

Event Wordings with Liquor

Attached to and forming part of your certificate of insurance

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

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

LLOYD'S

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

IDENTIFICATION OF INSURER / ACTION AGAINST INSURER

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

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

NOTICE

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

HLL included

TERRORISM EXCLUSION

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

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

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

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

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

MISINTERPRETATION OF DATE EXCLUSION

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

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

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

WAR AND CIVIL WAR EXCLUSION CLAUSE

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

Notwithstanding anything to the contrary contained herein this Policy does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE -

PHYSICAL DAMAGE - DIRECT

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

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

ASBESTOS EXCLUSION

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

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

SEXUAL HARASSMENT EXCLUSION

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

All other terms and conditions of this policy remain unchanged.

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

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

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

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

Definitions

• "E.D.R. Compliant" shall mean that neither the performance nor functionality is adversely affected by dates prior to, during and after the Year 2000. In particular:

- i) No value for current date will cause any interruption in operation
- ii) Date-based functionality and performance must behave consistently for dates prior to, during and after the Year 2000.
- iii) In all interfaces and data storage, the century in any date must be specified either explicitly or by unambiguous algorithms or interfacing rules.
- iv) The Year 2000 must be recognized as a leap year.

• "Systems" include computers and other equipment for receiving, processing, storing or retrieving data, hardware, software, firmware, microchips and microprocessors and any equipment or products with contain or rely upon such.

SEVERAL LIABILITY NOTICE

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

WORKERS COMPENSATION ACT

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

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

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

TOTAL POLLUTION EXCLUSION

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

INJURY TO PARTICIPANTS EXCLUSION

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

ABUSE OR MOLESTATION EXCLUSION

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

a) any allegation relating to any actual or threatened act or acts of abuse or molestation, directly or indirectly, or any person:

- 1) by any insured defined in Section II;
- 2) by any insured defined in Section II having knowledge of such activity taking place;
- 3) by any insured defined in Section II failing to prevent such action from taking place;
- 4) by any additional insured, volunteer or invitee;
- 5) by any former insured or former volunteer;
- 6) by any other person who is, or ever was, in the care, custody or control of any person specified above;
- 7) at the direction of any person specified above.

b) any allegation or claim in negligence, breach fiduciary duty or abuse of any power dependency relationship in the:

- 1) employment of, including implied or actual failure to adequately and properly investigate prior employment history of;
- 2) supervision of;
- 3) failure to report to the proper authorities where allegations or abuse or molestation have been made against;
- 4) continuing employment of;

any person involved or subject to allegations as aforesaid or conduct excluded herein. We have no duty or obligation to defend or indemnify or pay any costs of providing a defense with respect to any act or potential loss, claim or "action" for "bodily injury" or "property damage" or "personal injury" excluded herein.

All other term and conditions of this policy remain unchanged.

HLL included

HOST LIQUOR LIABILITY COVERAGE RIDER

It is hereby understood and agreed that, subject to the limits of liability as stated in the Certificate of Insurance issued to the Insured and terms and conditions of the following, the Insurer agrees to pay, on behalf of the Insured, all amounts payable because of bodily injury, including death resulting therefrom, to any person or persons or for damage to property (other than property leased or owned by or in the care, custody or control of the Insured or any of its employees) occurring as a result of the providing of alcoholic beverages to any persons by the Insured at the function specified in the Certificate of Insurance under a liquor license or permit (if applicable).

Conditions Precedent to Coverage:

The insurance coverage provided for herein is expressly subject to the following conditions precedent, all of which must be strictly fulfilled by the Insured in respect of each and every claim hereunder, and if any one or more such conditions precedent are not so fulfilled in respect of any claim, then it is expressly agreed that the Insurer shall have no liability whatsoever in respect of such a claim:

- (a) In respect of each and every incident, circumstance, matter or thing which may give rise to a claim under this insurance policy, the Insured shall report the details thereof to the Insurer or PAL Insurance Brokers Ltd. at their respective Head Offices by registered mail for with upon learning of any such claim or potential claim;
- (b) In respect of each and every claim to be made under this insurance policy, the Insured shall, in addition to (a) above, forward to the Insurer at their Head Office by registered mail, forthwith upon receipt, every writ, claim, notice, demand, letter, document or other written advice received by the Insured or his representative and pertaining to each and every such claim herein.

I. Defense- Settlement- Supplementary Payments:

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

- (1) defend in the name and on behalf of the Insured and at the cost of the Insurer any civil action which may at any time be brought against the Insured on account of such bodily injury or property damage but the Insurer shall have the right to make such investigation, negotiation and settlement of any claims as may be expedient by the Insurer;
- (2) pay all the premiums on bonds to release attachments for an amount not in excess of the applicable limit of liability of this policy, all premiums on appeal bonds required in any such defended suit, but without any obligation to apply for or furnish such bonds;
- (3) pay all costs taxed against the Insured in any civil action defended by the Insurer and any interest accruing after the entry of judgment upon that part of the judgment which is within the limits of the Insurer's liability;
- (4) pay expenses incurred by the Insured for such immediate medical and surgical relief to others as shall be imperative at the time of accident;
- (5) pay reasonable expenses incurred by the Insured at the Insurer's request in assisting the Insurer in the investigation or defense of any claim or suit, including actual loss of earnings not to exceed \$25.00 per day.

