in the course of **your business activities**.

We will also pay **costs and expenses** on **your** behalf.

INSURING CLAUSE 2: SEXUAL MISCONDUCT AND PHYSICAL ABUSE

SECTION A: LEGAL DEFENSE COSTS

We agree to pay on **your** behalf all **costs and expenses** incurred as a result of any **claim** first made against **you** and notified to **us** during the **period of the policy** for any actual or alleged **sexual misconduct** or **physical abuse** occurring in the course of **your business activities**.

SECTION B: LEGAL LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** and notified to **us** during the **period of the policy** for any actual or alleged **sexual misconduct** or **physical abuse** occurring in the course of **your business activities**.

INSURING CLAUSE 3: COMMERCIAL GENERAL LIABILITY

SECTION A: EMPLOYEE BENEFITS LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** and notified to **us** during the **period of the policy** arising out of any act, error or omission committed by **you** or on **your** behalf in the **administration** of **your employee benefit program**.

We will also pay **costs and expenses** on **your** behalf.

SECTION B: BODILY INJURY AND PROPERTY DAMAGE LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** arising out of:

- a) **bodily injury** which has not been caused by **healthcare services**;
- b) **personal injury**;
- c) **advertising injury**; or
- d) **property damage**;

occurring during the **period of the policy** and in the course of **your business activities**. Where the **bodily injury**, **personal injury**, **advertising injury** or **property damage** arising out of continuous or repeated exposure to substantially the same general conditions, the **bodily injury**, **personal injury**, **advertising injury** or **property damage** shall be deemed to have occurred when the first exposure to those conditions took place.

We will also pay **costs and expenses** on **your** behalf.

SECTION C: PRODUCTS AND COMPLETED OPERATIONS LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** arising out of **bodily injury** or **property damage** occurring during the **period of the policy** and in the course of **your business activities** caused directly by any **product**.

We will also pay **costs and expenses** on **your** behalf.

SECTION D: TENANTS' LEGAL LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** arising out of damage caused by fire, explosion, smoke or leaks from automatic fire protection systems to premises leased to, hired by, on loan to or held in trust by **you** or otherwise in **your** care, custody or control occurring during the **period of the policy** and in the course of **your business activities**.

We will also pay **costs and expenses** on **your** behalf.

SECTION E: POLLUTION LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** arising out of **bodily injury** or **property damage** first occurring during the **period of the policy** and caused by **pollution** in the course of **your business activities**, on condition that the **pollution** was:

- a) the direct result of a sudden, identifiable, unintended and unexpected incident; and
- b) not the direct result of **you** failing to take reasonable precautions to prevent the **pollution**;

We will also pay **costs and expenses** on **your** behalf.

SECTION F: MEDICAL EXPENSES

We agree to pay **medical expenses** for **bodily injury** to a **third party** other than a **resident or patient** caused by an accident occurring during the **period of the policy**:

- a) on premises **you** own or rent;
- b) on ways next to premises **you** own or rent; or
- c) in the course of **your business activities**;

provided that:

- a) the **third party**, at the time of the accident, is not entitled to benefits under any Workers' Compensation or disability benefits law or similar law;
- b) the **medical expenses** are incurred and notified to **us** within one year of the date of the accident; and
- c) the injured person submits to examination, at **our** expense, by physicians of **our** choice and as often as **we** reasonably require.

We will make these payments regardless of fault.

INSURING CLAUSE 4: COMMERCIAL PROPERTY

SECTION A: PROPERTY DAMAGE

We agree to reimburse **you** up to the **amount insured** stated in the Declarations for the costs of repairing **property damage** occurring during the **period of the policy** to **your premises**, including:

- a) any completed extension to the **premises**;
- b) any permanently installed machinery and equipment;
- c) landlord's fixtures and fittings, walls, gates and fences, yards, car parks and pavements, trees, shrubs, plants and lawns;
- d) piping, ducting, cables, wires and associated control gear and accessories and extending to the public mains but only to the extent of **your** responsibility;
- e) the reasonable costs to unblock a backed up sewer, sump, septic tank or drain which has caused a **flood**;
- f) the reasonable costs to extract **pollutants** from land or water, provided that the **pollution** is itself a direct result of **property damage** to **your premises**;
- g) the removal of debris from, or the area immediately adjacent to, **your premises**;
- h) any fire charges **you** incur;
- i) fixed glass in windows, doors and fanlights, glass showcases, glass shelves, mirrors and sanitary fixtures and fittings;
- j) glass which belongs to **you** or for which **you** are legally responsible for:
 - i) temporary boarding up;
 - ii) the repair of window frames or the removal or replacement of fixtures and fittings in the course of replacing the glass;
 - iii) the replacement of lettering or other ornamental work and alarm foil on glass; and
- k) the reasonable costs to mitigate or prevent an actual or potential **financial loss** or **property damage** that would otherwise be covered under this **SECTION** of this **INSURING CLAUSE**.

We also agree to pay **costs and expenses** on **your** behalf.

SECTION B: CONTENTS DAMAGE

We agree to reimburse **you** up to the **amount insured** stated in the Declarations for the costs of repairing **property damage** occurring during the **period of the policy** to the contents at **your premises** used in connection with **your business activities** which are owned by **you** or for which **you** are legally responsible including any:

- a) improvements made to the **premises** by **you** as a tenant, including decorating, flooring, internal fixtures and fittings and external signs, aerials or satellite dishes which are attached to the **premises**;
- b) computers and ancillary equipment (including monitors, keyboards, printers and software), television and video equipment, photographic, photocopying, surveying and telecommunications equipment;
- c) goods held in trust, stock and samples;
- d) wines, spirits and tobacco kept for entertainment purposes;
- e) works of art or precious metals;
- f) valuable documents in paper format;
- g) heating oil at **your premises** contained in fixed tanks in the open at the address stated in the Declarations;
- h) re-charging of fire extinguishing equipment;
- i) refrigeration, ventilation, cooking, dishwashing and laundry appliances;
- j) continuing hire costs for which **you** are legally liable following

property damage to equipment hired by **you**;

- k) contents which are moved to another location, including while in transit;
- l) cash, bank and currency notes, checks, bankers drafts, or share or bond certificates held in the course of **your business activities**:
 - i) at **your premises** during business hours, in transit or in a locked safe; or
 - ii) at **your premises** outside business hours in a locked safe; or
 - iii) at the home of any person employed by **you**;
- m) the personal belongings of any person employed by **you** or visitors whilst at **your premises** provided they are not covered under any other insurance;
- n) the reasonable costs of reconstituting the data **you** need to continue **your business activities** if **your** business records and electronic data have been lost or distorted as a direct result of **property damage** covered under this **INSURING CLAUSE**;
- o) replacement of locks and keys necessary to maintain the security of **your premises** or safes following theft of keys involving force and violence;
- p) **property damage** to a trailer which is being used in the course of **your business activities**, provided that the trailer is not attached to any motor vehicle or is in the process of attaching to or detaching from a motor vehicle at the time the **property damage** occurred;
- q) rental payments which **you** are legally obliged to pay for any period during which **your premises** is unusable, in whole or in part, as a result of **property damage** covered under this **SECTION** of this **INSURING CLAUSE**; or
- r) the reasonable costs to mitigate or prevent an actual or potential **financial loss** or **property damage** that would otherwise be covered under this **SECTION** of this **INSURING CLAUSE**.

We also agree to pay **costs and expenses** on **your** behalf.

SECTION C: NEWLY ACQUIRED OR CONSTRUCTED PROPERTY

We agree to reimburse **you** up to the **amount insured** stated in the Declarations for the costs of repairing **property damage** occurring during the **period of the policy** to:

- a) any extension to **your premises** during the period of its construction; or
 - b) any additional premises acquired by **you**;
- which is to be used for a similar purpose as the premises stated in the Declarations or used as a warehouse and provided that **you** give **us** written notice within 60 days following the commencement of the construction or the acquisition and **you** agree to pay any additional premium required by **us**.

SECTION D: ORDINANCE OR LAW

We agree to reimburse **you** up to the **amount insured** stated in the Declarations for the additional costs incurred by **you** following **insured damage**:

- a) to rebuild any part of a building that has not incurred any **property damage** but has had to be demolished as a direct result of **insured damage**;
- b) to demolish and remove debris from the site of a **damaged** building that has had to be demolished as a direct result of **insured damage**;
- c) to rebuild a **damaged** building for similar occupancy to that which existed immediately before the **property damage** occurred up to the minimum standards to comply with any public, government, local or civil authority's enforcement of an ordinance or law which regulates the reconstruction, repair or demolition of the building or establishes zoning or land use requirements for that building, provided:
 - i) the ordinance or law was in force at the time the **property damage** occurred; and
 - ii) the **property damage** occurred during the **period of the policy**.

INSURING CLAUSE 5: EQUIPMENT BREAKDOWN

SECTION A: ELECTRICAL OR MECHANICAL PLANT BREAKDOWN

We agree to reimburse **you** up to the **amount insured** stated in the Declarations for repairing **property damage** occurring during the **period of the policy** to **your** electrical or mechanical plant resulting from its own breakdown, explosion or collapse.

We also agree to pay **costs and expenses** on **your** behalf.

SECTION B: HAZARDOUS SUBSTANCES

We agree to reimburse **you** up to the **amount insured** stated in the Declarations for **property damage** occurring during the **period of the policy** resulting from any:

- solid, liquid, gaseous, radiological or thermal irritant, toxic or hazardous substance, or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste materials; or

b) recycled, reconditioned or reclaimed material that is listed in a) above; where the **property damage** is a direct result of **property damage** to **your** electrical or mechanical plant which itself is the result of its own breakdown, explosion or collapse.

We also agree to pay **costs and expenses** on **your** behalf.

SECTION C: SPOILAGE OF PERISHABLE STOCK

We agree to reimburse **you** up to the **amount insured** stated in the Declarations for **property damage** to perishable stock occurring during the **period of the policy** resulting from an accidental change in air quality, temperature, atmosphere or other environmental condition within a space where the environment is artificially controlled and the **property damage** to the perishable stock is a direct result of **property damage** to **your** electrical or mechanical plant which itself is the result of its own breakdown, explosion or collapse.

We also agree to pay **costs and expenses** on **your** behalf.

INSURING CLAUSE 6: BUSINESS INTERRUPTION AND EXTRA EXPENSE

SECTION A: BUSINESS INTERRUPTION

We agree to reimburse **you** up to the **amount insured** stated in the Declarations for any **financial loss** occurring during the **period of the policy** resulting solely and directly from a reduction in **your income** due to an interruption to **your business activities** caused by:

- insured damage** to your **premises** or contents or to any other property used by **you** at **your premises**;
- insured damage** to any part of **your premises** that is being renovated or under construction;
- insured damage** at the premises of one of **your** suppliers, other than a supplier of water, gas, electricity or telephone and broadband services; or
- failure in the supply of water, gas, electricity, or telephone and broadband services to **your premises** for more than 24 consecutive hours caused by **insured damage** to any property.

SECTION B: PREVENTION OR RESTRICTION OF ACCESS TO PREMISES

We agree to reimburse **you** up to the **amount insured** stated in the Declarations for any **financial loss** occurring during the **period of the policy** resulting solely and directly from **your loss of income** and accounts receivable due to an interruption to **your business activities** caused by:

- insured damage** to property in the vicinity of **your premises** which prevents or hinders **your** access to **your premises**;
- prevention or restriction of access to **your premises** by order of a civil or military authority; or
- prevention or restriction of access to **your premises** as a direct result of **insured damage** to property located within 1 kilometer of **your premises**, regardless of whether **your premises** has suffered any **insured damage**.

SECTION C: RENTAL INCOME

We agree to reimburse **you** up to the **amount insured** stated in the Declarations for any **financial loss** occurring during the **period of the policy** resulting solely and directly from a reduction in **your rental income** due to an interruption to **your business activities** caused by **insured damage** to **your premises**.

SECTION D: EXTRA EXPENSE

We agree to reimburse **you** up to the **amount insured** stated in the Declarations for the reasonable and necessary extra costs and expenses **you** incur to:

- mitigate an interruption to or continue **your business activities** during the **indemnity period**; or
- re-locate to alternative premises if **you** and **we** agree that it is not practicable or reasonable for **you** to repair or replace the **damaged premises**.

SECTION E: SCHEDULED PAYROLL EXPENSES

We agree to reimburse **you** up to the **amount insured** stated in the Declarations for **your** scheduled employee payroll expenses during the **indemnity period**, including:

- payroll;
- employee benefits directly related to payroll;
- Federal Insurance Contributions Act (FICA);
- Medicare payments;
- union dues; and
- workers' compensation premiums;

as a direct result of an interruption to **your business activities**.

