

Commercial Policy General Terms & Conditions - Form 10000

This policy is made and accepted subject to the provisions, stipulations and conditions printed herein which are hereby specially referred to and made a part of this Policy, together with such other provisions, agreements, or conditions as may be endorsed hereon or added hereto. No term or condition of a contract shall be deemed to be waived by the Insurer in whole or in part unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by the Insurer. Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of a contract by any act relating to the appraisal of the amount of loss or to the delivery and completion of proofs, or to the investigation or adjustment of any claim under the contract.

By the acceptance of this Policy the Insured acknowledges the cancellation, from the effective date of this Policy, of any previous Policy (or the renewal thereof) which is stated as being replaced.

WORDS AND PHRASES IN QUOTATION HAVE SPECIAL MEANING AS DEFINED IN THIS POLICY AND IN THE FORMS AND ENDORSEMENTS ATTACHED HERETO.

1 INDEMNITY AGREEMENT

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 Forms and Endorsements attached, agrees with the Named Insured that sub-sections a and b below apply if "Property" is insured:

- a In the event that any of the insured "Property" be lost or damaged by the perils insured against, the Insurer will indemnify the Insured against the direct loss so caused to an amount not exceeding whichever is the least of:
 - (i) the actual cash value of the "Property" at the time of loss or damage;
 - (ii) the interest of the Insured in the "Property";
 - (iii) the amount of insurance specified on the "Declarations Page" in respect of the "Property" lost or damaged.
- b provided, however, that where the insurance applies to the "Property" of more than one person or interest, the Insurer's total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the amount or amounts of insurance specified on the "Declarations Page".

2 POLICY CONDITIONS

With respect to Commercial General Liability Coverage that may form a part of this policy, the Insurer and Insured hereby agree that Statutory Conditions 1, 3, 4, 5 and 14 only apply. Otherwise, the Insurer and Insured hereby agree that all of the Conditions set forth under the titles Statutory Conditions and Additional Conditions apply as Policy Conditions, with respect to all of the perils insured by this policy except as these Conditions may be modified or supplemented by the Forms or Endorsements forming part of this policy.

3 EXCLUSIONS

EXCLUDED PROPERTY

This policy does not insure loss of or damage to:

- a property at locations which, to the knowledge of the Insured, are vacant, unoccupied or shut down for more than thirty (30) consecutive days.
- b electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing. This exclusion does not apply to loss or damage caused directly by resultant fire or explosion;
- c growing plants, trees, shrubs or flowers, all while outside the "building" except as provided elsewhere in this policy;
- d money, "cash cards", bullion, platinum and other precious metals and alloys, securities, stamps, tickets (except lottery tickets) and tokens, or evidence of debt or title;
- e automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property. This exclusion does not apply to watercraft or amphibious or air cushion vehicles held for sale, or to unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the "premises";
- f property illegally imported, acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
- g roadways, walkways, exterior parking lots or other similar paved or unpaved surfaces except as provided elsewhere in this policy;
- h "equipment" or "stock" occasioned by or happening through their undergoing any process involving the application of heat;
- i outdoor hot water heating unit(s) on the premises, including the structure or enclosure housing the unit(s), attached piping, radiators, all other associated equipment, the heat transfer medium (liquid), and any property or contents in the structure or enclosure. It is further understood and agreed that any loss or damage resulting from or caused by escape of the heat transfer medium (liquid) is excluded by this policy.

- j any buildings or structures, and the contents of any buildings or structures, where the buildings or structures are used in whole or in part for the illegal cultivation, harvesting, processing, manufacture, distribution or sale of marijuana or any product derived from, or containing, marijuana or any substance falling within the Schedules of the Controlled Drugs and Substances Act, whether or not the insured is aware of such use of the property and/or whether or not such use of the property causes, in any way, in whole or in part, any loss or damage. This includes any alteration of the premises to facilitate such illegal activity;

EXCLUDED PERILS

The policy does not insure against loss or damage caused directly or indirectly:

- a in whole or in part by war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage;
- b (i) by any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any amending law) or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
- (ii) by contamination by radioactive material;
- c in whole or in part by "earthquake". This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for loss or damage caused directly by resultant fire, explosion, smoke or leakage from "fire protective equipment", all as described in the policy forms applicable. This exclusion does not apply to property in transit;
- d by flood, including surface water, waves, tides, tidal waves, tsunamis, or the breaking out or overflow of, any body of water, whether natural or man-made,
- (i) except:
1. for ensuing loss or damage which results directly from fire, explosion, smoke or leakage from fire protective equipment, all as described in the policy forms applicable.
 2. for loss or damage due to leakage from a water main;
- (ii) This Exclusion does not apply to "Property" in transit; except as described in the policy forms applicable;
- e (i) by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings;
- (ii) by the backing up or overflow of water from sewers, sumps, septic tanks or drains, wherever located, unless concurrently and directly caused by a peril not otherwise excluded in this Form;
- (iii) by the entrance of rain, sleet or snow through doors, windows, skylights, vents, soffits or other similar wall or roof openings unless through an aperture concurrently and directly caused by a peril not otherwise excluded in this Policy;
- (iv) loss or damage to buildings and/or contents caused by continuous or repeated seepage or leakage of water;
- f by centrifugal force, mechanical or electrical breakdown or derangement in or on the "Premises" unless fire ensues and then only for the loss or damage caused directly by such ensuing fire;
- g by dampness or dryness of atmosphere, changes in or extremes of temperature, contamination, freezing, heating, shrinkage, evaporation, loss of weight, leakage of "Contents", exposure to light, change in colour or texture or finish, rust or corrosion, marring, scratching or crushing, unless otherwise insured by the policy forms applicable;
- h to "Building"(s) by:
- (i) snowslide, landslide, subsidence or other earth movement, except for ensuing loss or damage which results directly from fire, explosion, smoke or leakage from fire protective equipment, all as described in Insured Perils Clause 6;
- (ii) explosion (except with respect to explosion of natural, coal, or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following "Property" owned, operated or controlled by the Insured, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire:
1. the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 2. piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 3. other vessels and apparatus and pipes connected therewith while under pressure or while in use or in operation provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure, but this Exclusion does not apply to loss or damage resulting from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimetres (24 inches) or less used for the heating and storage of hot water for domestic use;
 4. moving or rotating machinery or parts thereof;
 5. any vessels and apparatus and pipes connected therewith while undergoing pressure tests but this Exclusion does not apply to other "Property" insured hereunder that has been damaged by such explosion;
 6. gas turbines.
- (iii) settling, expansion, contraction, moving, bulging, buckling or cracking of driveways or pavements, patios, foundations, walls, floors, roofs or ceilings unless concurrently and directly caused by a peril not otherwise excluded in Clause 7 of this Form;
- i by loss or damage sustained to "Contents" while actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting or servicing of "Contents" unless fire or explosion ensues and then only for such ensuing loss or damage;
- j due to "Theft" or attempted "Theft", vandalism, or malicious acts from that part of the "Premises" which you rent to others, caused by you, any tenant, tenant's guests or employees, or members of their household;
- k (i) by any dishonest or criminal act committed by the Insured or any agent of the Insured, acting alone or in collusion with

others;

- (ii) by theft or attempted theft committed by any employee of the Insured, acting alone or in collusion with others;
- (iii) by any dishonest or criminal act committed by anyone, except as stated in (k) (ii), when the Insured or any agent of the Insured knew or ought to have known prior the loss or damage, of the dishonest or criminal act.

This exclusion (k) (iii) does not apply if, upon becoming aware of the dishonest or criminal act, the Insured or any agent of the Insured immediately notifies the police and the Insurer.