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

II. Persons Insured:

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

- (1) If the Named Insured is designated in the declarations as an individual, or a sole proprietor, the person so designated and his/ her spouse, but only with respect to the conduct of his/her business
 - (2.) If the named Insured is designated in the declarations as a partnership or joint venture, the partnership or joint venture so designated and any other partner or member thereof; but only with respect to his liability as such;
 - (3) if the Named Insured is designated in the declarations as other than an individual, partnership or joint venture, the organization so designated and executive officer, director or stockholder thereof while acting within the scope of his duties as such;
 - (4) any person (other than an employee of the Named Insured) or organization while acting as real estate manager for the Named Insured;
 - (5) Any person while acting on behalf of the Named Insured engaged in the service of alcohol at the event specified in the application and or declarations to the policy.
- This insurance does not apply to bodily injury or property damage arising out of the conduct of any partnership or joint venture of which the Insured is a partner or member and which is not designated in this policy as a Named Insured.

Additional Named Insured:

It is agreed that in the event the Liquor License Board Permit Holder shown on the

Certificate of Insurance differs from the Insured, the Liquor License Board Permit Holder is added to the policy as an additional named Insured, but only with respect to bodily injury or property damage arising out of the function listed on the Certificate of Insurance for which a Liquor License or permit was issued. (if applicable)

III. Policy Territory:

This insurance policy applies only to bodily injury and property damage which occurs within the policy territory.

Exclusions:

This insurance does not apply to:

- (a) liability assumed by the Insured under any contract or agreement except an incidental contract, but this exclusion does not apply to a warranty of fitness or quality of the Named Insured's products or a warranty that work performed by or on behalf of the Named Insured will be done in a workmanlike manner;
- (b) bodily injury or property damage arising out of ownership, maintenance, use or operation by or on behalf of the Insured of any automobile;
- (c) bodily injury or property damage arising out of the ownership, maintenance, use, operation, loading or unloading by or on behalf of the Insured of any watercraft, but this exclusion does not apply to watercraft while ashore on premises owned by, rented to or controlled by the Named Insured;
- (d) (1) bodily injury or property damage arising out of the ownership, maintenance, use, operation, loading or unloading by or on behalf of the Insured of
 - (i) any aircraft, or
 - (ii) any air cushion vehicle;
- (2) bodily injury or property damage arising out of the ownership, existence, use or operation by or on behalf of the Insured of any premises for the purpose of an airport or aircraft landing strip and all operations necessary or incidental thereto;
- (e) bodily injury to any employee of the Insured arising out of and in the course of his employment by the Insured, but this exclusion does not apply to liability assumed by the Insured under an incidental contract;
- (f) any obligation for which the Insured or his Insurer may be held liable under any workmen's compensation law;
- (g) liability arising out of damage caused by cigarette burns;
- (h) bodily injury caused intentionally by or at the direction of the Insured; this exclusion does not apply to bodily injury resulting from the use of reasonable force to protect persons or property.
- (i) property damage to
 - (1) property owned or occupied by or rented to the Insured or
 - (2) property used by the Insured, or
 - (3) property in the care, custody or control of the Insured or property as to which the Insured is for any purposed exercising physical control, or
 - (4) any personal property or any fixtures as the result of any work performed thereon by the Insured or anyone on his behalf;but parts (2) and (3) of this exclusion do not apply with respect to liability under a written sidetrack agreement and part (3) of this exclusion does not apply with respect to property damage (other than to elevators) arising out of the use of an elevator at premises owned by, rented to or controlled by the Named Insured;
- (j) property damage to the Named Insured's products arising out of such products or any part of such products;
- (k) property damage to work performed by or on behalf of the Named Insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;
- (l) loss of tangible property which has not been physically injured or destroyed resulting from
 - (1) a delay in or lack of performance by or on behalf of the Named Insured of any contract or agreement, or
 - (2) the failure of the Named Insured's products or work performed by or on behalf of the Named Insured to meet the level of performance, quality, fitness or durability warranted or represented by the Named Insured;but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury or destruction of the Named Insured's products or work performed by or on behalf of the Named Insured after such products or work have been put to use by any person or organization other than an Insured;
- (m) expenses incurred for the withdrawal, inspection, repair, replacement, or amounts claimed for loss of use of the Named Insured's products or work completed by or for the Named Insured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of

HLL included

any known or suspected defect or deficiency therein;

(n) property damage arising out of

(1) the use of explosives for blasting, or

(2) vibration from pile driving or caisson work, or

(3) the removal or weakening of support of any property, building or land whether such support be natural or otherwise;

but this exclusion does not apply with respect to property damage (i) arising out of operations performed for the Named Insured by independent contractors; (ii) included within the completed operations hazard; (iii) for which liability is assumed by the Insured under an incidental contract;

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

(p) Nuclear Energy Liability- see exclusion herein.

(q) Environmental Liability- see exclusion herein.