INSURING CLAUSE 7: CYBER AND PRIVACY

SECTION A: CYBER LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** and notified to **us** during the **period of the policy** for any **third party** financial loss arising directly from a **hacking attack** or **virus** that has emanated from or passed through **your computer systems** or a **cloud computing provider's** systems.

We will also pay **costs and expenses** on **your** behalf.

SECTION B: PRIVACY LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** and notified to **us** during the **period of the policy** arising out of a **security breach** which results in:

- an actual or suspected breach of any personally identifiable information (PII), including payment card information, or protected health information (PHI);
- your** failure to adequately warn affected individuals or provide a timely breach notification;
- a breach of any rights of confidentiality as a direct result of **your** failure to maintain the confidentiality of any data pertaining to an **employee**;
- a breach of any rights of confidentiality, including a breach of any provisions of a non-disclosure agreement or breach of a contractual warranty relating to the confidentiality of commercial information or PII;
- a breach of any part of **your** website's privacy statement;
- a breach of any written contract between **you** and any **third party** governing the processing and storage of payment card information including any breach of the Payment Card Industry Data Security Standard (PCI DSS); or
- a breach of **your** data or data for which **you** are responsible that is located on a **cloud computing provider's** systems.

We will also pay **costs and expenses** on **your** behalf.

SECTION C: YOUR NOTIFICATION COSTS

We agree to pay on **your** behalf all sums reasonably incurred as a result of an actual or suspected **security breach** first discovered during the **period of the policy** to:

- fulfil any obligation **you** have to notify any **third party** or **employee**, including but not limited to the legal costs to draft appropriate notices for any **third party** or **employee** affected by the actual or suspected breach of privacy and the printing and postage costs to issue these notices or costs to issue any substitute notice;
- provide credit monitoring services or identity theft insurance where reasonable and necessary;
- provide call centre services where reasonable and necessary;
- conduct an independent security audit of **your computer systems** to identify the source and scope of the breach; and
- a forensic investigation of **your computer systems** as required by law or a regulatory body (including a requirement for a PCI Forensic Investigator).

SECTION D: SYSTEM DAMAGE

We agree to pay on **your** behalf **rectification costs** which **you** incur:

- in retrieving, restoring or replacing any of **your** computer programs or any other data (or any other computer programs or any other data for which **you** are responsible) that **you** first discover during the **period of the policy** have been lost or damaged; or
- in repairing, restoring or replacing any of **your computer systems** that **you** first discover during the **period of the policy** have been

lost or damaged;

as a direct result of any unintentional or unexpected source of **computer system** disruption, damage or failure where the proximate cause is not tangible loss of or damage to any of **your** physical equipment or property.

SECTION E: SYSTEM BUSINESS INTERRUPTION

We agree to reimburse **you** for **your reduction in profit** during a **system outage period** as a direct result of a **cyber peril** first discovered during the **period of the policy**.

We also agree to pay **costs and expenses** on **your** behalf.

SECTION F: CONSEQUENTIAL REPUTATIONAL HARM

We agree to reimburse **you** for **your reduction in profit** during the **contingent period** as a direct result of the loss of current or future **residents or patients** caused by damage to **your** reputation as a result of a system outage or **security breach** covered under **INSURING CLAUSE 7, SECTION B** or **E** of this Policy for which **you** have purchased cover.

We also agree to pay **costs and expenses** on **your** behalf.

SECTION G: REGULATORY ACTIONS AND INVESTIGATIONS

We agree to pay on **your** behalf all **costs and expenses** and any resultant fines and penalties as a result of an **investigation** first initiated against **you** in writing and notified to **us** during the **period of the policy** arising out of an actual or suspected **security breach**.

SECTION H: CYBER THREATS AND EXTORTION

We agree to reimburse **you** for all reasonable sums incurred as a direct result of a specific threat first made against **you** and notified to **us** during the **period of the policy** to:

- a) prevent access to **your computer systems** or any **third party** systems hosting **your** applications or data including **cloud computing providers**;
- b) introduce a **virus** into **your computer systems**;
- c) reveal **your** confidential information or confidential information entrusted to **you**; or
- d) damage **your** brand or reputation by posting false or misleading comments about **you** on social media sites.

However, **we** will only pay on **your** behalf any sums incurred in respect of:

- a) the cost of hiring an independent computer security consultant to assess the credibility of any threat;
- b) the cost of consultancy services in relation to preventing the immediate threat;
- c) the cost of offering a reward in order to identify the perpetrators of the threat; or
- d) the reimbursement of any ransom **you** are required to pay in the event that the above measures fail to mitigate the threat against **you**.

INSURING CLAUSE 8: DIRECTORS AND OFFICERS LIABILITY

SECTION A: INDIVIDUAL COVER

We agree to pay on behalf of the **insured persons** all sums they become legally obliged to pay as a result of any **claim** first made against them and notified to **us** during the **period of the policy** arising out of any **wrongful act** committed or alleged to have been committed by an **insured person** or any matter claimed against them solely by reason of them serving in that capacity.

We will also pay **costs and expenses** on behalf of the **insured persons**.

SECTION B: COMPANY REIMBURSEMENT COVER

We agree to pay on behalf of the **company** all sums it becomes legally obliged to pay as a result of any **claim** first made against an **insured person** and notified to **us** during the **period of the policy** arising out of any **wrongful act** committed or alleged to have been committed by an **insured person** who is acting as an **insured person** or any matter claimed against them solely by reason of them serving in this capacity, but only to the extent that the **company** has indemnified the **insured person** for the **claim**.

We will also pay **costs and expenses** on behalf of the **company**.

SECTION C: ENTITY COVER

We agree to pay on behalf of the **company** all sums it becomes legally obliged to pay as a result of any **claim** first made against it and notified to **us** during the **period of the policy** arising out of any **wrongful act** committed by **you** or on **your** behalf in the normal course of **your** business activities.

We will also pay **costs and expenses** on behalf of the **company**.

SECTION D: INVESTIGATION COSTS COVER

We agree to pay on behalf of the **insured persons** all **costs and expenses** they incur as a result of an **investigation** first initiated against them in writing and notified to **us** during the **period of the policy**.

However, **we** shall not pay any **costs and expenses** in respect of **investigations** affecting the wider business environment or the industry in which **you** conduct **your** business, as opposed to **investigations** solely affecting the **company**.

SECTION E: OUTSIDE DIRECTORSHIP LIABILITY

We agree to pay on behalf of the **insured persons** all sums they become legally obliged to pay as a result of any **claim** first made against them and notified to **us** during the **period of the policy** arising out of any **wrongful act** committed or alleged to have been committed by the **insured persons** acting in any **outside directorship position** or any matter claimed against them solely by reason of them serving in this capacity, provided that:

- a) cover shall not extend to the benefit of the **outside entity** or any other director, officer, trustee, council or committee member of the **outside entity**; and
- b) cover shall be in excess of any other insurance policy protecting an **insured person** while holding this position; and
- c) cover shall be in excess of any indemnification which the **outside entity** has agreed, or is bound by law, to provide to the **insured persons**.

We will also pay **costs and expenses** on behalf of the **insured persons**.

SECTION F: ADDITIONAL LIMIT FOR NON-EXECUTIVE DIRECTORS

We agree, upon exhaustion of the **limit of liability** or **aggregate limit of liability**, to pay on behalf of non-executive directors of the **company** all sums they become legally obliged to pay as a result of any **claim** first made against them and notified to **us** during the **period of the policy** arising out of any **wrongful act** committed or alleged to have been committed by non-executive directors of the **company** acting in a director position or any matter claimed against them solely by reason of them serving in this capacity, provided that:

- a) the **company** has not indemnified the non-executive directors of the **company**; and
- b) all other valid and collectible insurance available to the non-executive directors of the **company** covering the **claim**, in whole or in part, has been exhausted.

We will also pay **costs and expenses** on behalf of the non-executive directors of the **company**.

Any payment made by **us** under this **SECTION F** will not erode the **aggregate limit of liability** in any **SECTION** of **INSURING CLAUSE 8**.

SECTION G: EXTRADITION AND APPEAL COSTS

We agree to pay on behalf of an **insured person**, where permitted by law, all **costs and expenses** they incur in bringing legal proceedings to appeal, overturn, challenge or revoke a court order first registered during the **period of the policy** relating directly to:

- a) extradition of an **insured person**;
- b) the deportation of an **insured person** following revocation of the otherwise proper, current and valid immigration status for a reason other than the **insured person's** criminal conviction;
- c) confiscation, assumption of ownership and control or freezing of any asset of the **insured person**;
- d) a charge over an asset of the **insured person**;
- e) a prohibition imposed on the **insured person** from holding the office of or performing the function of an **insured person**; or
- f) a restriction of the **insured person's** liberty to a specified domestic residence or confinement in custodial premises.

SECTION H: FAMILY COSTS

We agree to reimburse any reasonable travel costs and associated expenses incurred by an **insured person** to enable their **family members** to attend court or a tribunal, arbitration, adjudication, mediation or other hearing where the **insured person** is appearing as a witness in connection with a **claim** covered under **SECTIONS A, B or G** of this **INSURING CLAUSE** only for which **you** have purchased cover.

INSURING CLAUSE 9: EMPLOYMENT PRACTICES LIABILITY

We agree to pay on **your** behalf all sums **you** become legally obliged to pay as a result of any **claim** first made against **you** and notified to **us** during the **period of the policy** brought by an **employee**, a prospective employee or an independent contractor arising out of any actual or alleged:

- a) wrongful dismissal, discharge or termination of employment whether actual or constructive, including breach of an express or implied contract;
- b) employment related misrepresentations;
- c) sexual or other harassment in the workplace (including the creation of a hostile working environment);
- d) wrongful deprivation of a career opportunity, employment or promotion or failure to grant tenure;
- e) wrongful demotion, evaluation or failure to adopt adequate employment or workplace policies and procedures;
- f) breach of, violation of or non-compliance with data protection laws relating to **employee** data;
- g) **retaliation**;
- h) infliction of emotional distress;
- i) employment related libel, slander, humiliation or defamation;
- j) disciplinary action;
- k) negligent evaluation;
- l) discrimination;
- m) invasion of privacy; or
- n) violation of any law concerning employment or discrimination in employment.

We will also pay **costs and expenses** on **your** behalf.

INSURING CLAUSE 10: LOSS MITIGATION

We agree to pay any reasonable costs necessarily incurred by **you** in respect of measures taken by **you** for the sole purpose of mitigating a **claim** or **financial loss** or potential **claim** or **financial loss** for which **you** would be entitled to indemnity under this Policy had these measures not been taken, provided that:

- a) **you** have previously notified **us** of the **claim** or **financial loss** or potential **claim** or **financial loss**;
- b) the costs in respect of measures taken by **you** to mitigate the **claim** or **financial loss** or potential **claim** or **financial loss** are less than the expected value of the **claim** or **financial loss** or potential **claim** or **financial loss**;
- c) the costs do not include any provision for salaries or other remuneration of **your employees**, any provision for **your** loss of profit or any provision for **your** normal operating expenses; and
- d) the costs are incurred with **our** prior written agreement (the agreement will not be unreasonably withheld).

INSURING CLAUSE 11: COURT ATTENDANCE COSTS

We agree to reimburse **you**, subject to **our** prior written agreement (which will not be unreasonably withheld), for **your** reasonable costs incurred to attend court or any tribunal, arbitration, adjudication, mediation or other hearing as a witness in connection with a **claim** or **financial loss** covered under any **INSURING CLAUSE** of this Policy for which **you** have purchased cover.

INSURING CLAUSE 12: REPUTATION AND BRAND PROTECTION

We agree to pay the necessary and reasonable costs incurred, subject to **our** prior written agreement (which will not be unreasonably withheld), for the services of a public relations consultancy for the purpose of averting or mitigating damage to **your** reputation or brand caused by a **claim**, **property damage** or **financial loss** that is covered under any **INSURING CLAUSE** of this Policy for which **you** have purchased cover where an event has been publicized through the media, including but not limited to television, print, radio or the internet which might reasonably be considered to create a material threat to **your** reputation or brand.

The public relations consultancy shall be chosen by the Claims Managers who shall take into account the nature of the **claim**, **property damage** or **financial loss** and the cost and quality of the services that they can deliver; unless **you** have reasonable cause to request a different public relations consultancy and the Claims Managers and **you** mutually agree upon this company.

HOW MUCH WE WILL PAY

The maximum amount payable by **us** shall not exceed the amounts stated in the Declarations in respect of each **INSURING CLAUSE** unless limited below.

However, solely with respect to any claims under this Policy that shall and must be governed by Quebec law on the scope of our liability, we agree to pay costs and expenses in addition to the Limits of Liability stated in the Declarations.

Where more than one **claim** or **financial loss** arises from the same original cause or single source or event, all of those **claims** or **financial losses** shall be deemed to be one **claim** or **financial loss** and only one **limit of liability** shall be payable in respect of all of those **claims** or **financial losses**.