For the purpose of this exclusion:

- (i) "criminal act" includes but is not limited to:
 - 1. any act that would be considered an offence under the Criminal Code of Canada;
 - 2. any act that would be considered an offence under any federal or provincial legislation whether or not such an offence is punishable by incarceration. It is not necessary that an act result in a charge and / or conviction for the act to be a criminal act;
 - (ii) "agent" includes a property manager of the Insured, as well as any other person who would qualify as an agent of the Insured at law.
- l caused by or resulting from misappropriation, secretion, conversion, infidelity or dishonest act on the part of the Insured or other party of interest, his or their employees or agents or any person or persons to whom the property may be entrusted (bailees for hire excepted) or any mysterious disappearance disclosed upon taking inventory;
- m by birds, moths, vermin (including but not limited to skunks and raccoons), rodents (including but not limited to squirrels, rats and mice) or insects (including but not limited to ants and bed bugs), except damage to building glass if glass breakage is provided by this policy;

4 POLLUTION EXCLUSION

This policy does not insure against:

- a loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" nor the cost or expense of any resulting "clean up". This exclusion does not apply:
 - (i) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is the direct result of a peril not otherwise excluded under this policy;
 - (ii) to loss or damage caused directly by a resultant peril not otherwise excluded in this policy;
- b cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants". "Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed. "Clean Up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization, or remediation of "pollutants", including testing which is integral to the aforementioned processes.

5 DATA & DATA PROBLEM EXCLUSION

- a Loss or damage caused directly by failure of any "Data";
 - b Loss or damage caused directly or indirectly by "Data Problem";
- However, if loss or damage caused by "Data Problem" results in the occurrence of further loss of or damage to property insured that is directly caused by fire or lightning, explosion, impact by aircraft, spacecraft or land vehicle, leakage from fire protective equipment, windstorm or hail, this exclusion shall not apply to such resulting loss or damage.

6 TERRORISM

This policy does not insure loss or damage caused directly or indirectly, in whole or in part, by "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism". This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage. If any portion of this exclusion is found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect.

7 FUNGI AND SPORES EXCLUSION

This policy does not insure:

- a loss or damage consisting of or caused directly or indirectly, in whole or in part, by any "fungi" or "spores". This exclusion does not apply:
 - (i) if the "fungi" or "spores" are directly caused by a peril not otherwise excluded in this form, or
 - (ii) to loss or damage caused directly by a resultant peril not otherwise excluded in this form;
- b the cost or expense for any testing, monitoring, evaluation or assessing of "fungi" or "spores"

8 OTHER EXCLUDED LOSSES:

This form does not insure:

- a (i) wear and tear;

- (ii) rust or corrosion;
- (iii) gradual deterioration, hidden or latent defect or any quality in property that causes it to destroy itself.

This exclusion (a) does not apply to loss or damage caused directly by a resultant peril not otherwise excluded in this form;

b the cost of making good;

- (i) faulty or improper material;
- (ii) faulty or improper workmanship;
- (iii) faulty or improper design.

This exclusion (b) does not apply to loss or damage caused directly by a resultant peril not otherwise excluded in this form;

c mysterious disappearance, or shortage of "equipment" or "stock" disclosed on taking inventory.

STATUTORY CONDITIONS

Section 1. Applicable to Manitoba, Saskatchewan, Alberta and British Columbia

Section 2. Applicable to Ontario

Section 1.

Misrepresentation

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

Property of others

2 The insurer is not liable for loss or damage to property owned by a person other than the insured unless

- (a) otherwise specifically stated in the contract, or
- (b) the interest of the insured in that property is stated in the contract.

Change of interest

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

Material change in risk

4(1) The insured must promptly give notice in writing to the insurer or its agent of a change that is

- (a) material to the risk, and
- (b) within the control and knowledge of the insured.

4(2) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.

4(3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may

- (a) terminate the contract in accordance with Statutory Condition 5, or
- (b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.

4(4) If the insured fails to pay an additional premium when required to do so under subparagraph (3)(b) of this condition, the contract is terminated at that time, and Statutory Condition 5 (2)(a) applies in respect of the unearned portion of the premium.

Termination of contract

5(1) The contract may be terminated,

- (a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or
- (b) by the insured at any time on request.

5(2) If the contract is terminated by the insurer,

- (a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and
- (b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.

5(3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.

5(4) The 15-day period referred to in subparagraph (1)(a) of this condition starts to run on the day the registered letter or notification of it is delivered to the insured's postal address.