LIMITS OF LIABILITY:

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

(1) Limits of Liability- Coverages A and B

The inclusive limit of liability stated in the schedule as applicable to "bodily injury each occurrence property damage each accident" is the total limit of the Insurer's liability under Coverages A or B or Coverages A and B combined for all compensatory damages, including compensatory damages for care and loss of services, arising out of bodily injury in any one occurrence or property damage as a result of any one accident or series of accidents arising out of one event.

(2) Subject to the above provision respecting "bodily injury each occurrence property damage each accident" under Coverages A and B combined, the limit of bodily injury and property damage liability combined stated in the schedule as "aggregate" is the total limit of the Insurer's liability for all compensatory damages in any one certificate period.

All compensatory arising out of one lot of goods or products prepared or acquired by the Named Insured or by another trading under his name, shall be considered as arising out of one occurrence as regards bodily injury liability and one accident as regards property damage liability.

(3) For the purpose of determining the limit of the Insurer's liability, all bodily injury arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

Description of Terms Used for Premium Bases:

"number of people at a function" means the amount of people as specified in the Liquor License/ permit (if applicable).

Condition:

In respect of each and every claim made under this insurance policy, the Insured agrees to pay to the Insurer, immediately following the Insured's demand for same, all or such part of the Applicable Deductible Amount actually incurred or expended by the Insurer.

Applicable Deductible Amount:

In this insurance policy the "Applicable Deductible Amount" means the deductible amount shown on the declaration which the Insured has elected and is obligated to assume and fund under this insurance policy in respect of each and every loss or claim hereunder, from the first dollar of loss, including the following:

(i) external investigator's fees, expenses, costs, charges and accounts; and

(ii) external adjusters' fees, expenses, costs, charges and accounting; and

(iii) legal fees and disbursements; and

(iv) any fees, expenses, costs, charges or accounts of any other persons not employed by the Insurer, or any firms or corporations, providing services to the Insurer or its representatives in respect of the investigation, adjustments, evaluation, management, settlement or disposition of any loss or claim.

LLOYD'S UNDERWRITERS

The insurer, in consideration of the payment of the premium, in reliance upon the statements in the Declarations made a part of this policy and subject to all the terms and conditions of this policy and the riders and endorsements attached, agrees with the Named Insured as specified in the Insuring Agreements of the riders and the endorsements attached hereto.

The following Definitions, Environmental Exclusion, Nuclear Energy Liability Exclusion and Conditions apply to all Liability Riders and/or Endorsements attached to this policy

except as they may be modified or supplemented by the riders and/or endorsements attached.

IV- DEFINITIONS

When used in this policy (including endorsements forming a part hereof):

"automobile" means any self-propelled land motor vehicle, trailers or semi-trailers while attached thereto or unattached (including its equipment mounted on or attached thereto) other than any of the following or their trailers, accessories and equipment:

(i) vehicles of the crawler type (other than motorized snow vehicles);

(ii) tractors (other than road transport tractors designed to haul trailers or semi-trailers), road rollers, graders, scrapers, bulldozers, paving machines and concrete mixers (other than concrete mixers of the mix-in-transit type);

(iii) other construction machinery or equipment mounted on wheels but not self-propelled while not attached to any self-propelled land motor vehicle;

(iv) self-propelled land motor vehicles used solely on the premises of the Insured.

"bodily injury" means bodily injury, sickness or disease sustained by any person which occurs during the policy period, including death at any time resulting therefrom.

"completed operations hazard" includes bodily injury or property damage arising out of operations, but only if the bodily injury or property damage occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the Named Insured. Operations include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

(i) when all operations to be performed by or on behalf of the Named Insured under the contract have been completed;

(ii) when all operations to be performed by or on behalf of the Named Insured at the site of the operations have been completed;

(iii) when the portion of the work out of which the bodily injury or property damage arises has been put to its intended use by any persons or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete shall be deemed completed.

The completed operations hazard shall not include:

(i) operations in connection with the pickup and delivery of property;

(ii) the existence of tools, uninstalled equipment or abandoned or unused materials.

"elevator" means any hoisting or lowering device to connect floors or landings whether or not in service, and all appliances thereof, including any car, platform, shaft, hoist way, stairway, runway, power equipment and machinery, but shall not include:

(i) dumbwaiters, the floor area of which does not exceed 1 square meter (10.76 square feet), and exclusively for carrying property;

(ii) hood or material hoists used in connection with alterations, construction or demolition operations;

(iii) inclined conveyors used exclusively for carrying property;

(iv) automotive servicing hoists.

"incidental contract" means any written agreement which is a lease of premises, easement agreement, agreement required by municipal ordinance, sidetrack agreement or elevator maintenance agreement.

"insured" means any person or organization qualifying as an insured in the "Persons Insured" provision of the applicable coverage rider. The insurance afforded applies separately to each Insured against whom claim is made out or suit is brought.

"Named Insured" means the person or organization named in the Declarations of this policy.

"Named Insured's products" means goods or products manufactured, sold, handled or distributed by the Named Insured or by others trading under his name, including any container thereof (other than a vehicle), but shall not include a vending machine or any property other than such container, rented to or located for use of others but not sold. "policy territory" means:

(i) Canada or the United States of America, its territories or possessions, or

(ii) anywhere in the world with respect to compensatory damages because of bodily injury or property damage arising out of a product which was sold for use or consumption within the territory described in paragraph (i) above, provided suit for such compensatory damages is brought within such territory.