Where cover for any **claim** or **financial loss** is provided under multiple **SECTIONS** or multiple **INSURING CLAUSES** only one **INSURING CLAUSE** shall respond to that **claim** or **financial loss** and this shall be the **INSURING CLAUSE** with the highest **limit of liability**.

We may at any time pay to **you** in connection with any **claim** the amount of the **limit of liability** (after deduction of any amounts already paid). Upon that payment being made we shall relinquish the conduct and control of the **claim** and be under no further liability in connection with that **claim**.

In respect of **INSURING CLAUSE 4** only, the amount we will pay:

- a) for **SECTIONS A** and **C** only, at **our** option, will be the cost to

rebuild, repair or replace **damaged premises** at the nearest available site to **your premises** (whichever incurs the least cost), with material of like kind and quality, without deduction for appreciation;

- b) for **SECTION B** only, at **our** option, will be the cost to repair or replace **damaged** contents;
- c) for part a) of **SECTION D** only, will be the cost to rebuild with material of like kind and quality, the part of the building that has not been **damaged**;
- d) for part b) of **SECTION D** only, will be the cost to demolish the **damaged** building and to clear the debris from the site; or
- e) for part c) of **SECTION D** only, will be the cost to rebuild the **damaged** premises to the required minimum standards.

If, at the time the **damage** occurs, the declared value of the **damaged premises** stated in the Declarations is less than 85% of the actual value of **your premises**, the amount we will pay will be reduced in the same proportion as the total value of **your premises** stated in the Declarations bears to the actual value of **your premises**.

In respect of **INSURING CLAUSE 5** only, the amount we will pay:

- a) for **SECTION A** only, will be the cost to repair or replace the **damaged** electrical or mechanical plant; or
- b) for **SECTION B** only, will be the cost to clean up and dispose of the **damaged** electrical or mechanical plant; or
- c) for **SECTION C** only, will be the cost to replace the stock.

If there is a more environmentally friendly or energy efficient version of the **damaged** electrical or mechanical plant available following **property damage** we will pay the additional cost incurred to replace the **damaged** electrical or mechanical plant with the more environmentally friendly or energy efficient version, provided that the maximum amount we will pay is 125% of the cost that would have been incurred to repair or replace the original model.

In respect of **INSURING CLAUSE 6** only, the amount we will pay:

- a) for **SECTIONS A and B** only, will be the difference between **your** actual **income** during the **indemnity period** and the **income** it is estimated **you** would have earned during that period, less any savings resulting from:
 - i) the reduced costs incurred during the **indemnity period**;
 - ii) any complete or partial resumption of the operation of **your** business activities;
 - iii) **you** making use of any of **your** merchandise, stock or any other property at **your premises** or elsewhere;
 - iv) any accounts receivable, provided **you** keep a record of all amounts owed to **you** and keep a copy of the record away from **your premises**.
- b) for **SECTION C** only; will be the difference between the actual rent received during the **indemnity period** and the rent it is anticipated **you** would have received had no **property damage** occurred; and
- c) for **SECTION D** only, will be the necessary and reasonable additional costs and expenses **you** incur to mitigate an interruption to **your business activities** or continue **your business activities** during the **indemnity period**; and
- d) for **SECTION E** only, will be **your** normal payroll expenses during the **indemnity period**.

In respect of **INSURING CLAUSE 7, SECTION E** only, the amount we will pay will be:

- a) the difference between **your** actual **income** during the **system outage period** and the **income** it is estimated **you** would have earned during that period or, if this is **your** first trading year, the difference between **your income** during the period **your** systems have failed or are impaired as a direct result of any **cyber peril** or a **cloud computing provider's** system failure or impairment due to a **cyber peril** and during the period immediately prior to the **financial loss**, less any savings resulting from the reduced **costs and expenses** incurred during the **system outage period**; and
- b) any **extra expense**.

If due to an emergency, **our** written agreement cannot reasonably be obtained prior to **costs and expenses** being incurred in respect of any **claim**, we will provide retrospective approval for those **costs and expenses** during the period of 72 hours immediately following the date on which the **claim** was first made or initiated.

In respect of **INSURING CLAUSE 8** only, this Policy shall apply to each **insured person** in the same manner and to the same extent as if a separate Policy had been issued to each **insured person**. Regardless of the number of **insured persons** involved, the total amount payable by **us** shall not exceed the **aggregate limit of liability**.

YOUR DEDUCTIBLE

We shall only be liable for that part of each and every **claim, financial loss or medical expenses** which exceeds the amount of the Deductible stated in the Declarations. If any expenditure is incurred by **us** which falls within the amount of the Deductible stated in the Declarations, then **you** shall reimburse that amount to **us** upon **our** request.

However, solely with respect to any **claims** under this Policy that shall and must be governed by Quebec law on the scope of **our** liability, we agree that the Deductible shall not apply to **costs and expenses** in respect of any **claim** arising out of **bodily injury**.

Where more than one **claim, financial loss or medical expense** arises from the same original cause or event, or the same defect in **your products**, all of those **claims, losses or medical expenses** shall be deemed to be one **claim, financial loss or medical expense** and only one Deductible will apply.

Where cover is provided under multiple **SECTIONS** or multiple **INSURING CLAUSES** only one Deductible will apply to that **claim or financial loss** and this shall be the **INSURING CLAUSE** with the highest Deductible.

DEFINITIONS

1. **"Administration"**
means:
 - a) counseling **employees**, including their dependants and beneficiaries, in respect of **your employee benefit program**;
 - b) handling records in respect of **your employee benefit program**;
 - c) effecting enrolment or termination of any **employee's** participation in a plan included in **your employee benefit program**; or
 - d) interpreting **your employee benefit program**.
2. **"Advertising injury"**
means:
 - a) oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - b) oral or written publication of material that violates a person's right of privacy;
 - c) misappropriation of advertising ideas or style of doing business; or
 - d) infringement of copyright, title or slogan.
3. **"Aggregate limit of liability"**
means the maximum amount payable by **us** stated in the Declarations in respect of each **SECTION** or each **INSURING CLAUSE** for all **claims or losses**.
4. **"Amount insured"**
means the maximum amount payable by **us** stated in the Declarations. The amount applies to each incident of **financial loss or property damage** occurring during the **period of the policy**.
5. **"Bodily injury"**
means death, bodily injury, mental injury, illness or disease of or to any person.
6. **"Business activities"**
means the Business Activities stated in the Declarations, including:
 - a) the ownership, repair and maintenance of **your** property; and
 - b) provision and management of canteen, social, sports and welfare organizations for the benefit of **your employees** and medical, fire fighting, and security services; and
 - c) attendance at conferences and tradeshow as either an exhibitor or visitor; and
 - d) **your** attendance at the premises of a **third party** or travel to or from the premises of a **third party**.
7. **"Claim"**
means:
 - a) a demand for money, retraction or correction, including the provision of a consumer redress fund, service of suit or the initiation of arbitration proceedings;
 - b) a threat or initiation of a suit seeking injunctive or declaratory relief;
 - c) the initiation of civil or criminal, extradition or disqualification proceedings; or
 - d) in respect of **INSURING CLAUSE 7, SECTION G** only, or **INSURING CLAUSE 8, SECTION D** only, a disciplinary action or **investigation**.

8. **“Cloud computing provider”**
means a **third party** that provides **you** with hosted computing services accessed across the internet or dedicated network links including infrastructure, platform, file storage and application level services.
9. **“Company”**
means the company named as the Insured in the Schedule or any **subsidiary**.
10. **“Computer systems”**
means all electronic computers including operating systems, software, hardware and all communication and open system networks and any data or websites wheresoever hosted, including **cloud computing providers**, off-line media libraries and data back-ups and mobile devices including but not limited to smartphones or tablets.
11. **“Contingent period”**
means the period immediately following a **system outage period** that is a direct result of:
 - a) a system outage or a **security breach** covered under **INSURING CLAUSE 7, SECTION B or D** of this Policy for which **you** have purchased cover; or
 - b) a **cyber peril** first discovered during the **period of the policy**.

The maximum **Contingent Period** is stated in the Declarations.
12. **“Corporate blogging”**
means creating or editing a web log, discussion forum post, online comment, or other associated social media activity where the primary purpose of that activity is to promote **you** or the individual's position within **your** industry.
13. **“Corporate manslaughter”**
means a criminal proceeding for corporate manslaughter or corporate homicide under the Corporate Manslaughter and Corporate Homicide Act 2007 or equivalent in any other jurisdiction.
14. **“Costs and expenses”**
means:
 - a) legal and professional expenses (including disbursements) reasonably incurred in the defense of **claims** or circumstances which could reasonably be expected to give rise to a **claim**;
 - b) legal and professional expenses (including disbursements) reasonably incurred in quashing or challenging the scope of any injunction, subpoena or witness summons;
 - c) interest on that part of any judgment **we** pay that accrues after entry of the judgment and before **we** have paid, offered to pay, or deposited in court the part of the judgment that is within the **limit of liability**;
 - d) the cost of appeal, attachment and similar bonds including bail and penal bonds;
 - e) in respect of **INSURING CLAUSE 4** and **INSURING CLAUSE 7, SECTIONS C, D and E** only, the costs and expenses incurred in establishing and quantifying any **financial loss** or **property damage** or the costs and expenses incurred in mitigating the **financial loss** or **property damage**;
 - f) in respect of **your loss of income**, extra expense, accounts receivable and ordinary payroll under **INSURING CLAUSE 6**, the necessary and reasonable additional costs and expenses **you** incur to mitigate an interruption to or continue **your business activities** during the **indemnity period**; and
 - g) in respect of **INSURING CLAUSE 7** only, the costs and expenses incurred as a result of a **third party** forensic audit or the use of **third party** information security consultants.

Subject to all **costs and expenses** being incurred with the Claims Managers' prior written agreement (which will not be unreasonably withheld).

If **costs and expenses** are stated in the Declarations to be in addition to the **aggregate limit of liability** or **limit of liability**, or if the operation of local laws require **costs and expenses** to be paid in addition to the **aggregate limit of liability** or **limit of liability**, and if a damages payment in excess of the **aggregate limit of liability** or **limit of liability** has to be made to dispose of any **claim**, **our** liability for **costs and expenses** shall be in the same proportion as the **aggregate limit of liability** or **limit of liability** bears to the amount of the damages payment.

- In respect of **INSURING CLAUSE 4** only, **“costs and expenses”** include the services of professional experts, including architects, surveyors, forensic accountants and consulting engineers.
15. **“Cyber peril”**
means any **hacking attack**, **virus** or malicious damage that adversely affects the availability of **your computer systems** or a **cloud computing provider's** systems.
 16. **“Earth movement”**
means any type of earth movement, including earthquake, subsidence, landslide, erosion or the expansion or contraction of soil.

“Earth movement” does not mean any sinkhole collapse.
 17. **“Employee”**
means any person employed by the company named as the Insured in the Declarations, or any **subsidiary**.

“Employee” includes students, volunteers and independent contractors.
 18. **“Employee benefit program”**
means group automobile insurance, group homeowners insurance, group life insurance, group dental insurance, group health insurance, profit sharing plans, pension plans, early retirement offerings, employee investment subscription plans, Workers' Compensation, Unemployment Insurance, Social Security, Disability Benefit Insurance, travel, savings or vacation plans or any similar benefit programs.
 19. **“Extra expense”**
means the necessary and reasonable extra **costs and expenses you** incur in order to continue **your business activities** during the **indemnity period** or a **system outage period**.
 20. **“Family member”**
means a parent, spouse, domestic partner, civil partner or child of the **insured person**.
 21. **“Financial loss”**
means direct financial loss sustained by **you**.
 22. **“Flood”**
means:
 - a) flood, surface water, underground water, waves, tides, tidal waves, tsunamis, overflow of any body of water, or their spray, all whether driven by wind or not; or
 - b) mudslide or mudflow; or
 - c) water or sewerage from a backed up sewer, sump, septic tank or drain.
 23. **“Hacking attack”**
means any malicious or unauthorized electronic attack including but not limited to any fraudulent electronic signature, brute force attack, phishing, denial of service attack, that has been initiated by any **third party** or by any **employee** and that is designed to damage, destroy, corrupt, overload, circumvent or impair the functionality of **computer systems**.
 24. **“Healthcare services”**
means:
 - a) healthcare services rendered or required to be rendered by **you** in the treatment or care of any **resident or patient**; or
 - b) the provision by **you** of professional services to a **resident or patient**;
 in the course of **your business activities**.
 25. **“Income”**
means the gross revenue, including accounts receivable generated from **your business activities** less direct costs.
 26. **“Indemnity period”**
means the period beginning at the date of the **property damage** and lasting for the period stated in the Declarations during which:
 - a) **your income, rental income** or expenditure is affected; or
 - b) access to **your premises** is prevented or restricted; or
 - c) the **damaged part of your premises** is being renovated or constructed; or
 - d) **you** continue to pay **your** normal payroll expenses; or
 - e) after the initial 24 consecutive hours, **you** have no water, gas electricity or telephone services being supplied to **your premises**.