Requirements after loss

6(1) On the happening of any loss or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,

- (a) immediately give notice in writing to the insurer,
- (b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration

- (i) giving a complete inventory of that property and showing in detail quantities and costs of that property and particulars of the amount of loss claimed,
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
 - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
 - (iv) stating the amount of other insurances and the names of other insurers,
 - (v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
 - (vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
 - (vii) stating the place where the insured property was at the time of loss,
- (c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
- (d) if required by the insurer and if practicable,
 - (i) produce books of account and inventory lists,
 - (ii) furnish invoices and other vouchers verified by statutory declaration, and
 - (iii) furnish a copy of the written portion of any other relevant contract.
- 6(2) The evidence given, produced or furnished under subparagraph (1)(c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

Fraud

7 Any fraud or wilfully false statement in a statutory declaration in relation to the particulars required under Statutory Condition 6 invalidates the claim of the person who made the declaration.

Who may give notice and proof

8 Notice of loss under Statutory Condition 6(1)(a) may be given and the proof of loss under of Statutory Condition 6(1)(b) may be made

(a) by the agent of the insured if

(i) the insured is absent or unable to give the notice or make the proof, and

(ii) the absence or inability is satisfactorily accounted for, or

(b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so, or in the circumstances described in clause (a) of this condition.

Salvage

9(1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.

9(2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

Entry, control, abandonment

10 After loss or damage to insured property, the insurer has

(a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and

(b) after the insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but

(i) without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and

(ii) without the insurer's consent, there can be no abandonment to it of the insured property.

In case of disagreement

11(1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the Insurance Act whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.

11(2) There is no right to a dispute resolution process under this condition until

(a) a specific demand is made for it in writing, and

(b) the proof of loss has been delivered to the insurer.

When loss payable

12 Unless the contract provides for a shorter period, the loss is payable within 60 days after the proof of loss is completed in accordance with Statutory Condition 6 and delivered to the insurer.

Replacement

13(1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.

13(2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss and must proceed with all due diligence to complete the work within a reasonable time.

Notice

14(1) 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. 14(2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to the insured's last known address as provided to the insurer by the insured.

Section 2.

Misrepresentation

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

Property of others

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

Change of interest

3 The insurer shall be liable for loss or damage occurring after an authorized assignment pursuant to the Bankruptcy and Insolvency Act (Canada) or change of title by succession, by operation of law, or by death.

Material change

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

Termination of contract

5(1) This contract may be terminated:

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

5(2) Where this contract is terminated by the insurer:

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

5(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.

5(4) The refund may be made by money, postal or express company money order, or by cheque payable at par.

5(5) The 15 days mentioned in clause (a) of sub-condition (1) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

Requirements after loss

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

- (a) forthwith give notice thereof in writing to the insurer;
- (b) deliver as soon as practicable to the insurer a proof of loss verified by statutory declaration;
- (i) giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed;
- (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes;
- (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured;
- (iv) showing the amount of other insurances and the names of other insurers;
- (v) showing the interest of the insured and of all others in the property with particulars of all liens, encumbrances and other charges upon the property;
- (vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract;
- (vii) showing the place where the property insured was at the time of loss;
- (c) if required give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value;
- (d) if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.

6(2) The evidence furnished under clauses (c) and (d) of subparagraph (1) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

Fraud

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

Who may give notice and proof

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

Salvage

9(1) The insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to any such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.

9(2) The insurer shall contribute pro rata towards any reasonable and proper expenses in connection with steps taken by the insured and required under subparagraph 1 of this condition according to the respective interests of the parties.

Entry, control, abandonment

10 After any loss or damage to insured property, the insurer shall have an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and, after the insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage,

but the insurer shall not be entitled to the control or possession of the insured property, and without the consent of the insurer there can be no abandonment to it of insured property.

Appraisal

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

When loss payable

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

Replacement

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

13(2) In that event the insurer shall commence to so repair, rebuild, or replace the property within 45 days after receipt of the proofs of loss, and shall thereafter proceed with all due diligence to the completion thereof.

Action

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

Notice

15 Any written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province; and written notice may be given to the insured named in the contract by letter personally delivered to him or by registered mail addressed to him at his latest post office address as notified to the insurer; and in this condition, the expression "registered" means registered in or outside Canada.

