

BEAZLEY BREACH RESPONSE - CANADA

NOTICE: INSURING AGREEMENTS A., C., D. AND E. OF THIS POLICY PROVIDE COVERAGE ON A CLAIMS MADE AND REPORTED BASIS AND APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR THE OPTIONAL EXTENSION PERIOD (IF APPLICABLE) AND REPORTED TO THE UNDERWRITERS DURING THE POLICY PERIOD OR AS OTHERWISE PROVIDED IN CLAUSE IX. OF THIS POLICY. AMOUNTS INCURRED AS CLAIMS EXPENSES UNDER THIS POLICY SHALL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO RETENTIONS.

INSURING AGREEMENTS B., F., G. AND H. OF THIS POLICY PROVIDE FIRST PARTY COVERAGE ON AN INCIDENT DISCOVERED AND REPORTED BASIS AND APPLIES ONLY TO INCIDENTS FIRST DISCOVERED BY THE INSURED AND REPORTED TO THE UNDERWRITERS DURING THE POLICY PERIOD.

Please review the coverage afforded under this Insurance Policy carefully and discuss the coverage hereunder with your insurance agent or broker.

The Underwriters agree with the **Named Insured**, set forth in Item 1. of the Declarations made a part hereof, in consideration of the payment of the premium and reliance upon the statements in the **Application** to this Insurance Policy (hereinafter referred to as the "Policy" or "Insurance") and subject to all the provisions, terms and conditions of this Policy:

I. INSURING AGREEMENTS

A. Information Security & Privacy Liability

To pay on behalf of the **Insured**:

Damages and Claims Expenses, in excess of the **Retention**, which the **Insured** shall become legally obligated to pay because of any **Claim**, including a **Claim** for violation of a **Privacy Law**, first made against any **Insured** during the **Policy Period** or Optional Extension Period (if applicable) and reported in writing to the Underwriters during the **Policy Period** or as otherwise provided in Clause IX. of this Policy for:

1. theft, loss, or **Unauthorized Disclosure** of **Personally Identifiable Information** or **Third Party Information** that is in the care, custody or control of the **Insured Organization**, or a third party for whose theft, loss or **Unauthorized Disclosure** of **Personally Identifiable Information** or **Third Party Information** the **Insured Organization** is legally liable, provided such theft, loss or **Unauthorized Disclosure** first takes place on or after the Retroactive Date and before the end of the **Policy Period**;

2. one or more of the following acts or incidents that directly result from a failure of **Computer Security** to prevent a **Security Breach**, provided that such act or incident first takes place on or after the Retroactive Date and before the end of the **Policy Period**;
 - (a) the alteration, corruption, destruction, deletion, or damage to data stored on **Computer Systems**;
 - (b) the failure to prevent transmission of malicious code from **Computer Systems** to computer or network systems that are not owned, operated or controlled by an **Insured**; or
 - (c) the participation by the **Insured Organization's Computer Systems** in a denial-of-service attack directed against computer or network systems that are not owned, operated or controlled by an **Insured**;
3. the **Insured Organization's** failure to timely disclose an incident described in Insuring Agreement A.1. or A.2. in violation of any **Breach Notice Law**; provided such incident giving rise to the **Insured Organization's** obligation under a **Breach Notice Law** must first take place on or after the Retroactive Date and before the end of the **Policy Period**; or
4. failure by the **Insured** to comply with that part of a **Privacy Policy** that specifically:
 - (a) prohibits or restricts the **Insured Organization's** disclosure, sharing or selling of a person's **Personally Identifiable Information**;
 - (b) requires the **Insured Organization** to provide access to **Personally Identifiable Information** or to correct incomplete or inaccurate **Personally Identifiable Information** after a request is made by a person; or
 - (c) mandates procedures and requirements to prevent the loss of **Personally Identifiable Information**;

provided the acts, errors or omissions that constitute such failure to comply with a **Privacy Policy** must first take place on or after the Retroactive Date and before the end of the **Policy Period**, and the **Insured Organization** must, at the time of such acts, errors or omissions have in force a **Privacy Policy** that addresses those subsections above that are relevant to such **Claim**.

B. **Privacy Breach Response Services**

To provide **Privacy Breach Response Services** to the **Insured Organization** in excess of the **Retention** because of an incident (or reasonably suspected incident) described in Insuring Agreement A.1. or A.2. that first takes place on or after the Retroactive Date and before the end of the **Policy Period** and is discovered by the **Insured** and is reported to the Underwriters during the **Policy Period**.

Privacy Breach Response Services means the following:

1. **Computer Expert Services;**
2. **Legal Services;**
3. **Notification Services** to provide notification to:
 - (a) individuals who are required to be notified by the **Insured Organization** under the applicable **Breach Notice Law**; or
 - (b) in the Underwriters' discretion, individuals affected by an incident in which their **Personally Identifiable Information** has been subject to theft, loss or **Unauthorized Disclosure** in a manner which compromises the security or privacy of such individual by posing a significant risk of financial, reputational or other harm to the individual;
4. **Call Centre Services;**
5. **Breach Resolution and Mitigation Services;** and
6. **Public Relations and Crisis Management Expenses.**

Privacy Breach Response Services also includes assistance from the BBR Services Team and access to educational and loss control information at no charge.