27. **“Insured damage”**
means **property damage** to property provided that:
- the **property damage** is covered under **INSURING CLAUSE 4**; or
 - an insurer has paid the claim, or has agreed to pay the claim, under any other insurance covering the **property damage**.
28. **“Insured person”**
means:
- any past, present or prospective **senior executive officer** of the **company** (or equivalent position in any jurisdiction) including de facto directors;
 - any **employee**:
 - acting in a managerial or supervisory capacity;
 - in an **outside directorship position**; or
 - when named as co-defendant;
 - any person, who, as a consequence of being a director, officer or **employee** of the **company** is deemed a shadow director;
 - a Member of a Limited Liability Corporation;
 - the estates, heirs, legal representatives or assigns of **insured persons** described in a) to d) above in the event of their death, incapacity, insolvency or bankruptcy but only in respect of any **wrongful act** committed or alleged to have been committed while these **insured persons** were serving in their capacity as **insured persons**; and
 - family members** of **insured persons** described in a) to d) above, but only in respect of any **claim** brought against them by reason of:
 - their status as a **family member** of the **insured person**; or
 - the **family member's** ownership or interest in property which the claimant seeks as recovery for an alleged act, error or omission of the **insured person** while acting in their capacity as an **insured person**.
29. **“Investigation”**
means a formal hearing, official investigation, examination, inquiry or any other similar proceeding initiated by a governmental, regulatory, law enforcement, professional or statutory body.
30. **“Limit of liability”**
means the maximum amount payable by **us** stated in the Declarations in respect of each **claim** or **financial loss**, or in respect of each accident giving rise to **medical expenses**.
31. **Loss of sight”**
means total and irrecoverable loss of sight.
32. **“Medical expenses”**
means reasonable and necessary expenses for:
- first aid administered at the time of an accident;
 - medical, surgical, x ray and dental services, including prosthetic devices; and
 - ambulance, hospital, professional nursing and funeral services.
33. **“Merger or acquisition”**
means:
- the acquisition by any person or entity of more than 50% of the outstanding securities of the **company** representing the present right to vote for the election of directors; or
 - the merger of the **company** into another entity resulting in the **company** not being the surviving entity.
34. **“Money”**
means cash, bank and currency notes, checks, bankers drafts, or share or bond certificates.
35. **“Named windstorms”**
means a windstorm which is given a name by the National Hurricane Center, Miami, FL.
36. **“Outside directorship position”**
means the position held by the **insured persons** or **employees** serving or acting in the capacity of director, officer, trustee, council member or committee member of an **outside entity**:
- at the specific request of the **company**; or
 - with the knowledge and consent of the **company**.
37. **“Outside Entity”**
means any entity, non-profit organization, tax-exempt trade association, registered charity and any other company organization, institute or society, other than:
- the **company**;
 - any entity that has any of its securities publicly traded; or
 - any entity that is a bank, clearing house, credit institution, investment firm or advisor, private equity or venture capital company, stock broker, insurance company or provides similar services.
38. **“Overall amount insured”**
in respect of **INSURING CLAUSES 4, 5 and 6** only, means the maximum amount payable by **us** stated in the Declarations in respect of all incidents of **financial loss** or **property damage** occurring during the **period of the policy**.
39. **“Period of the policy”**
means:
- the period between the Inception Date stated in the Declarations and the Expiry Date stated in the Declarations; or
 - the period between the Inception Date stated in the Declarations and the date on which the Policy is cancelled in accordance with the “Cancellation” **GENERAL CONDITION**.
40. **“Personal injury”**
means:
- false arrest, detention or imprisonment;
 - malicious prosecution; or
 - wrongful entry into, or eviction of a person from, a room, dwelling or **premises** that the person occupies.
41. **“Physical abuse”**
means:
- death, bodily injury, mental injury, illness, disease, mental anguish, or shock caused deliberately by **you**;
 - the negligent employment, investigation, supervision, hiring, training or retention of a person for whom **you** are or were at any time responsible and who commits **physical abuse** as defined by a) above; or
 - your** negligent reporting, or **your** failure to report, to the proper authorities the conduct of a person for whom **you** are or were at any time responsible and who commits **physical abuse** as defined by a) above.
42. **“Pollutants”**
means any solid, liquid, gaseous, radiological or thermal irritant, toxic or hazardous substance, or contaminant including, but not limited to smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste materials, including recycled, reconditioned or reclaimed materials.
43. **“Pollution”**
means the discharge, dispersal, release, migration, seepage or escape of **pollutants**.
44. **“Premises”**
means the property stated in the Declarations.

“Premises” also means any extension, regardless of whether attached to or detached from, the property stated in the Declarations during the **period of the policy**, or any premises acquired by **you** during the **period of the policy**.
45. **“Product”**
means any tangible property which has been administered, constructed, installed, cleaned or renovated by **you** in the course of **your business activities**.
46. **“Property damage/damaged”**
means direct physical damage to, destruction of, loss of possession or loss of use of tangible property.

For the avoidance of doubt, **“Property damage”**:
- shall include direct physical damage to or destruction of; but
 - shall not include loss of possession of; tangible property belonging to a **resident or patient**.

47. **“Rectification costs”**
means those costs that **you** incur as a result of the use of external consultants, contractors or advisers or any additional costs that **you** incur to pay **your employees**.
- For the avoidance of doubt, **rectification costs** does not include any hardware costs, basic salaries of **your employees** or **your** office expenses or any payments that **you** have paid or agreed to pay as part of any service or maintenance contract.
48. **“Reduction in profit”**
means **your** reasonably forecasted **income** before tax for the **system outage period**, less:
a) actual **income** less sales tax for the **system outage period**; and
b) any saving in costs as a result of the reduction in **income**;
as determined by an independent expert appointed by the Claims Managers.
49. **“Rental income”**
means:
a) the anticipated gross rental income from tenant occupancy of **your premises**,
b) the amount of all charges which are the legal obligations of the tenants, which would otherwise be **your** obligations, and
c) the fair rental value of any portion of **your premises** which is occupied by **you**.
50. **“Resident or patient”**
means any **third party** to whom **you** supply **your business activities**.
51. **“Retaliation”**
means:
a) the disclosure or threat of disclosure by an **employee** or an independent contractor to a superior or governmental agency of any act by the **company** or an **employee** or an independent contractor which is alleged to be a breach of any law;
b) assisting or testifying in or cooperating with an **investigation** in respect of a breach of law;
c) refusing to breach any law; or
d) the actual or attempted exercise by the **employee** or an independent contractor of their rights in law.
52. **“Retired director or officer”**
means any **insured person** who retired from the **company** before the Expiry Date stated in the Declarations, provided the **insured person** was not the subject of any disqualification proceeding.
53. **“Security breach”**
means an actual or suspected breach where information is unintentionally revealed in any format including electronic, paper and verbal communication.
- “Security breach”** does not mean a situation where information is deliberately shared with or sold to a **third party** with the knowledge and consent of an **insured person**.
54. **“Senior executive officer”**
means board members, executive officers, in-house lawyers, risk managers, chief operating officers, chief finance officers, chief technology officers, chief information officers, and chief privacy officers of the **company**
55. **“Sexual misconduct”**
means:
a) any conduct, physical acts, gestures or spoken or written words of a sexual nature, including, but not limited to, sexual intimacy (even if consensual), sexual molestation, sexual assault, sexual battery, sexual abuse, sexual harassment, sexual exploitation or any sexual act;
b) the negligent employment, investigation, supervision, hiring, training or retention of a person for whom **you** are or were at any time responsible and who commits **sexual misconduct** as defined by a) above; or
c) **your** negligent reporting, or **your** failure to report, to the proper authorities the conduct of a person for whom **you** are or were at any time responsible and who commits **sexual misconduct** as defined by a) above.
56. **“Subsidiary”**
means any company which the company named as the Insured in the Declarations controls through:
a) holding or controlling 50% or more of the voting rights; or
b) having the right to appoint or remove 50% or more of its board of directors.
57. **“System outage period”**
means the period during which **your computer systems** or a **cloud computing provider's** systems are unavailable or operating at less than full operational capacity as a direct result of a **cyber peril**. In the event of an intermittent problem causing repeated unavailability of systems as a direct result of the same proximate cause this will be deemed to be one continuous period.
- The maximum **system outage period** is stated in the Declarations.
58. **“Third party”**
means:
a) any person who is not a **senior executive officer** or **employee** of the company named as the Insured in the Declarations, or any **subsidiary**; or
b) a company other than the company named as the Insured in the Declarations, or any **subsidiary**.
59. **“Virus”**
means any malicious software code including but not limited to any logic bomb, trojan horse or worm that has been introduced by any **third party** or by any **employee** and that is designed to damage, destroy, corrupt, overload, circumvent or impair the functionality of **computer systems**.
60. **“Wage and hour”**
means:
a) the calculation, amount, timelines or manner of payment of minimum wages or overtime pay;
b) the classification of **employees** for wage or hours of work;
c) withholding or other deductions from wages;
d) rights to leave or absence from work or rights to pay during the absence;
e) child labor; or
f) pay equity or comparable worth.
61. **“We/our/us”**
means the Underwriters named in the Declarations.
62. **“Wrongful act”**
means any:
a) act, error or omission being the subject matter of **INSURING CLAUSES 1, 2 and 7 (SECTIONS A, and B only)**; or
b) breach of trust, neglect or breach of duty, including fiduciary or statutory duty being the subject matter of **INSURING CLAUSES 8 and 9**;
for which **you** have purchased coverage.
63. **“You/your”**
means:
a) the **company**;
b) any **insured person** or **employee** of the **company**; and
c) any past or present officers, committees and members of **your** canteen, social, sports, medical, fire fighting, security services and welfare organizations for legal liabilities incurred when acting in those capacities.

EXCLUSIONS

We will not:

- a) make any payment on **your** behalf for any **claim** or other costs incurred by **you**; or
- b) incur any **costs and expenses**; or
- c) reimburse **you** for any **financial loss, property damage, rectification costs**, legal expenses, fees or other costs sustained by **you**.

EXCLUSIONS RELATING TO ERRORS & OMISSIONS

In respect of **INSURING CLAUSE I** only:

1. **Advertising injury**
arising directly or indirectly out of **advertising injury**.
2. **Medical services whilst unlicensed**
arising directly or indirectly out of the provision of any services which **you** are not in possession of a valid license to provide, including where **you** were in possession of a valid license but the license has been suspended, revoked, surrendered or otherwise terminated.
3. **Medical practitioner**
arising directly or indirectly out of **healthcare services** provided by any clinical professional, including any physician, surgeon, anesthetist or dentist.
4. **Personal injury**
arising directly or indirectly out of **personal injury**.
5. **Professional boards**
arising directly or indirectly out of any **wrongful act** while **you** are a member of a formal accreditation or similar professional board or committee.
6. **Property damage**
arising directly or indirectly out of **property damage**.
7. **Retroactive date**
arising out of any actual or alleged:
 - a) act, error or omission that first took place before the date as specified as the Retroactive Date in the Declarations; or
 - b) act, error or omission that took place after the date as specified as the Retroactive Date in the Declarations that is interrelated by common fact, circumstance, situation, event, transaction or series of facts, circumstances, situations, events or transactions with an act, error or omission that first took place before the date as specified as the Retroactive Date in the Declarations.
8. **Trade debt**
arising out of or in connection with any trading losses or trading liabilities incurred by any business managed or carried on by **you**, or any loss of **your** profit arising from the loss of any customer, account or business.
9. **Trading losses**
arising out of any unauthorized trading of money, securities or property, irrespective of whether or not the trading was in **your** name and irrespective of whether or not the transaction was genuine.
10. **Unjust enrichment**
for that part of any **claim** that results in you being in a better financial position as a direct result of **your wrongful act** than **you** would have been if **you** had not committed the **wrongful act**.

In respect of **INSURING CLAUSE I, SECTION B** only:

11. **Bodily injury**
arising directly or indirectly out of **bodily injury**.

EXCLUSIONS RELATING TO COMMERCIAL GENERAL LIABILITY

In respect of **INSURING CLAUSE 3** only:

12. **Asbestos**
arising directly or indirectly or resulting from or contributed to by the manufacturing, mining, use, sale, installation, removal, distribution

of or exposure to asbestos, materials or products containing asbestos, or asbestos fibres or dust.