ADDITIONAL CONDITIONS

1 NOTICE TO AUTHORITIES

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

2 NO BENEFIT TO BAILEE

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

3 PAIR AND SET

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

4 PARTS

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

5 SUE AND LABOUR:

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

6 BASIS OF SETTLEMENT

Unless otherwise provided, the Insurer is not liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with property deduction for

depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality.

7 SUBROGATION

The insurer, upon making any payment or assuming liability of the Insured against any person, and may bring action in the name of the Insured to enforce such rights. Where the net amount recovered after deducting the costs of recovery is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the insurer and the Insured in the proportions in which the loss or damage has been borne by them respectively. Any release from liability entered into by the Insured prior to loss shall not affect the right of the Insured to recover.

8 OTHER INSURANCE:

Unless otherwise provided if, at the time of a loss covered by this Policy, there is any other insurance (other than against the peril of fire) which would attach if this insurance had not been effected, the Insurer under this Policy shall be liable only for the excess, if any, of loss over the applicable limit of the other policy covering such loss.

9 LOSS CLAUSE:

Any loss hereunder shall not reduce the amount of this policy.

10 REINSTATEMENT:

Any loss or damage shall not reduce the amounts of insurance provided by this policy, however the premium for the coverage claimed will be deemed fully earned for the balance of the policy term if the limit of insurance for that coverage has been exhausted.

11 LIBERALIZATION CLAUSE:

If we adopt any revision which would broaden coverage under this policy without any additional premium within 60 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

12 CANADIAN CURRENCY:

All amounts of insurance, premiums or other amounts stated in this policy are in Canadian Currency.

13 LIMITATION OF ACTIONS:

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in The Insurance Act.

DEFINITIONS

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

- (i) fixed structures pertaining to the "Building" and located on the "Premises";
- (ii) additions and extensions communicating and in contact with the "Building";
- (iii) permanent fittings and fixtures attached to and forming part of the "Building";
- (iv) materials, equipment and supplies on the "Premises" for maintenance of, and normal repairs and minor alterations to the "Building" or for building services;
- (v) growing plants, trees, shrubs or flowers inside the "Building" used for decorative purposes when the Insured is the owner of the "Building".

b "Contents" or "Contents of Every Description" means "Equipment" and "Stock" as defined herein.

c "Equipment" means:

- (i) generally all "Contents" usual to the Insured's business including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances other than "Building" or "Stock" as herein defined;
- (ii) similar "Property" belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;
- (iii) tenant's improvements which are defined as building improvements, alterations and betterments made at the expense of the Insured to a "Building" occupied by the Insured and which are not otherwise insured, provided the Insured is not the owner of such "Building". If the Insured purchased the use interest in tenant's improvements made by a predecessor tenant, this Form applies as though such tenant's improvements had been made at the expense of the Insured.

d "Property" or "Property of Every Description" means "Building", "Equipment", and "Stock" as defined herein.

e "Stock" means:

- (i) merchandise of every description usual to the Insured's business;
- (ii) packing, wrapping and advertising materials; and
- (iii) similar "Property" belonging to others which the Insured is under obligation to keep insured or for which he is legally liable.

EXCEPT AS OTHERWISE PROVIDED, ALL TERMS, CONDITIONS AND PROVISIONS OF THIS POLICY SHALL APPLY TO ALL FORMS AND ENDORSEMENTS ATTACHED HERETO.

IN WITNESS THEREOF the Insurer has caused this policy to be signed by its President and Chief Executive Officer, but the same shall not be binding unless signed by an authorized representative of the Insurer on the Declaration Page.



President / CEO

DECLARATION OF EMERGENCY / EXTENSION OF TERMINATION OR EXPIRY DATE ENDORSEMENT

This endorsement modifies insurance provided by the Policy to which it is attached as follows:

The effective date of termination of this policy by the Insurer or the expiry date of this policy is extended, subject to the conditions and definitions set out below, as follows when an "emergency" is declared by a Canadian public authority designated by statute for the purpose of issuing such an order.