Privacy Breach Response Services will be provided subject to the terms and conditions of this Policy and the **Information Packet**, will be subject to the applicable retentions and limitations set forth in the Declarations, and shall not include any internal salary or overhead expenses of the **Insured Organization**. It is a condition precedent under this Policy that Underwriters' prior written consent be obtained and the requirements in the **Information Packet** be complied with in order for **Privacy Breach Response Services** to be covered.

C. **Regulatory Defence and Penalties**

To pay on behalf of the **Insured**:

Claims Expenses and **Penalties** in excess of the **Retention**, which the **Insured** shall become legally obligated to pay because of any

Claim in the form of a **Regulatory Proceeding**, first made against any **Insured** during the **Policy Period** or Optional Extension Period (if applicable) and reported in writing to the Underwriters during the **Policy Period** or as otherwise provided in Clause IX. of this Policy, for a violation of a **Privacy Law** and caused by an incident described in Insuring Agreements A.1., A.2. or A.3. that first takes place on or after the Retroactive Date and before the end of the **Policy Period**.

D. **Website Media Content Liability**

To pay on behalf of the **Insured**:

Damages and Claims Expenses, in excess of the **Retention**, which the **Insured** shall become legally obligated to pay resulting from any **Claim** first made against any **Insured** during the **Policy Period** or Optional Extension Period (if applicable) and reported in writing to the Underwriters during the **Policy Period** or as otherwise provided in Clause IX. of this Policy for one or more of the following acts first committed on or after the Retroactive Date and before the end of the **Policy Period** in the course of the **Insured Organization's** display of **Media Material** on its web site or on social media web pages created and maintained by or on behalf of the **Insured Organization**:

1. defamation, libel, slander, trade libel, infliction of emotional distress, outrage, outrageous conduct, or other tort related to disparagement or harm to the reputation or character of any person or organization;
2. a violation of the rights of privacy of an individual, including false light and public disclosure of private facts;
3. invasion or interference with an individual's right of publicity, including commercial appropriation of name, persona, voice or likeness;
4. plagiarism, piracy, misappropriation of ideas under implied contract;
5. infringement of copyright;
6. infringement of domain name, trademark, trade name, trade dress, logo, title, metatag, or slogan, service mark, or service name; or
7. improper deep-linking or framing within electronic content.

E. **PCI Fines, Expenses and Costs**

To indemnify the **Insured** for **PCI Fines, Expenses and Costs**, in excess of the **Retention**, which the **Insured** shall become legally obligated to pay because of a **Claim** first made against any **Insured**

during the **Policy Period** or Optional Extension Period (if applicable) and reported in writing to the Underwriters during the **Policy Period** or as otherwise provided in Clause IX. of this Policy. Coverage under this Insuring Agreement is sublimited to the amount set forth in Item 3.A.3. of the Declarations, and the Underwriters shall have no duty to defend any **Claim** or pay **Claims Expenses** with respect to any **Claim** under this Insuring Agreement.

F. **Cyber Extortion**

To indemnify the **Named Insured** for:

Cyber Extortion Loss, in excess of the **Retention**, incurred by the **Insured Organization** as a direct result of an **Extortion Threat** first made against the **Insured Organization** during the **Policy Period**.

G. **First Party Data Protection**

To indemnify the **Named Insured** for:

Data Protection Loss, in excess of the **Retention**, incurred by the **Insured Organization** as a direct result of:

1. alteration, corruption, destruction, deletion or damage to a **Data Asset**, or
2. inability to access a **Data Asset**,

that is directly caused by a failure of **Computer Security** to prevent a **Security Breach**; provided that such **Security Breach** must take place on or after the Retroactive Date and before the end of the **Policy Period**.

H. **First Party Network Business Interruption**

To indemnify the **Named Insured** for the actual **Business Interruption Loss**, in excess of the applicable **Retention**, the **Insured Organization** sustains during the **Period of Restoration** as a direct result of an actual and necessary interruption of **Computer Systems** caused directly by a failure of **Computer Security** to prevent a **Security Breach**; provided that such **Security Breach** must first take place on or after the Retroactive Date and before the end of the **Policy Period**.

II. **DEFENCE AND SETTLEMENT OF CLAIMS**

A. The Underwriters shall have the right and duty to defend, subject to all the provisions, terms and conditions of this Policy:

1. any **Claim** against the **Insured** seeking **Damages** which are payable under the terms of this Policy, even if any of the allegations of the **Claim** are groundless, false or fraudulent; or

2. under Insuring Agreement C., any **Claim** in the form of a **Regulatory Proceeding**.

Defence Counsel shall be mutually agreed upon between the **Named Insured** and the Underwriters, but in the absence of such agreement, the Underwriters' decision shall be final.