"products hazard" includes bodily injury and property damage arising out of the Named Insured's products but only if such bodily injury or property damage occurs away from premises owned by or rented to the Named Insured and after physical possession of such products has been relinquished to others.

"property damage" means (1) physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use thereof at any time resulting therefrom, or (2) loss of use of tangible property which has not been

HLL included

physically injured or destroyed provided such loss of use is caused by an accident occurring during the policy period.

ENVIRONMENTAL LIABILITY EXCLUSION

It is agreed that this policy does not apply to:

(i) "Bodily Injury" or "Property Damage" arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants:

1. At or from any premises owned, rented or occupied by an Insured;
2. At or from any site or location used by or for an Insured or others for the handling, storage, disposal, processing or treatment of waste;
3. Which are at any time transported, handled, stored, treated, disposed of, or processed as waste by or for an Insured or any person or organization for whom the Insured may be legally responsible; or

4. At or from any site or location on which an Insured or any contractors or subcontractors working directly or indirectly on behalf of an Insured are performing operations:

(A) if the pollutants are brought on or to the site or location in connection with such operations; or

(B) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.

(ii) Any loss, cost or expense arising out of any governmental direction or request than an Insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

(iii) Fines, penalties, punitive or exemplary damages arising directly or indirectly out of the discharge, dispersal, release or escape of any pollutants.

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

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

NUCLEAR ENERGY LIABILITY EXCLUSION

(a) to liability imposed by or arising under the Nuclear Liability Act; nor

(b) to bodily injury or property damage with respect to which an Insured under this policy is also insured under a contract of nuclear energy liability insurance (whether the Insured is unnamed in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an Insured under any such policy but for its termination upon exhaustion of its limit of liability; nor

(c) to bodily injury or property damage resulting directly or indirectly from the nuclear energy hazard arising from:

(i) the ownership, maintenance, operation or use of a nuclear facility by or on behalf of an Insured;

(ii) the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility; and

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

As used in this policy:

1) The term "nuclear energy hazard" means the radioactive, toxic, explosive, or other hazardous properties of radioactive material;

2) The term "radioactive material" means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances that the Atomic Energy Control Board may, by regulation, designate as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy;

3) The term "nuclear facility" means:

(a) any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;

(b) any equipment or device designed or used for (i) separating the isotopes of plutonium, thorium and uranium or any one or more of them, (ii) processing or utilizing spent fuel, or (iii) handling, processing or packaging waste;

(c) any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such

material in the custody of the Insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste radioactive material;

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

4) The term "fissionable substance" means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.

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

V - CONDITIONS

1. Inspection - Audit: The Named Insured shall permit the Insurer to inspect the insured premises, operations and elevators and to examine and audit the Named Insured's books and records at any time during the policy period (and any extension thereof and within one year after the termination of this policy), as far as they relate to the premium basis or the subject matter of this insurance. The Insurer assumes no responsibility and waives no rights by reason of such inspection, examination, audit or the omission thereof.

2. Insured's Duties in the event of Accident, Occurrence, Claim or Suit:

(a) In the event of an accident or occurrence, written notice containing particulars sufficient to identify the Insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given promptly by or for the Insured to the insurer or any of its authorized agents.

(b) If claim is made or suit is brought against the Insured, the Insured shall immediately forward to the Insurer every writ, letter, document or advice received by him or his representative.

(c) The Insured shall co-operate with the Insurer and, upon the Insurer's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the insured because of injury or damage with respect to which insurance is afforded under this policy; and the Insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The Insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expenses other than for the first aid to others at the time of accident.

3. Action against Insurer:

No action shall lie against the Insurer under any Insuring Agreement of this policy including the Insuring Agreement relating to "Defense-- Settlement-- Supplementary Payments" unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the Insured's obligation to pay shall have been finally determined either by judgment against the Insured after actual trial or by written agreement of the Insured, the claimant and the Insurer. Every action or proceeding against the Insurer shall be commenced within one year next after the date of such judgment or written agreement and not afterwards. If this policy is governed by the law of Quebec, every action or proceeding against the Insurer shall be commenced within three years from the time the right of action arises. Nothing contained in this policy shall give any person or organization any right to join the Insurer as a co-defendant in any action against the insured to determine the Insured's liability.

Bankruptcy or insolvency of the Insured or of the Insured's estate shall not relieve the Insurer of any of its obligations hereunder.

4. Subrogation:

In the event of any payment under this policy, the Insurer shall be subrogated to all the Insured's rights of recovery therefore against any person or organization and the Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing after loss to prejudice such rights.