- 1 The "emergency" must have a direct effect or impact on:
 - a. the Insured, the insured site or insured property located in the declared emergency area;
or
 - b. the operations of the Insurer or its agent / broker located in the declared emergency area.
- 2
 - a Any time limitation described in the Termination condition of this policy, with respect to termination of this policy by the Insurer, will not continue to run until the "emergency" is terminated plus the lesser of:
 - (i) 30 days; or
 - (ii) the number of days equal to the total time the "emergency" order was in effect.
 - b If this policy is due to expire during an "emergency", it will continue in force until the "emergency" is terminated plus the lesser of:
 - (i) 30 days; or
 - (ii) the number of days equal to the total time the "emergency" order was in effect.
- 3 In no event shall the total term of this extension exceed 120 consecutive days.

The Insured agrees to pay the pro rata premium earned for the additional time the Insurer remains on risk as a result of the above.

"Emergency" means the first statutory declaration of an emergency:

- 1 with respect to a situation or an impending situation that constitutes a danger of major proportions that could result in serious harm to persons or substantial damage to property and that is caused by the forces of nature, a disease or other health risk, an accident or an act whether intentional or otherwise; or
- 2 as provided for by the relevant governing legislation if different from 1; but does not include any subsequent statutory declaration(s) that may be issued relating to the same event.

All other terms and conditions of the Policy to which this endorsement applies remain unchanged.

If the Declarations Page indicates that the Standard Mortgage Clause applies, the following forms part of this policy:

STANDARD MORTGAGE CLAUSE
(approved by the Insurance Bureau of Canada)

IT IS HEREBY PROVIDED AND AGREED THAT:

1. **Breach of Conditions by Mortgagor, Owner or Occupant** – This insurance and every documented renewal thereof – AS TO THE INTEREST OF THE MORTGAGEE ONLY THEREIN – is and shall be in force notwithstanding any act, neglect, omission or misrepresentation attributable to the mortgagor, owner or occupant of the property insured, including transfer of interest, any vacancy or non-occupancy, or the occupation of the property for purposes more hazardous than specified in the description of the risk;

PROVIDED ALWAYS that the Mortgagee shall notify forthwith the Insurer (if known) of any vacancy or non-occupancy extending beyond thirty (30) consecutive days, or of any transfer of interest or increased hazard THAT SHALL COME TO HIS KNOWLEDGE; and that every increase of hazard (not permitted by this policy) shall be paid for by the Mortgagee – on reasonable demand – from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.

2. **Rights of Subrogation** – Whenever the Insurer pays the Mortgagee any loss award under this policy and claims that – as to the Mortgagor or Owner – no liability therefore existed, it shall be legally subrogated to all rights of the Mortgagee against the Insured; but any subrogation shall be limited to the amount of such loss payment and shall be subordinate and subject to the basic right of the Mortgagee to recover the full amount of its mortgage equity in priority to the Insurer; or the Insurer may at its option pay the Mortgagee all amounts due or to become due under the mortgage or on the security thereof, and shall thereupon receive a full assignment and transfer of the mortgage together with all securities held as collateral to the mortgage debt.

3. **Other Insurance** – If there be other valid and collectible insurance upon the property with loss payable to the Mortgagee – at law or in equity – then any amount payable thereunder shall be taken into account in determining the amount payable to the Mortgagee.

4. **Who May Give Proof of Loss** – In the absence of the Insured, or the inability, refusal or neglect of the Insured to give notice of loss or deliver the required Proof of Loss under the policy, then the Mortgagee may give the notice upon becoming aware of the loss and deliver as soon as practicable the Proof of Loss.

5. **Termination** – The term of this mortgage clause coincides with the term of the policy;

PROVIDED ALWAYS that the Insurer reserves the right to cancel the policy as provided by Statutory provision but agrees that the Insurer will neither terminate nor alter the policy to the prejudice of the Mortgagee without the notice stipulated in such Statutory provision.

6. **Foreclosure** – Should title or ownership to said property become vested in the Mortgagee and/or assigns as owner or purchaser under foreclosure or otherwise, this insurance shall continue until expiry or cancellation for the benefit of the said Mortgagee and/or assigns.

SUBJECT TO THE TERMS OF THIS MORTGAGE CLAUSE (and these shall supersede any policy provisions in conflict therewith BUT ONLY AS TO THE INTEREST OF THE MORTGAGEE), loss under this policy is made payable to the Mortgagee.