13. **Auto**
arising directly or indirectly from the ownership, possession or use by **you** or on **your** behalf of any motor vehicle or trailer, other than **bodily injury or damage**:
 - a) caused by the use of any tool or plant forming part of or attached to or used in connection with any motor vehicle or trailer;
 - b) occurring beyond the limits of any carriageway or thoroughfare and caused by the loading or unloading of any motor vehicle or trailer;
 - c) arising out of the use of any motor vehicle or trailer temporarily in **your** custody or control for the purpose of parking;
 - d) occurring beyond the limits of any carriageway or thoroughfare and caused by the use of any unlicensed vehicle, including but limited to snowmobiles and all terrain vehicles, in the course of **your business activities**;

provided always that **we** will not make any payment on **your** behalf or incur any **costs and expenses** in respect of any legal liability for which compulsory insurance or security is required by legislation or for which a government or other authority has accepted responsibility.

14. **Electromagnetic fields**
arising directly or indirectly out of or resulting from electromagnetic fields, electromagnetic radiation, electromagnetism, radio waves or noise.
15. **Marine and aviation**
arising directly or indirectly from the ownership, possession or use by **you** or on **your** behalf of any:
 - a) aircraft or any airborne device whilst airborne; or
 - b) hovercraft; or
 - c) offshore installation, rig or platform; or
 - d) watercraft.

16. **Water ingress (applicable to British Columbia only)**
arising out of, or relating directly or indirectly to, in whole or in part, the **infiltration of precipitation** into the **building envelope** of a building located in the Province of British Columbia, or into a **multi-unit building** located in the Province of British Columbia.

For the purposes of this exclusion the following definitions are added to the Policy:

Multi-unit building means a building containing more than one unit, whether that unit is used for residential, industrial or any other purpose.

Building envelope means the assemblies, components, and materials of a building which are intended to separate and protect the interior space of a building from the adverse effects of exterior climatic conditions.

Infiltration of precipitation means, but is not limited to, the actual, alleged, threatened, or possible infiltration, migration, presence, accumulation, condensation or dispersal of water or moisture on, in, or into the **building envelope**.

In respect of **INSURING CLAUSE 3, SECTION A** only:

17. **Employee benefit program advice**
arising directly or indirectly from:
 - a) advice given to any person to participate or not to participate in any plan included in **your employee benefit program**;
 - b) the failure of any investment to perform as represented by **you**.

EXCLUSIONS RELATING TO COMMERCIAL PROPERTY

In respect of **INSURING CLAUSE 4** only:

18. **Catastrophe perils**
caused directly or indirectly by:

- a) **earth movement** or **flood**, except for:
 - i) ensuing **financial loss** or **property damage** which results directly from fire, explosion, smoke or leakage from fire protective equipment; or
 - ii) ensuing **property damage** while in transit.
- b) a **named windstorm**, regardless of any other cause or event that contributes concurrently or in any sequence to the **financial loss** or **property damage**; or
- c) rain, snow, sand or dust, whether driven by wind or not, if that **financial loss** or **property damage** would not have occurred but for a **named windstorm**. But if the windstorm results in a cause of **financial loss** or **property damage** other than rain, snow, sand or dust, and that resulting cause of **financial loss** or **property damage** is not otherwise excluded under this Policy, **we** will pay for that **financial loss** or **property damage**. For example, if the windstorm damages a heating system and fire results, the **financial loss** or **property damage** attributable to the fire is covered subject to any other applicable policy provisions.

19. **Electronic data**
arising out of the destruction of, or loss of possession of, or loss of use of, or corruption of, data, by a malicious or unauthorized electronic attack, a malicious software code.

20. **Excluded property**
- a) to animals, birds or fish;
 - b) to automobiles that are to be sold by **you**;
 - c) to bridges, roadways, walks, patios or other paved surfaces of any description;
 - d) for the costs incurred for any excavation, grading, filling or backfilling;
 - e) to the foundations of **your premises**;
 - f) to the foundations of any structure, machinery or boiler contained inside of **your premises** if they are below:
 - i) the lowest basement floor;
 - ii) ground level if there is no basement;
 - h) to personal property while air or water borne;
 - i) to bulkheads, pilings, piers, wharves or docks;
 - j) to any structure holding sloping ground in place and preventing erosion;
 - k) to underground pipes, flues or drains;
 - l) to power transmission or feeder lines;
 - m) to land or growing crops; or
 - n) to harvested crops, hay or straw that is outside of **your premises**.

21. **Faulty workmanship**
arising from **property damage** caused directly or indirectly by misuse, inadequate or inappropriate maintenance, faulty workmanship, defective design, the use of faulty materials or whilst being cleaned, worked on or maintained.

22. **Machinery or computer breakdown**
arising directly or indirectly from loss or distortion of **your** data or **your computer systems**, television or video equipment, photographic, photocopying, surveying or telecommunications equipment resulting from its own breakdown, explosion or collapse.

However, **we** will reimburse **you** up to the **aggregate limit of liability** for **financial loss** occurring during the **period of the policy** following breakdown of **your computer systems**, but only if **your computer systems** are subject to a manufacturer's guarantee or a maintenance contract providing free parts and labor in the event of a breakdown, and only where the **financial loss** is not covered under **INSURING CLAUSE 6, SECTION A** or **INSURING CLAUSE 7, SECTION E**, regardless of whether **you** have purchased **INSURING CLAUSE 6, SECTION A** or **INSURING CLAUSE 7, SECTION E** and regardless of any exhaustion of the **limit of liability** of **INSURING CLAUSE 6, SECTION A** or **INSURING CLAUSE 7, SECTION E**.

23. **Miscellaneous causes**
arising directly or indirectly from:

- a) wear and tear, inherent defect, rot, vermin or infestation or any gradually operating cause;

- b) dryness or humidity, being exposed to light or extreme temperatures, changes in color, texture or finish, rust or corrosion, marring, scratching or crushing, unless the **property damage** is caused by fire;
- c) coastal or river erosion;
- d) a rise in the water table;
- e) theft from an unattended and unlocked vehicle;
- f) frost, other than **property damage** due to water leaking from burst pipes forming part of the permanent internal plumbing provided the premises are occupied and in use; or
- g) mysterious disappearance or unexplained loss.
- h) a **hacking attack** or **virus**.

24. **Seizure of illegal property**
arising out of the confiscation, nationalisation, requisition, detention, embargo, quarantine, or any result of any order of public or government authority which deprives **you** of the use or value of **your** property, or arising from acts of contraband or illegal transportation or illegal trade.

25. **Vacant premises**
to any **premises** that has been left unoccupied for a period of more than 30 consecutive days.

26. **Vermin or pests**
caused by vermin or pests at **your premises**.

EXCLUSIONS RELATING TO CYBER & PRIVACY

In respect of **INSURING CLAUSE 7** only:

27. **Betterment**
which results in **you** being in a better financial position or **you** benefiting from upgraded versions of **your computer systems** as a direct result of the event which gave rise to the **claim** or **financial loss**.

28. **Collection of private data without consent**
arising directly or indirectly from **your** actual or alleged failure to obtain agreement from any private individual before collecting, storing or sharing any of their personal information, including but not limited to internet search history and internet browsing habits.

In respect of **INSURING CLAUSE 7, SECTION E** only:

29. **Inadequate server capacity**
for any **financial loss** as a direct result of an interruption to **your business activities** as a result of **your** servers not having the sufficient capacity to process all of the requests placed upon them solely because the demand for **your** websites is larger than the servers are designed to process, unless the reason for those levels of demand are due to an attack on **your** service levels by any malicious demand of service attack.

In respect of **INSURING CLAUSE 7, SECTIONS D, E and F** only:

30. **Core internet infrastructure failure**
arising directly from a failure of any core element of the internet infrastructure that results in a countrywide or global outage of the internet, including a failure of the core DNS root servers or the IP addressing system.

EXCLUSIONS RELATING TO DIRECTORS AND OFFICERS LIABILITY

In respect of **INSURING CLAUSE 8** only:

31. **Breach of a securities contract**
arising out of a breach of any contract relating to the purchase or sale of, or relating to an offer to purchase or sell, any securities, except for the amount of **financial loss** the **company** would be legally liable to pay in the absence of the contract.

32. **Professional services**
arising directly or indirectly from carrying out, or failing to carry out, professional services for a fee or any **wrongful act** relating to a professional service.

However, this **EXCLUSION** shall not apply to any **claim** arising out of the actual or alleged failure to supervise an **employee**.

33. Publicly traded securities

arising out of:

- a) any public offering of securities undertaken or consummated by or on behalf of the **company** or the solicitation, sale, purchase, distribution or issuance of any such securities; or
- b) any actual or alleged violation of the Securities Act of 1933, the Securities Exchange Act 1934, or any rule or regulations of the Securities Exchange Commission, or any federal, state, provincial or foreign law regulating securities, or any subsequent amendments to these laws, relating to a public offering or to any securities issued, sold or distributed pursuant to a public offering.

However, this **EXCLUSION** shall not apply to **claims** arising from an offer, sale or purchase of securities in a transaction that is exempt from registration under the Securities Act of 1933, or any subsequent amendments.

EXCLUSIONS RELATING TO EMPLOYMENT PRACTICES LIABILITY

In respect of **INSURING CLAUSE 9** only:

34. Benefit laws

arising out of any actual or alleged failure to comply with any law governing Workers' Compensation, unemployment, social security or disability benefits, or any similar law.

However, this **EXCLUSION** shall not apply to any **claim** for **retaliation**.

35. Costs of compliance and modification

for modifying any premises or the providing of equipment to facilitate the needs of an **employee** with a disability or other protected status by law in any jurisdiction or the costs of compliance with any order to provide non-pecuniary relief.

36. Labor or grievance arbitrations

arising out of any labor or grievance arbitration or proceeding which is the result of a collective bargaining agreement.

37. Labor relations

arising out of:

- a) any actual or alleged breach of any law or duty relating to the rights of **employees** to engage in, or abstain from engaging in, union activities;
- b) the duty to notify, meet, discuss, consult or bargain with any **employee** or representative, including collective bargaining agreements; or
- c) strikes, work stoppages, boycotts, picketing, lockouts or other industrial action.

38. Redundancy

for a breach of any law requiring an employer to notify, discuss or bargain with its employees or others in advance of any mass lay-off, or in respect of a branch, plant or facility closing or any similar requirement.

However, this **EXCLUSION** will not apply to any **claim** for **retaliation**.

39. Wage and hour

arising out of any actual or alleged breach of any law or duty relating to **wage and hour** or health and safety at work.

However, this **EXCLUSION** shall not apply to any **claim** for **retaliation**.

GENERAL INSURANCE EXCLUSIONS

In respect of all **INSURING CLAUSES**:

40. Antitrust/unfair competition

for or arising out of any actual or alleged antitrust violation, restraint of trade, unfair competition, false, deceptive or unfair trade practices, violation of consumer protection laws or false or deceptive advertising other than:

- a) where specifically covered under **INSURING CLAUSE 7** for which **you** have purchased coverage; or
- b) any covered portion of any **claim** based on **your** alleged unauthorized use of a **third party's** trademark.

41. Associated companies

- a) in respect of any **claim** made by any company firm or partnership in which the company named as the Insured in the Declarations has an executive or financial interest, unless the **claim** emanates from an independent **third party**;
- b) in respect of any **claim** made by any company firm partnership or individual which has an executive or financial interest in the company named as the Insured in the Declarations or any **subsidiary**, unless the **claim** emanates from an independent **third party**; or
- c) arising out of or resulting from any of **your** activities as a trustee, partner, officer, director or employee of any employee trust, charitable organization, corporation, company or business other than that of the company named as the Insured in the Declarations or any **subsidiary**; or
- d) in respect of any **claim** made by or on behalf of the company named as the Insured in the Declarations or any **subsidiary**.

42. Circumstances known at inception

arising out of any circumstances or occurrences which may give rise to a **claim** or **financial loss** under this Policy of which a **senior executive officer** was aware, or ought reasonably to have been aware, prior to the Inception Date of this Policy whether notified under any other insurance or not.

In respect of **INSURING CLAUSE 7** only, arising out of any **security breach**, crime, **hacking attack** or **virus** of which a **senior executive officer** was aware, or ought reasonably to have been aware, prior to the Inception Date of this Policy, whether notified under any other insurance or not.

43. Criminal acts

arising out of any wilful, criminal or fraudulent act or omission committed by **you** or in collusion with any other person.

However, this **EXCLUSION** shall not apply to **INSURING CLAUSE 2**.

44. ERISA

based upon the Employment Retirement Income Security Act of 1974 and any amendment thereto, or any rules or regulations promulgated thereunder.

However, this **EXCLUSION** shall not apply to any **claim** for **retaliation**.

45. Employers' liability

arising directly or indirectly out of **bodily injury** to or **property damage** suffered by **your employees**.