5. Other Insurance:

The insurance afforded by this policy is primary insurance, except when stated to apply in excess of or contingent upon the absence of other insurance. When this insurance is primary and the Insured has other insurance which is stated to be applicable to the loss on an excess or contingent basis the amounts of the Insurer's liability under this policy shall not be reduced by the existence of such other insurance. When both this insurance and other insurance apply to the loss on the same basis,

HLL included

whether primary, excess or contingent, the Insurer shall not be liable under this policy for a greater portion of the loss than that stated in the applicable contribution provision below:

(a) Contribution by Equal Shares:

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

(b) Contribution by Limits:

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

6. Changes:

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the Insurer from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

7. Assignment:

Assignment of interest under this policy shall not bind the Insurer until its consent is endorsed hereon; if however, the Named Insured shall die or be adjudged bankrupt or insolvent within the policy period, this policy, unless cancelled, shall, if written notice be given to the Insurer within sixty days, after the date of such death or adjudication, cover the Named Insured's legal representative as the Named Insured except in the Province of Quebec where no notice is required.

8. Notice:

Any written notice to the Insurer may be delivered at or sent by registered mail to the agent through whom this policy was issued or to any branch of the Insurer in Canada. Written notice may be given to the Named Insured by letter personally delivered to him or by registered letter addressed to him at his last post office address notified to the Insurer; or, except in Quebec, where no address is notified and the address is not known, addressed to him at the post office of the agency, if any, from which the application was received. In this condition the expression "registered" shall mean registered within or without Canada. Notice to the first Named Insured shall constitute notice to all Insureds.

9. Cancellation-- Termination

(a) This policy may be terminated:

(i) by the Insurer giving to the Named Insured 15 days written notice of termination by registered mail or personal delivery;

(ii) by the Named Insured at any time on written request.

(b) Where the policy is terminated by the Insurer:

(i) and where the premium is developed on other than an estimated basis, the Insurer will refund the excess of the paid premium for the time the policy has been in force,

calculated pro rata; or

(ii) where the premium is developed by an estimated basis, the Insurer will refund the excess of the premium above the premium earned, when determined.

(c) Where the policy is terminated by the Named Insured,

(i) and where the premium is developed on other than an estimated basis, the Insurer will refund the excess of the paid premium above the short rate premium for the time the policy has been in force calculated in accordance with the short rate premium table in use by the Insurer, and except in Quebec, subject to the retention of the minimum premium, if any, provided by the policy, or

(ii) where the premium is developed by an estimated basis, the Insurer will refund the excess of the paid premium above the premium earned, when determined and except in Quebec, subject to the retention of the minimum premium, if any, provided by the policy.

(d) Refund of premium may be made by money, postal or express company money order or by cheque payable at par.

(e) Except in Quebec, the fifteen days mentioned above in this condition commences to run on the day following receipt of the registered letter at the post office to which it is addressed.

(f) In Quebec, the Notice of Cancellation from the Insurer takes effect 15 days after receipt by the Insured at the last known address.

(g) Premium adjustment may be made at the time cancellation is effected and if not then made shall be made as soon as practicable after cancellation becomes effective but payment or tender of unearned premium is not a condition of cancellation.

10. Declarations:

By acceptance of this policy, the Named Insured agrees that the statements in the declarations are his agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the Insurer or any of its agents relating to this insurance.

11. Cross Liability:

The insurance as is afforded by this policy shall apply in respect to any claim or action brought against any one Insured by any other Insured.

The coverage shall apply in the same manner and to the same extent as though a separate policy had been issued to each Insured. Any breach of a condition of this policy by any Insured shall not affect the protection given by this policy to any other Insured. The inclusion herein of more than one Insured shall not operate to increase the limit of liability under this policy.

12. Currency Clause:

It is agreed that all limits of insurance, premiums, and other amounts as expressed in this policy are in Canadian Currency.

HLL included

LIQUOR LIABILITY PROGRAM

BODILY INJURY / PROPERTY DAMAGE DEDUCTIBLE

With respect to coverage provided under the Comprehensive General Liability Sections A, B and D, it is hereby understood and agreed that the amount of the Deductible stated shall be deducted from the total amount of all claims, or occurrence which the Insured shall become obligated to pay, and the Insurer shall only be liable for loss or damage in excess of that amount up to the limit of the Insurer's liability for each accident or occurrence, as stated in the Declarations.

The Insurer may pay any part or all of the deductible amount to effect settlement of any claim or suit and, upon notification of the action taken, the Named Insured shall promptly reimburse the Insurer for such part of the deductible amount as had been paid by the Insurer.

HLL included

COMPREHENSIVE GENERAL LIABILITY COVERAGE FORM

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

The word "insured" means any person or organization qualifying as such under SECTION II - WHO IS AN INSURED.

Other words and phrases that appear in quotation marks have special meaning.

SECTION I - COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as compensatory damages because of "bodily injury" or "property damage" to which this insurance applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A, B AND D. This insurance applies only to "bodily injury" and "property damage" which occurs during the policy period. The "bodily injury" or "property damage" must be caused by an "occurrence". The "occurrence" must take place in the "coverage territory". We will have the right and duty to defend any "action" seeking those compensatory damages but:
- 1) The amount we will pay for compensatory damages is limited as described in SECTION III - LIMITS OF INSURANCE;
 - 2) We may investigate and settle any claim or "action" at our discretion; and
 - 3) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical expenses under Coverage C.
- b. Compensatory damages because of "bodily injury" included compensatory damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".
- c. "Property damage" that is loss of use of tangible property that is not physically injured shall be deemed to occur at the time of the "occurrence" that caused it.

2. Exclusions

This insurance does not apply to:

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

This exclusion applies:

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

This exclusion does not apply:

- 1) To liability assumed by the insured under an "insured contract"; or
 - 2) To employees on whose behalf contributions are made by or required to be made by the insured under the provisions of any workers compensation law.
- e. 1) "Bodily injury" or "property damage" arising out of the ownership, use or operation by or on behalf of any insured of:
- a) Any "automobile";
 - b) Any motorized snow vehicle or its trailers;
 - c) Any vehicle while being used in any speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity; or
 - d) Any vehicle which if it were to be insured would be required by law to be insured under a contract evidenced by a motor vehicle liability policy, or any vehicle insured under such a contract, but this exclusion does not apply to the ownership, use or operation of machinery, apparatus or equipment mounted on or attached to any vehicle while at the site of the use or operation of such equipment.
- 2) "Bodily injury" or "property damage" with respect to which any motor vehicle liability policy is in effect or would be in effect but for its termination upon exhaustion of its limit of liability or is required by law to be in effect.

HLL included

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

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

This exclusion does not apply to:

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

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

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

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

- i. "Property damage" to:

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

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

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

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

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

- k. "Property damage" to that particular part of "your work" arising out of it or any part of it and included in the "products - completed operations hazard".

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

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

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

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

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

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

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

- n. "Property damage" arising out of:

- 1) The use of explosives for blasting;
- 2) Vibration from pile driving or caisson work; or
- 3) The removal or weakening of support of any property, building or land whether such support be natural or otherwise.

This exclusion does not apply:

- 1) To "property damage" arising out of work performed on your behalf by any contractor or sub-contractor; or
- 2) To "property damage" included within the "products - completed operations hazard".

HLL included

- o. Pollution Liability - See Common Exclusions.
- p. Nuclear Liability - See Common Exclusions.
- q. War Risks - See Common Exclusions.

COVERAGE B. PERSONAL INJURY LIABILITY

1. Insuring Agreement.

- a. We will pay those sums that the insured becomes legally obligated to pay as compensatory damages because of "personal injury" to which this insurance applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A, B AND D. We will have the right and duty to defend any "action" seeking those compensatory damages but:
 - 1) The amount we will pay for compensatory damages is limited as described in SECTION III - LIMITS OF INSURANCE;
 - 2) We may investigate and settle any claim or "action" at our discretion; and
 - 3) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical expenses under Coverage C.
- b. This insurance applies to "personal injury" only if caused by an offense:
 - 1) Committed in the "coverage territory" during the policy period; and
 - 2) Arising out of the conduct of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you.

2. Exclusions

This insurance does not apply to:

"Personal injury":

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

This exclusion does not apply to liability for compensatory damages that the insured would have in the absence of the contract or agreement.

COVERAGE C. MEDICAL PAYMENTS

1. Insuring Agreement

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

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

provided that:

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

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

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

2. Exclusions

We will not pay expenses for "bodily injury":

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

HLL included

3. Limits of Liability

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

COVERAGE D. TENANTS' LEGAL LIABILITY

1. Insuring Agreement

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

2. Defence – Settlement – Supplementary Payments

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

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

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

3. Persons Insured

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

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

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

4. Exclusions

This insurance does not apply to:

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

5. Limits of Liability

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

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

COMMON EXCLUSIONS - COVERAGES A, C AND D

This insurance does not apply to:

- 1. Pollution Liability

HLL included

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

As used in this Coverage Form:

- 1) The term "nuclear energy hazard" means the radioactive, toxic, explosive, or other hazardous properties of radioactive material;
- 2) The term "radioactive material" means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances that the Atomic Energy Control Board may, by regulation, designate as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy;
- 3) The term "nuclear facility" means:
 - a) any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
 - b) any equipment or device designed or used for (i) separating the isotopes of plutonium, thorium and uranium or any one or more of them, (ii) processing or utilizing spent fuel, or (iii) handling, processing or packaging waste;
 - c) any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
 - d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste radioactive material;

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

- 4) The term "fissionable substance" means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.

3. War Risks

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

1. At or from premises owned, rented or occupied by an Insured;
2. At or from any site or location used by or for an Insured or others for the handling, storage, disposal, processing or treatment of waste;
3. Which are at any time transported, handled, stored, treated, disposed of, or processed as waste by or for an Insured or any person or organization for whom the Insured may be legally responsible; or
4. At or from any site or location on which an Insured or any contractors or subcontractors working directly or indirectly on behalf of an Insured are performing operations:
 - a) if the pollutants are brought on or to the site or location in connection with such operations; or
 - b) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize the pollutants.

- b. Any loss, cost, or expense arising out of any governmental direction or request that an Insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

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

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

2. Nuclear Energy Liability

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

SUPPLEMENTARY PAYMENTS - COVERAGES A, B AND D

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

- a. All expenses we incur.

HLL included

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

These payments will not reduce the limits of insurance.