46. Employment practices liability

arising out of or resulting from:

- a) any employer-employee relations, policies, practices, acts, omissions, any actual or alleged refusal to employ any person, or misconduct with respect to **employees**; or
- b) any acts or omissions committed by **you** or any of **your senior executive officers** or **employees** which are in breach of, or are alleged to be in breach of, any terms and conditions of a contract, whether express or implied, including but not limited to the misappropriation of trade secrets or a breach of other restrictive covenants, relating to the previous employment of any of **your senior executive officers** or **employees**.

However this **EXCLUSION** shall not apply to **INSURING CLAUSE 9**.

47. Food and drug administration approval (FDA)

arising directly or indirectly out of the use by **you** of any of any product or device that has not been approved by the FDA.

48. Health and safety procedures

arising directly or indirectly out of the use of any equipment or from any procedure where the manufacturer's recommended health and safety procedures have not been followed, including but not limited to the protection of the eyes or the skin.

49. Insolvency

arising out of or relating directly or indirectly to **your** insolvency or bankruptcy, or the insolvency or bankruptcy of any **third party**. Furthermore, no coverage is provided under **INSURING CLAUSE**

6. SECTION A only, and **INSURING CLAUSE 7, SECTION E** only, if **you** become insolvent or bankrupt.

However, **your** insolvency shall not relieve **us** of any of **our** legal obligations under this contract of insurance where this insolvency does not give rise to a **claim**.

50. Insured vs Insured

brought by **you** or on **your** behalf.

However, this **EXCLUSION** shall not apply to:

- a) **costs and expenses** in respect of an **insured person**;
- b) any **claim** which would otherwise be covered under **INSURING CLAUSE 9**;
- c) any **claim** against an **insured person** pursued by an **insured person** for contribution or indemnity, but only where the **claim** directly results from another **claim** covered by this Policy;
- d) any **claim** against an **insured person** pursued by any past **insured person**;
- e) any **claim** against an **insured person** pursued by an insolvency administrator, receiver, liquidator, creditor committee or similar official of a **company** or **outside entity**;
- f) any **claim** against an **insured person** pursued by the **company**, or any **claim** against an **insured person** pursued by a shareholder of the **company** acting solely in their capacity as a shareholder (and not at the instigation of the **company** or an **insured person**); or
- g) any **claim** against an **insured person** pursued by a whistleblower pursuant to any similar federal, state, provincial or foreign law.

51. Legal action

where action for damages is brought in a court of law outside the territories specified in the Declarations, or where action is brought in a court of law within those territories to enforce a judgment outside of those territories whether by way of reciprocal agreement or otherwise.

52. Liquor liability

arising directly or indirectly from the provision of alcoholic beverages by **you**.

53. Metabolic or diet drugs

arising directly or indirectly out of the sale or recommendation by **you** of metabolic or diet drugs.

54. Misleading advertising

arising directly or indirectly from any actual or alleged advertisement promoting **your business activities** which is false or misleading.

55. Nuclear

arising directly or indirectly from or contributed to by:

- a) ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
- b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

56. Other insurance

for which **you** are entitled to indemnity under any other valid and collectible insurance except for:

- a) any additional sum which is payable over and above the other valid and collectible insurance; or
- b) any contribution that **we** are obliged to make by law and that contribution shall be in proportion to the respective limits of liability or sums insured of the Policies.

57. Patents

arising out of the actual or alleged infringement of any patent or inducing the infringement of any patent.

58. Personal liability

made against any past, present or future **insured person** or **employee** unless arising directly out of **your business activities** or **corporate blogging**.

However, this **EXCLUSION** shall not apply to **INSURING CLAUSE 8**.

59. Pollution

arising directly or indirectly out of **pollution**.

However, this **EXCLUSION** shall not apply in respect of:

- a) **INSURING CLAUSE 3, SECTION E** only; or
- b) premises leased to, hired by, on loan to or held in trust by **you** or otherwise in **your** care, custody or control in respect of:
 - i) **bodily injury** caused by smoke, fumes, vapor or soot from equipment used to heat the building;
 - ii) **bodily injury** or **property damage** arising out of heat, smoke or fumes from a **hostile fire**. For the purpose of this **EXCLUSION** a **hostile fire** means one which becomes uncontrollable or breaks out from where it was intended to be; or
 - iii) **INSURING CLAUSE 4, 5 and 6** only, to the backing up of sewers, sumps, septic tanks or drains.

60. Products liability

arising directly or indirectly out of any **product**.

However, this **EXCLUSION** shall not apply to **INSURING CLAUSE 3, SECTION C** only.

61. RICO

for any actual or alleged violations of the Racketeer Influenced and Corrupt Organisation Act 18 USC Sections 1961 et seq and any amendments thereto, or any rules and regulations promulgated thereunder.

However, this **EXCLUSION** shall not apply to any **claim** for **retaliation**.

62. SEC

for any actual or alleged violation of any of the provisions of the Securities Act of 1933, the Securities Exchange Act 1934 or any similar regional, provincial, territorial, federal or state law or any common law relating thereto.

63. Sexual misconduct and physical abuse

arising directly or indirectly out of **sexual misconduct** or **physical abuse**.

However, this **EXCLUSION** shall not apply to **INSURING CLAUSE 2**.

64. Tanning bed equipment

in respect of **INSURING CLAUSE 3** only, arising directly or indirectly out of any:

- a) tanning bed equipment not conforming to manufacturer standards or not meeting the U.S.A. government equipment requirements;
- b) failure by **you** to provide instruction for the use of **your** tanning bed equipment including the provision of health and safety equipment; or
- c) use of **your** tanning bed equipment where the release or waiver forms have not been signed by the client or by the parent or guardian for clients under the age of 16 years.

65. Toxic Mold / Fungus

arising directly or indirectly from any loss, **bodily injury**, **property damage** or **costs and expenses**, including, but not limited to, losses, **property damage** or **costs and expenses** related to, arising from or associated with clean-up, remediation, containment, removal or abatement, caused directly or indirectly, in whole or in part, by:

- a) any **fungus, mold**, mildew or yeast; or
- b) any **spore** or toxins created or produced by or emanating from the **fungus, mold**, mildew or yeast; or
- c) any substance, vapor, gas, or other emission or organic or inorganic body or substance produced by or arising out of any **fungus, mold**, mildew or yeast; or
- d) any material, product, building component, building or structure, or any concentration of moisture, water or other liquid within the material, product, building component, building or structure, that contains, harbors, nurtures, or acts as a medium for any **fungus, mold**, mildew yeast, or **spore** or toxins emanating therefrom;

regardless of any other cause, event, material, product or building component that contributed concurrently or in any sequence to that loss, **bodily injury**, **property damage** or **costs and expenses**.

For the purposes of this **EXCLUSION** the following definitions are added to the Policy:

Fungus includes, but is not limited to, any plants or organisms belonging to the major group Fungi, lacking chlorophyll, and including **molds**, rusts, mildews, smuts and mushrooms.

Mold includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and **fungi** that produced moulds.

Spore means any dormant or reproductive body produced by or arising from or emanating out of any **fungus, mold**, mildew, plants, organisms or microorganisms.

- 66. **Uninsurable fines**
for fines, penalties, civil or criminal sanctions, and for multiple, punitive or exemplary damages, unless insurable by law.
- 67. **Unsolicited communication**
arising directly or indirectly from any actual or alleged violation of:
 - a) the CAN-SPAM Act of 2003 or any subsequent amendments to that Act;
 - b) the Telephone Consumer Protection Act (TCPA) of 1991 or any subsequent amendments to that Act; or
 - c) any other law, regulation or statute relating to unsolicited communication, distribution, sending or transmitting of any communication via telephone or any other electronic or telecommunications device.
- 68. **Unsterilized needles**
arising directly or indirectly out of the use by **you** of any unsterilized needle.

- 69. **War and terrorism**
directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the **claim, financial loss, property damage or costs and expenses**:
 - a) war; invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
 - b) any **act of terrorism**.

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

This **EXCLUSION** also excludes **claims, losses, property damage or costs and expenses** of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to a) or b) above.

This **EXCLUSION** does not apply to any **claim, financial loss or costs and expenses** arising directly from a **hacking attack or virus**.

- 70. **Wilful or dishonest acts of insured persons**
arising out of any wilful, malicious, reckless or dishonest act or omission by an **insured person**, unless the person had already ceased to be an **insured person** at the time of their first wilful, malicious, reckless or dishonest act or omission. Furthermore, **we** will not provide any cover for any **insured person** who condones or ignores any dishonesty.

GENERAL CONDITIONS

1. What you must do in the event of a claim or financial loss or property damage

Should any **senior executive officer** become aware of any **claim, financial loss or property damage**, the following obligations must be complied with by **you**:

- a) **You** must not:
 - i) admit liability for or settle or make or promise any payment; or
 - ii) incur any **costs and expenses**; in respect of any **claim, financial loss or property damage** which may be covered under this Policy without **our** prior written agreement.

However, **you** should arrange for any urgent repairs following **property damage** covered under **INSURING CLAUSE 4, SECTION A** only, to be done immediately. Before any other repair work begins **we** have the right to inspect the **property damage**. **We** will notify **you** if **we** intend to do this.

- b) The Claims Managers, as specified in the Declarations, must be notified as soon as is reasonably practicable if during the **period of the policy**:
 - i) **you** suffer any **financial loss or property damage** that could be covered by this Policy or a **senior executive officer** becomes aware that a **claim** has been made against **you**, whether verbally or made in writing;
 - ii) any **senior executive officer** discovers reasonable cause for suspicion of fraud or dishonesty whether this could give rise to a **claim or financial loss** under this Policy or not and **we** shall not be liable under this Policy for any **claim or financial loss** incurred in consequence of any fraudulent or dishonest act or omission committed after the date of discovery of the act or omission.

We have nominated Claims Managers to accept notice on **our** behalf. Due to the nature of the coverage offered by this Policy, any unreasonable delay in notifying the Claims Managers of (i) or (ii) above could lead to the size of the **claim, financial loss, costs and expenses or property damage** incurred

increasing or to **our** rights being restricted. **We** shall not be liable for that portion of any **claim, financial loss, costs and expenses or property damage** incurred that is due to any unreasonable delay in you notifying the Claims Managers of any **claim, financial loss, costs and expenses or property damage** in accordance with this **GENERAL CONDITION**.

- c) **We** will expect **you** to provide **us** with full and accurate information about any matter that **you** notify to **us** under **your** obligations set out above. Once notice has been made **you** must give the Claims Managers all the assistance and information that is reasonably required. **You** must follow their advice and do anything that they reasonably require **you** to do to avoid, minimise, settle or defend any **claim, financial loss or property damage**.

If **you** think a crime has been committed **you** must report it to the appropriate law enforcement authorities. **You** must also permit the Claims Managers and any **third party** that is appointed by the Claims Managers to notify the appropriate law enforcement authorities of any **claim, financial loss or property damage** where this action is deemed necessary, and **you** must comply with the advice given by those authorities.

2. What you must do in the event of a circumstance which may give rise to a claim

Should any **senior executive officer** become aware of:

- a) a situation that could give rise to a **claim** against **you**; or
 - b) an allegation or complaint made or intimated against **you**;
- then **you** have the option of whether to report this circumstance to **us** or not. However, if **you** choose not to report this circumstance **we** shall not be liable for that portion of any **claim** that is greater than it would have been had **you** reported this circumstance.

If **you** choose to report this circumstance, **you** must do so within the **period of the policy**, or the period of any applicable Extended Reporting Period, for it to be considered under this Policy and **we** will require **you** to provide full details of the circumstance, including but not limited to:

- a) the time, place and nature of the circumstance;
- b) the manner in which **you** first became aware of this circumstance;
- c) the reasons why **you** believe that this circumstance is likely to result in a **claim**;
- d) the identity of the potential claimant; and
- e) an indication as to the size of the **claim** that could result from this circumstance.

Any subsequent **claim** arising directly from this circumstance shall be deemed to have been made at the time this circumstance was notified to **us** and we will regard this **claim** as being notified under this Policy.

3. Continuous cover

In respect of **INSURING CLAUSES 1, 2, 7 (SECTIONS A and B only), 8 and 9**, if **you** have neglected, through error or oversight only, to report a **claim** made against **you** during the period of a previous renewal of this Policy issued to **you** by **us**, then provided that **you** have maintained uninterrupted insurance of the same type with **us** since the expiry of that earlier Policy, then, notwithstanding the "Circumstances known at inception" **EXCLUSION**, we will permit the matter to be reported under this Policy and will indemnify **you**, provided that:

- a) the indemnity will be subject to the applicable **aggregate limit of liability** or **limit of liability** of the earlier Policy under which the matter should have been reported or the **aggregate limit of liability** or **limit of liability** of the current Policy, whichever is the lower;
- b) **we** may reduce the indemnity entitlement by the monetary equivalent of any prejudice which has been suffered as a result of the delayed notification;
- c) the indemnity will be subject in addition, to all of the terms, **GENERAL CONDITIONS, DEFINITIONS** and **EXCLUSIONS**, other than the **aggregate limit of liability** or **limit of liability**, contained in this current Policy.