SECTION II - WHO IS AN INSURED

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

No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "actions" brought; or
 - c. Persons or organizations making claims or bringing "actions".
2. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for compensatory damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
3. The Personal Injury Limit is the most we will pay under Coverage B for the sum of all compensatory damages because of "personal injury".
4. Subject to 2. above, if applicable, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Compensatory damages under Coverage A and
 - b. Medical expenses under Coverage C;because of all "bodily injury" and "property damage" arising out of any one "occurrence".
5. Subject to 4. above, the Tenant's Legal Liability limit is the most we will pay under Coverage D for compensatory damages because of "property damage" to any one premise.

HLL included

6. Subject to 4. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The limits of this Coverage Form apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than twelve (12) months. In that case the additional period will be deemed part of the last preceding period for the purpose of determining the Limits of Insurance.

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy.

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

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

- a. You must see to it that we are notified promptly of an "occurrence" which may result in a claim.

Notice should include:

- 1) How, when and where the "occurrence took place; and
- 2) The names and addresses of any injured persons and of witnesses.

- b. If a claim is made or "action" is brought against any insured, you must see to it that we receive prompt written notice of the claim or "action".

- c. You and any other involved Insured must:

- 1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "action";
- 2) Authorize us to obtain records and other information;
- 3) Cooperate with us in the investigation, settlement or defense of the claim or "action"; and
- 4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us.

No person or organization has a right under this policy;

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

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

4. Other Insurance.

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

- a. Primary Insurance

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

- b. Excess Insurance

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

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

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

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

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

HLL included

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

c. **Method of Sharing**

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

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

5. Premium Audit.

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

6. Representations.

By accepting this policy you agree:

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

7. Separation of Insureds, Cross Liability.

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "action" is brought.

8. Transfer of Rights of Recovery Against Others to Us.

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

SECTION V - DEFINITIONS

- 1. **"Action"** means a civil proceeding in which compensatory damages because of "bodily injury", "property damage" or "personal injury" to which this insurance applies are alleged. "Action" includes an arbitration proceeding alleging such damages to which you must submit or submit with our consent.
- 2. **"Automobile"** means any self-propelled land motor vehicle, trailer or semi-trailer (including machinery, apparatus, or equipment attached thereto) which is principally designed and is being used for transportation of persons or property on public roads.
- 3. **"Bodily injury"** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
- 4. **"Coverage territory"** means:
 - a. Canada and the United States of America (including its territories and possessions);
 - b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
 - c. All parts of the world if:
 - 1) The injury or damage arises out of:
 - a) Goods or products made or sold by you in the territory described in a. above; or
 - b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and
 - 2) The insured's responsibility to pay compensatory damages is determined in an "action" on the merits, in the territory described in a. above or in a settlement we agree to in writing.
- 5. **"Impaired property"** means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

HLL included

- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

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

6. **"Insured contract"** means:

- a. A lease of premises;
- b. A sidetrack agreement;
- c. An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
- d. Any other easement agreement;
- e. An indemnification of a municipality as required by ordinance, except in connection with work for a municipality;
- f. An elevator maintenance agreement; or
- g. That part of any other contract or agreement pertaining to your business under which you assume the tort liability of another to pay compensatory damages because of "bodily injury" or "property damage" to a third person or organization, if the contract or agreement is made prior to the "bodily injury" or "property damage". Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

An "insured contract" does not include that part of any contract or agreement;

- 1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
- 2) Under which the insured, if an architect, engineer or surveyor, assumes liability for injury or damage arising out of the insured's rendering or failing to render professional services, including those listed in 1) above and supervisory, inspection or engineering services.

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

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

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

9. a. **"Products-completed operations hazard"** includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

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

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

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

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

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

10. **"Property damage"** means:

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

11. **"Your product"** means:

- a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - 1) You;
 - 2) Others trading under your name; or
 - 3) A person or organization whose business or assets you have acquired; and
- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

HLL included

"Your product" includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in a. and b. above.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

12. "Your work" means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

"Your work" includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in a. and b. above.

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

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

ITEMS	APPLICATION
1. Full Name of the Applicant Postal Address: (Including County or District) Applicant is:	As Known to Company As Known to Company As Known to Company As Known to Company
2. Policy Period	As shown on Declaration Form
3. The automobiles in respect of which insurance is to be provided are those not owned in whole or in part by, nor licensed in the name of the applicant, used in the applicant's business of:	12:01 a.m. Standard Time at the applicant's address stated herein as to each of said dates AS PER DECLARATIONS
4. The Applicant's partners, officers, employees and agents as of the date of this application are as follows:	
	Location As Known to Company Partners, officers and employees who regularly use automobiles not owned by the applicant in the applicant's business All other partners, officers and employees All applicant's agents
	(Class "A1" Private Passenger) (Class "A2" Commercial) (Class "B") (Class "C") Number Rate Premium Number Rate Premium Number Rate Premium Number Rate Premium

COVERED IF ANY TO BE REPORTED

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

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

COVERED IF ANY TO BE REPORTED

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

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

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

COVERED IF ANY TO BE REPORTED

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

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

INSURING AGREEMENT

Section A - Third Party Liability

PERILS

HLL included

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

LIMIT

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

COMBINED PREMIUM

\$ AS PER DECLARATIONS

Endorsements	-	As per Declarations
Minimum Retained Premium	-	As per Declarations
Total Premium	-	As per Declarations

8. Has any Insurer cancelled, declined or refused to renew or issue automobile insurance to the applicant within three (3) years preceding this application? If so, state name of Insurer.

No

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

INJURY TO PERSONS
As Known to Company

DAMAGE TO PROPERTY OF OTHERS
As Known to Company

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

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

INSURING AGREEMENT

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

SECTION A - THIRD PARTY LIABILITY

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

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

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

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

* Not applicable in the Province of Ontario.

ADDITIONAL AGREEMENTS OF INSURER

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

- 1 upon receipt of notice of loss or damaged caused to persons or property to serve any person insured by this policy by such investigation thereof, or by such negotiations with the claimant, or by such settlement of any resulting claims, as may be deemed expedient by the Insurer; and
- 2 to defend in the name and on behalf of any person insured by this policy and at the cost of the Insurer any civil action which may at any time be brought against such person on account of such loss or damage to persons or property; and

HLL included

3. to pay all costs taxed against any person insured by this policy in any civil action defended by the Insurer and any interest accruing after entry of judgment upon that part of the judgment which is within the limits of the Insurer's liability; and
4. in case the injury be to a person, reimburse any person insured by this policy for outlay for such medical aid as may be immediately necessary at the time of such injury; and
5. be liable up to the minimum limit(s) prescribed for that province or territory of Canada in which the accident occurred, if that limit(s) is higher than the limit stated in section A of Item 7 of the application; and
6. not set up any defense to a claim that might not be set up if the policy were a motor vehicle liability policy issued in the province or territory of Canada in which the accident occurred.

AGREEMENTS OF INSURED

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

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

GENERAL PROVISIONS AND DEFINITIONS

1. ADDITIONAL INSUREDS

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

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

2. TERRITORY

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

3. HIRED AUTOMOBILE DEFINED

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

4. AUTOMOBILES OPERATED UNDER CONTRACT DEFINED

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

5. TWO OR MORE AUTOMOBILES

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

6. PREMIUM ADJUSTMENT

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

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

HLL included

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

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

STATUTORY CONDITIONS

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

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

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

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

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

Material Change in Risk

1. 1) The Insured named in this contract shall promptly notify the Insurer or its local agent in writing of any change in the risk material to the contract and within the Insured's knowledge.
- 2) Without restricting the generality of the foregoing, the words "change in risk material to the contract" include:
 - a) any change in the insurable interest of the Insured named in this contract in the automobile by sale, assignment or otherwise, except through change of title by succession, death or proceedings under the Bankruptcy Act (Canada):

and in respect of insurance against loss of or damage to the automobile
 - b) any mortgage, lien or encumbrance affecting the automobile after the application for the contract;
 - c) any other insurance of the same interest, whether valid or not, covering loss or damage insured by this contract or any portion thereof.

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

Prohibited Use by Insured

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

Prohibited Use by Others

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

Requirements Where Loss or Damage to Persons or Property

3. 1) The Insured shall,

HLL included

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

Requirements Where Loss or Damage to Automobile

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

Examination of Insured

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

Insurer Liable for Cash Value of Automobile

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

Repair or Replacement

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

No Abandonment; Salvage

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

In Case of Disagreement

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

Inspection of Automobile

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

Time and Manner of Payment of Insurance Money

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

When Action May Be Brought

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

HLL included

Limitations of Actions

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

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

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

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

Who May Give Notice and Proofs of Claim

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

Termination

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

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

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

Notice

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

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

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

COMMON LIABILITY CONDITIONS

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

A. Canadian Currency Clause

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

B. Cancellation

1. The first Named Insured shown in the Declaration may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivery to the first Named Insured written notice of cancellation at least:

HLL included

- a) Fifteen (15) days before the effective date of cancellation if we cancel for nonpayment of premium; or
- b) Thirty (30) days before the effective date of cancellation if we cancel for any other reason.

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

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

C. Changes

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

D. Examination of Your Books and Records

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

E. Inspections and Surveys

We have the right but are not obligated to:

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

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for health or safety of workers or the public. We do not warrant that conditions:

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

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

F. Premiums

The first Named Insured shown in the Declarations:

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

G. Transfer of Your Rights and Duties Under this Policy

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

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

HLL included

SANCTION LIMITATION AND EXCLUSION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

15/09/10
LMA3100

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 Québec 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) 395-031

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

07/12

LSW1542E

HLL included

PIPEDA Personal Information Protection and Electronic Documents Act

Electronic Documents Act (PIPEDA) contains 10 fair information practices that companies in Canada will adhere to. PAL Insurance Brokers Ltd. wants to take this time to explain the Act and our response to the implementation within our organization.

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

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

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

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

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

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

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

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

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

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

Privacy Officer

400, 1400 1st Street SW, Calgary, AB T2R 0V8

Phone: 403-261-3900 Fax: 403-261-39036

Toll Free: 1-888-661-1608

privacy@palcanada.com

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 consent 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 organisations or companies, their agents/mandataries, and to certain non-related or unaffiliated organisations or companies.

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 or through info@loyds.ca

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.

10/12
LSW1565C