4. Assignment

The assignment or transfer of this Policy shall not be valid except with **our** prior written agreement.

5. Fraudulent claims

If **you** notify **us** of any claim knowing that claim to be false or fraudulent in any way, **we** shall have no responsibility to pay that claim or any other claims under this insurance and the Policy will be treated as if it had not been effected.

6. Agreement to pay claims

We have the right and duty to take control of and conduct in **your** name the investigation settlement or defense of any **claim**. **We** shall also pay on **your** behalf **costs and expenses** incurred with **our** prior written agreement (subject to the Limits of Liability and applicable Deductible stated in the Declarations) provided that **we** shall not pay for the **costs and expenses** of any part of a **claim** that is not covered by this Policy.

We shall always endeavor to settle any **claim** through negotiation, mediation or some other form of alternative dispute resolution and shall pay on **your** behalf the amount so agreed by **us** and the claimant. If **we** cannot settle by such means, **we** shall pay the amount which **you** are found liable to pay either in court or through arbitration proceedings, subject always to the Limit of Liability stated in the Declarations.

If **you** refuse to consent to a settlement **we** recommend and the claimant will accept, **you** may continue the defense and investigation of that **claim**. However, the further **costs and expenses** incurred will be paid by **you** and **us** on a proportional basis, with 80% payable by **us** and 20% payable by **you**.

We shall pay **claims** in the order incurred. However, if a **claim** is payable under **INSURING CLAUSE 8, SECTION A** and one or more of the other **INSURING CLAUSES**, **we** shall first pay the part of the **claim** which is payable under **INSURING CLAUSE 8, SECTION A**. **You** may elect through **your** board of directors to decline or defer payment under the other **SECTIONS** or **INSURING CLAUSES**, it being understood and agreed that **we** shall have no obligation to pay any **claim** or any **costs and expenses** after the exhaustion of the **aggregate limit of liability** or **limit of**

liability regardless of whether payment has been declined or deferred.

Should a conflict of interest exist between any of the **insured persons** or the **company**, then at their request and always subject to the Claims Managers' prior written agreement (which shall not be unreasonably withheld), separate lawyers may be appointed to protect their respective interests.

7. Innocent non-disclosure

We will not seek to avoid the Policy or reject any **claim** on the grounds of non-disclosure or misrepresentation except where the non-disclosure or misrepresentation was reckless or fraudulent or **you** failed to conduct a full inquiry prior to providing the information that forms the basis of this insurance. In the event that **we** seek to avoid the Policy or reject any **claim** on this basis the burden of proving otherwise rests solely with **you**.

8. Our rights of recovery

If any payment is made under this Policy in respect of any **claim**, **financial loss** or **property damage** and there is available to **us** any of **your** rights of recovery against any **third party** then **we** maintain all of those rights of recovery. **We** shall not exercise these rights against any **employee** or **insured person**, unless the payment is in respect of any fraudulent or dishonest acts or omissions as proven by final non-appealable adjudication or arbitral tribunal or written admission by **you** or any **employee** or **insured person**.

You must do nothing to impair any rights of recovery. At **our** request **you** will bring proceedings or transfer those rights to **us** and help **us** to enforce them. Any recoveries shall be applied as follows:

- a) first, to **us** up to the amount of **our** payment on **your** behalf including **costs and expenses**; and
- b) then to **you** as recovery of **your** Deductible or other amounts paid.

9. Waiver of subrogation

Notwithstanding the "Our rights of recovery" **GENERAL CONDITION** above **we** agree to waive **our** rights of subrogation against a responsible **third party** client of **yours** but only if **you** and **your** client have entered into a contract that contains a provision requiring **us** to do this.

10. Protection maintenance

You must ensure any protection provided for the safety of the property insured shall be maintained in good order throughout the **period of the policy** and be in use at all relevant times. This protection shall not be withdrawn or varied to the detriment of **our** interest without **our** written agreement.

Furthermore, if **we** attach any additional conditions to **your** Policy regarding any risk survey or risk management timetable or any other similar conditions then it is **your** responsibility to ensure these conditions are complied with by the deadlines shown.

11. Cancellation

This Policy may be cancelled:

- a) by **you** at any time on request; or
- b) by **us** if we give **you** 30 days written notice, or
- c) by **us** if we give **you** 15 days written notice, should any amount in default not be paid within 15 days of its due date.

If **you** give **us** notice of cancellation in accordance with a) above, the earned Premium shall pro rata to the number of days that the Policy is in effect.

If we give **you** notice of cancellation in accordance with b) or c) above, the earned Premium shall be pro rata to the number of days that the Policy is in effect.

The Policy Administration Fee shall be deemed fully earned at the Inception Date of this Policy.

12. Additional insureds

We shall indemnify any **third party** as an additional Insured under this Policy, but only in respect of sums which they become legally obliged to pay (including liability for claimants' costs and expenses) as a result of a **claim** arising solely out of a **wrongful act** committed by **you** or arising solely out of accidental **bodily injury** or **property damage** caused by **you**, provided that:

- a) **you** contracted in writing to indemnify the **third party** for the **claim** prior to it first being made against them; and
- b) had the **claim** been made against **you**, then **you** would be entitled to indemnity under this Policy.

As a condition to **our** indemnification of any additional Insured:

- i) they shall prove to **our** satisfaction that the **claim** arose solely out of a **wrongful act** committed by **you** or arose solely out of accidental **bodily injury** or **property damage** caused by **you**; and
- ii) they shall fully comply with **CONDITION I** above as if they were **you**.

Where a **third party** is indemnified as an additional Insured as a result of this **CONDITION**, it is understood and agreed that any **claim** made by that **third party** against **you** shall be treated by **us** as if they were a **third party**, not an additional Insured.

13. Prior subsidiaries

Should an entity cease to be a **subsidiary** after the Inception Date of this Policy, cover in respect of the entity shall continue as if it was still a **subsidiary**, until the termination of this Policy, but only in respect of any **claim** or **financial loss** that arises out of any **wrongful act** committed by that entity prior to the date that it ceased to be a **subsidiary**.

14. Automatic extended reporting period

In respect of **INSURING CLAUSES 1, 2, 3 (SECTION A only), 7 (SECTIONS A and B only), 8 and 9**, an Automatic Extended Reporting Period of 30 days following the Expiry Date of this Policy shall be automatically granted at no additional premium. This Automatic Extended Reporting Period shall cover **claims** first made against **you** during the **period of the policy** and reported to **us** during this 30 day Automatic Extended Reporting Period but only in respect of any **wrongful act** committed prior to the Expiry Date stated in the Declarations, and subject to all other terms, conditions and exclusions of the policy. No **claim** shall be accepted by us in this 30 day Automatic Extended Reporting Period if **you** are entitled to indemnity under any other insurance, or would have been entitled to indemnity under that insurance but for the exhaustion thereof.

15. Automatic extended reporting period for retired directors and officers

In respect of **INSURING CLAUSE 8** only, if **you** do not renew this Policy with **us** or with any other insurer, an Extended Reporting Period of 6 years following the Expiry Date stated in the Declarations shall be automatically granted at no additional premium to any **retired director or officer**.

This Extended Reporting Period shall cover **claims** first made against the **retired director or officer** and reported to **us** during this 6 year Extended Reporting Period but only in respect of any **wrongful act** committed prior to the Expiry Date stated in the Declarations, and subject to all other terms, conditions and exclusions of the Policy.

16. Optional extended reporting period

In respect of **INSURING CLAUSES 1, 2, 3 (SECTION A only), 7 (SECTIONS A and B only), 8 and 9**, if **we** or **you** decline to renew or cancel this Policy then **you** shall have the right, upon payment of the Optional Extended Reporting Period Premium stated in the Declarations in full and not proportionally or otherwise in part, to have issued an endorsement providing an Optional Extended Reporting Period for the duration stated in the Declarations which shall be effective from the cancellation or non-renewal date. This Optional Extended Reporting Period shall cover **claims** first made against **you** and notified to **us** during this Optional Extended Reporting Period but only in respect of any **claim** arising out of any **wrongful act** committed prior to the date of cancellation or non-renewal, and subject to all other terms, conditions and exclusions of the policy.

In order for **you** to invoke the Optional Extended Reporting Period option, the payment of the Optional Extended Reporting Period Premium stated in the Declarations for this Optional Extended Reporting Period must be paid to **us** within 45 days of the date of the non-renewal or cancellation.

At the commencement of this Optional Extended Reporting Period the entire premium shall be deemed earned and in the event that **you** terminate the Optional Extended Reporting Period for any reason prior to its natural expiration, **we** will not be liable to return any premium paid.

The right to the Extended Reporting Period or the Optional Extended Reporting Period shall not be available to **you** where:

- a) cancellation or non-renewal by **us** is due to non-payment of premium; or
- b) cancellation or non-renewal by **us** is due to **your** failure to pay any amounts in excess of the applicable Limit of Liability or within the amount of the applicable Deductible as is required by this Policy in the payment of **claims**.

At the renewal of this Policy, **our** quotation of different premium, Deductible or Limit of Liability or changes in policy language shall not constitute non-renewal by **us** for the purposes of granting this Optional Extended Reporting Period.

In no event shall the granting of the Extended Reporting Period or the Optional Extended Reporting Period increase the **limit of liability** or **aggregate limit of liability**.

17. Changes in exposure constituting a material fact

If a **senior executive officer** becomes aware that any of the information that **you** have given **us** in the Application Form or elsewhere in connection with **your** application for this insurance has materially changed then **you** must advise **us** as soon as is practicable. In this event, **we** reserve the right to amend the terms, conditions or premium of the Policy.

However, in respect of **INSURING CLAUSE 8** only, in the following circumstances cover will automatically continue:

- a) in the event of a **merger or acquisition** after the Inception Date stated in the Declarations, this Policy shall continue to apply but only in respect of any **wrongful act** committed prior to the **merger or acquisition**; or
- b) if the legal structure of the **company** changes from the structure declared in the application form, but only in respect of any **wrongful act** committed prior to the date of the change in legal structure; or
- c) in the event an entity ceases to be a **subsidiary** after the Inception Date stated in the Declarations, cover in respect of the **subsidiary** and its **insured persons** shall continue as if it was still a **subsidiary**, but only in respect of any **wrongful act** committed prior to the date that it ceased to be a **subsidiary**; or
- d) in the event that the **company** decides to make a public offering of its securities, this Policy shall continue to apply but only in respect of any **wrongful act** committed prior to the public offering to its securities; or
- e) in the event that the **company** is wound up; or
- f) in the event of the creation or acquisition of a **subsidiary** during the **period of the policy**, cover shall automatically be extended in respect of the new **subsidiary** provided that:
 - i) the new **subsidiary** has total gross assets not exceeding 25% of the **company's** total gross assets stated in the most recent annual financial statements; and
 - ii) the new **subsidiary** does not have any of its securities listed on any exchange; and
 - iii) **your** total number of **employees** does not increase by more than 10%.

If **you** create or acquire a **subsidiary** that does not comply with i), ii) or iii) above, **you** must provide **us** with full details of the created or acquired **subsidiary** prior to **us** providing cover under this Policy.

18. Allocation

In the event that any **claim** involves both covered matters and non-covered matters or persons not covered under this Policy, a fair and proper allocation of costs, judgments or settlements shall be made between the **company**, the **insured persons** and **us** taking into account the relative legal and financial exposures attributable to covered matters and non-covered matters.

If a fair and proper allocation cannot be agreed, **we** shall advance **costs and expenses** that **we** determine to be fair and proper until a different amount is agreed upon.

Final allocation shall be determined by a lawyer agreed between the **company**, the **insured persons** and **us**. The determination will be based upon written submissions only and will be final and binding. Pending that determination **we** may at **our** sole discretion meet the claim on an interim basis. After the determination the **insured persons** or the **company** (whichever is appropriate) will refund **us** any amount which **we** have paid that exceeds the entitlement under this Policy.

The costs of any reference to a lawyer shall be borne by **us**.

19. Severability

The Application Form for this insurance shall be construed as a separate Application Form by each of the **insured persons**. With respect to the declarations and statements contained in the Application Form, no statement, declaration or knowledge possessed by any **insured person** shall be imputed to any other **insured person** for the purpose of determining the availability of cover with respect to **claims** against any other **insured persons**.

Only declarations and statements contained in the Application Form and knowledge possessed by any **insured person**, who is the subject of a **claim** under this Policy shall be imputed to the **company** for the sole reason of determining if cover is available under **INSURING CLAUSE 8** with respect to the **insured person**.

20. Choice of law and service of suit

This Policy shall be interpreted under, governed by and construed in all respects in accordance with the law of the jurisdiction of the place of registration of the company named as the Insured in the Declarations and for this purpose, we and you agree to submit to the exclusive jurisdiction of the courts within the territorial limits and jurisdiction of the place of registration of the company named as the Insured in the Declarations.

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

STATUTORY CONDITIONS

IMPORTANT: The following **STATUTORY CONDITIONS** apply to **INSURING CLAUSE 4** only. Where contradictions exist between the **GENERAL CONDITIONS** and the **STATUTORY CONDITIONS** in respect of this **INSURING CLAUSE**, the **STATUTORY CONDITIONS** shall prevail.

1. Misrepresentation

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

2. Property of others

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

3. Change of interest

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

4. Material change

Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent; and the Insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the Insured in writing that, if he desires the contract to continue in force, he must within 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.

5. Termination

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 pro rata premium for the expired time, but in no event, shall the pro rata premium for the expired time 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 (15) days mentioned in clause (1) (a) 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.

6. Requirements after loss

1. Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of Conditions 9, 10 and 11:
 - a) 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,
 - 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 insurance 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 showing 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 Statutory Conditions 12 and 13.
- 7. Fraud**
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.
- 8. Who may give notice and proof**
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.
- 9. Salvage**
1. The Insured in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to any such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.
 2. The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with steps taken by the Insured and required under subparagraph 1 of this condition according to the respective interests of the parties.
- 10. Entry, control, abandonment**
After loss or damage to insured property, the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, 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.
- 11. Appraisal**
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 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 specified demand therefor is made in writing and until after proof of loss has been delivered.

- 12. When loss payable**
The loss is payable within sixty (60) days after completion of the proof of loss, unless the contract provides for a shorter period.
- 13. Replacement**
1. The Insurer, instead of making payment, may repair, rebuild, or replace the property damaged or lost, giving written notice of its intention so to do within thirty days after receipt of the 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.
- 14. Action**
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 year next after the loss or damage occurs.
- 15. Notice**
Any written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agent or head office of the Insurer in the Province. Written notice may be given to the Insured named in this contract by letter personally delivered to him or by registered mail addressed to him at his latest post office address as notified to the Insurer. In this condition, the expression "registered" means registered in or outside Canada.
- 16. Notice**
Any written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agent or head office of the Insurer in the Province. Written notice may be given to the Insured named in this contract by letter personally delivered to him or by registered mail addressed to him at his latest post office address as notified to the Insurer. In this condition, the expression "registered" means registered in or outside Canada.

NOTICE CONCERNING PERSONAL INFORMATION

By purchasing insurance from certain Underwriters at Lloyd's, London ("Lloyd's"), a customer provides Lloyd's with his or her agreement to the collection, use and disclosure of personal information, including that previously collected, for the following purposes:

- the communication with Lloyd's policyholders
- the underwriting of policies
- the evaluation of claims
- the detection and prevention of fraud
- the analysis of business results
- purposes required or authorised by law

For the purposes identified, personal information may be disclosed to Lloyd's related or affiliated organizations or companies, their agents/mandataires, and to certain non-related or unaffiliated

organizations or companies, including service providers. These entities may be located outside Canada therefore a customer's information may be processed in a foreign jurisdiction (the United Kingdom and the European Union) and their information may be accessible to law enforcement and national security authorities of that jurisdiction.

To obtain written information about Lloyd's policies and practices in respect of service providers located outside Canada, please contact the Ombudsman at lineage@lloyds.ca who will also answer customer's questions about the collection, use, disclosure or storage of their personal information by such Lloyd's service providers.

Further information about Lloyd's personal information protection policy may be obtained from the customer's broker or by contacting Lloyd's on: 514 861 8361, 1 877 455 6937, or through info@lloyds.ca

ONTARIO COMMERCIAL LIABILITY NOTICE

Notice to Insureds:

Pursuant to the **Freedom Of Information And Protection Of Privacy Act, R.S.O. 1990, c.F.31 (as amended)**

Important

The notice below applies to insurance contracts containing non-automobile legal liability coverages in provinces where statistical data relating to such contracts must be reported to the Superintendent of Insurance.

Legal authority for collection

Insurance Act, R.S.O. 1990, c.I.8, section 101(1).

Principal purpose for which personal information is intended to be used Information collected by insurers from insureds or supplied to insurers pertaining to the attached document will be used:

- to compile aggregate statistical data to be used in monitoring trends in the insurance industry;

- to develop statistical exhibits to be used in monitoring the insurance industry;
- to respond to requests for customized statistical information on the insurance industry;
- to respond to inquiries on statistical information made to Office of the Superintendent of Insurance; and
- to use and disclose such information for purposes which are consistent with the previous clauses.

The Public Official who can answer questions about the collection is:

Manager, Statistical Services
Financial Services Commission of Ontario
5160 Yonge Street, 17th Floor
Box 85
North York, Ontario M2N 6L9
Telephone: (416) 250-7250
Fax: (416) 590-7070

FOI (11/1999)

LLOYD'S UNDERWRITERS' POLICYHOLDERS' COMPLAINT PROTOCOL

Lloyd's strives to enhance your customer experience with us through superior service and innovative insurance products.

We have developed a formal complaint handling protocol in accordance with the Insurance Companies Act of Canada to ensure your concerns as our valued customer are addressed expeditiously by our representatives. This protocol will assist you in understanding the steps we will undertake to help resolve any dispute which may arise with our product or service. All complaints will be handled in a professional manner. All complaints will be investigated, acted upon, and responded to in writing or by telephone by a Lloyd's representative promptly after the receipt of the complaint. If you are not satisfied with our products or services, you can take the following steps to address the issue:

- Firstly, please contact the broker who arranged the insurance on your behalf about your concerns so that he or she may have the opportunity to help resolve the situation.
- If your broker is unable to help resolve your concerns, we ask that you provide us in writing an outline of your complaint along with the name of your broker and your policy number.

Please forward your complaint to:

Lloyd's Underwriters

Attention: Complaints Officer:
1155 rue Metcalfe, Suite 2220
Montréal (Québec) H3B 2V6
Tel: 1-877-455-6937
Fax: (514) 861-0470
E-mail: lineage@lloyds.ca

Your complaint will be directed to the appropriate business contact for handling. They will write to you within two business days to acknowledge receipt of your complaint and to let you know when you can expect a full response. If need be, we will also engage internal staff in Lloyd's Policyholder and Market Assistance Department in London, England, who will respond directly to you, and in the last stages, they will issue a final letter of position on your complaint.

In the event that your concerns are still not addressed to your satisfaction, you have the right to continue your pursuit to have your complaint reviewed by the following organizations:

General Insurance OmbudService (GIO) assists in the resolution of conflicts between insurance customers and their insurance companies.

The GIO can be reached at:

Toll free number: 1-877-225-0446

www.giocanada.org

For Quebec clients:

Autorité des marchés financiers (AMF). The regulation of insurance companies in Quebec is administered by the AMF. If you remain dissatisfied with the manner in which your complaint has been handled, or with the results of the complaint protocol, you may send your complaint to the AMF who will study your file and who may recommend mediation, if it deems this action appropriate and if both parties agree to it. The AMF can be reached at

Toll Free: 1-877-525-0337

Québec: (418) 525-0337

Montréal: (514) 395-0311

www.lautorite.qc.ca

If you have a complaint specifically about Lloyd's Underwriters' complaints handling procedures you may contact the Financial Consumer Agency of Canada (FCAC).

Financial Consumer Agency of Canada (FCAC) provides consumers with accurate and objective information about financial products and services, and informs Canadians of their rights and responsibilities when dealing with financial institutions. FCAC also ensures compliance with the federal consumer protection laws that apply to banks and federally incorporated trust, loan and insurance companies. The FCAC does not get involved in individual disputes. The FCAC can be reached at:

427 Laurier Avenue West, 6th Floor, Ottawa ON K1R 1B9

Services in English: 1-866-461-FCAC (3222)

Services in French: 1-866-461-ACFC (2232)

www.fcac-acfc.gc.ca

SUBSCRIPTION NOTICE

IN CONSIDERATION OF THE INSURED having paid or agreed to pay each of the INSURERS named in the List of Subscribing Companies forming part hereof, or to INSURERS whose names are substituted therefor or added thereto by endorsement, hereinafter called "THE INSURERS", the Premium set against its name in the List of Subscribing Companies (attached hereto),

THE INSURERS SEVERALLY AND NOT JOINTLY agree, each for the Sum(s) Insured or Percentage(s) and for the Coverage(s) Insured set against its name in the List of Subscribing Companies, and subject always to the terms and conditions of this Policy, that if a loss occurs for which insurance is provided by this Policy at any time while it is in force, they will indemnify the INSURED against the loss so caused; the liability of each insurer individually for such loss being limited to that proportion of the loss payable according to the terms and conditions of this Policy which the Sum Insured or the amount corresponding to the Percentage set against its name in the List of Subscribing Companies, or such other sum or percentage as may be substituted therefor by endorsement, bears to

the total of the sums insured or of the amounts corresponding to the percentages of the sums insured respectively set out against the coverage concerned on the Declarations page(s).

Wherever in this Policy, or in any endorsement attached hereto, reference is made to "The Company", "The Insurer", "This Company", "we", "us", or "our", reference shall be deemed to be made to each of the Insurers severally.

This policy is made and accepted subject to the foregoing provisions, and to the other provisions, stipulations and conditions contained herein, which are hereby specially referred to and made a part of this Policy, as well as such other provisions, agreements or conditions as may be endorsed hereon or added hereto.

IN WITNESS WHEREOF THE INSURERS through their representative(s) duly authorized by them for this purpose have executed and signed this Policy.

CODE OF CONSUMER RIGHTS AND RESPONSIBILITIES

Insurers (including Lloyd's Underwriters), along with the brokers and agents who sell home, auto and business insurance are committed to safeguarding your rights both when you shop for insurance and when you submit a claim following a loss. Your rights include the right to be informed fully, to be treated fairly, to timely complaint resolution, and to privacy. These rights are grounded in the contract between you and your insurer and the insurance laws of your province. With rights, however, come responsibilities including, for example, the expectation that you will provide complete and accurate information to your insurer. Your policy outlines other important responsibilities. Insurers and their distribution networks, and governments also have important roles to play in ensuring that your rights are protected.

Right to be informed

You can expect to access clear information about your policy, your coverage, and the claims settlement process. You have the right to an easy-to-understand explanation of how insurance works and how it will meet your needs. You also have a right to know how insurers calculate price based on relevant facts. Under normal circumstances, insurers will advise an insurance customer or the customer's intermediary of changes to, or the cancellation of a policy within a reasonable prescribed period prior to the expiration of the policy, if the customer provides information required for determining renewal terms of the policy within the time prescribed, which could vary by province, but is usually 45 days prior to expiry of the policy.

You have the right to ask who is providing compensation to your broker or agent for the sale of your insurance. Your broker or agent will provide information detailing for you how he or she is paid, by whom, and in what ways.

You have a right to be told about insurers' compensation arrangements with their distribution networks. You have a right to ask the broker or agent with whom you deal for details of how and by whom it is being paid. Brokers and agents are committed to providing information relating to ownership, financing, and other relevant facts.

Responsibility to ask questions and share information

To safeguard your right to purchase appropriate coverage at a competitive

price, you should ask questions about your policy so that you understand what it covers and what your obligations are under it. You can access information through one-on-one meetings with your broker or agent. You have the option to shop the marketplace for the combination of coverages and service levels that best suits your insurance needs. To maintain your protection against loss, you must promptly inform your broker or agent of any change in your circumstances.

Right to complaint resolution

Insurers, their brokers and agents are committed to high standards of customer service. If you have a complaint about the service you have received, you have a right to access Lloyd's Underwriters' complaint resolution process for Canada. Your agent or broker can provide you with information about how you can ensure that your complaint is heard and promptly handled. Consumers may also contact their respective provincial insurance regulator for information. Lloyd's is a member of an independent complaint resolution office, the General Insurance OmbudService.

Responsibility to resolve disputes

You should always enter into the dispute resolution process in good faith, provide required information in a timely manner, and remain open to recommendations made by independent observers as part of that process.

Right to professional service

You have the right to deal with insurance professionals who exhibit a high ethical standard, which includes acting with honesty, integrity, fairness and skill. Brokers and agents must exhibit extensive knowledge of the product, its coverages and its limitations in order to best serve you.

Right to privacy

Because it is important for you to disclose any and all information required by an insurer to provide the insurance coverage that best suits you, you have the right to know that your information will be used for the purpose set out in the privacy statement made available to you by your broker, agent or insurance representative. This information will not be disclosed to anyone except as permitted by law. You should know that Lloyd's Underwriters are subject to Canada's privacy laws - with respect to their business in Canada.

H&W



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