- B. With respect to any **Claim** against the **Insured** seeking **Damages** or **Penalties** which are payable under the terms of this Policy, the Underwriters will pay **Claims Expenses** incurred with their prior written consent. The Limit of Liability available to pay **Damages** and **Penalties** shall be reduced and may be completely exhausted by payment of **Claims Expenses**. **Damages**, **Penalties**, and **Claims Expenses** shall be applied against the Each **Claim Retention** payable by the **Insured**.

Claims expenses incurred without the Underwriters' prior written consent shall not be covered hereunder and shall not be applied against the Each **Claim Retention**.

- C. If the **Insured** shall refuse to consent to any settlement or compromise recommended by the Underwriters and acceptable to the claimant and elects to contest the **Claim**, the Underwriters' liability for any **Damages**, **Penalties** and **Claims Expenses** shall not exceed:
 1. the amount for which the **Claim** could have been settled, less the remaining **Retention**, plus the **Claims Expenses** incurred up to the time of such refusal; plus
 2. fifty percent (50%) of any **Claims Expenses** incurred after the date such settlement or compromise was recommended to the **Insured** plus fifty percent (50%) of any **Damages** above the amount for which the **Claim** could have been settled. The remaining fifty percent (50%) of such **Claims Expenses** and **Damages** must be borne by the **Insured** at their own risk and uninsured;

or the applicable Limit of Liability, whichever is less, and the Underwriters shall have the right to withdraw from the further defence thereof by tendering control of said defence to the **Insured**. The portion of any proposed settlement or compromise that requires the **Insured** to cease, limit or refrain from actual or alleged infringing or otherwise injurious activity or is attributable to future royalties or other amounts that are not **Damages** (or **Penalties** for **Claims** covered under Insuring Agreement C.) shall not be considered in determining the amount for which a **Claim** could have been settled.

- D. The Underwriters agree that the **Insured** may settle any **Claim** where the **Damages** and **Claims Expenses** do not exceed the **Retention**, provided that the entire **Claim** is resolved and the **Insured** obtains a full release on behalf of all the **Insureds** from all claimants.

III. TERRITORY

This Insurance applies to **Claims** made, acts committed, or **Loss** occurring anywhere in the world.

IV. EXCLUSIONS

The coverage under this Insurance does not apply to any **Claim** or **Loss**;

A. Bodily Injury and Property Damage

For, arising out of or resulting from:

1. physical injury, sickness, disease or death of any person, including any mental anguish or emotional distress resulting from such physical injury, sickness, disease or death; or
2. physical injury to or destruction of any tangible property, including the loss of use thereof; provided that electronic data shall not be considered tangible property for purposes of this exclusion;

B. Employment

For, arising out of or resulting from any employer-employee relations, policies, practices, acts or omissions, or any actual or alleged refusal to employ any person, or misconduct with respect to employees, whether such **Claim** is brought by an employee, former employee, applicant for employment, or relative or domestic partner of such person; provided, that this exclusion shall not apply to an otherwise covered **Claim** under Insuring Agreement A.1., A.2., or A.3. by a current or former employee of the **Insured Organization**, or to the providing of **Privacy Breach Response Services** involving current or former employees of the **Insured Organization**;

C. Directors' and Officers' Liability

For, arising out of or resulting from any actual or alleged act, error or omission or breach of duty by any director or officer in the discharge of their duty if the **Claim** is brought by or on behalf of the **Named Insured**, a **Subsidiary**, or any principals, directors, officers, shareholders, members or employees of the **Named Insured** or a **Subsidiary** in his or her capacity as such;

D. Contractual Liability

For, arising out of or resulting from obligation under or breach of any contract or agreement, except:

1. with respect to Insuring Agreement A.1., to an obligation to maintain the confidentiality or security of **Personally Identifiable Information** or of **Third Party Information**

(provided this exception D.1. does not apply to any obligation under a **Merchant Services Agreement**);

2. to **Computer Expert Services** or **Legal Services** covered under Insuring Agreement B.;
3. with respect to Insuring Agreement D. to:
 - (1) liability **Assumed under Contract**; or
 - (2) misappropriation of ideas under an implied contract;
4. to **PCI Fines, Expenses and Costs** covered under Insuring Agreement E.; or
5. to the extent the **Insured** would have been liable in the absence of such contract or agreement;

E. Competition and Restraint of Trade

For, arising out of or resulting from any actual or alleged antitrust violation, restraint of trade, unfair competition, or false or deceptive or misleading advertising or violation of the Competition Act in Canada, the Sherman Antitrust Act, the Clayton Act, or the Robinson-Patman Act in the United States, as amended, or any similar national, federal, provincial, or territorial statute or regulation;

F. Unfair Trade Practices and Consumer Protection

For, arising out of or resulting from any actual or alleged false, deceptive or unfair trade practices; however this exclusion does not apply to:

1. any **Claim** covered under Insuring Agreements A.1., A.2., A.3. or C.; or
2. the providing of **Privacy Breach Response Services** covered under Insuring Agreement B.,

that results from a theft, loss or **Unauthorized Disclosure** of **Personally Identifiable Information** provided that no member of the **Control Group** participated or is alleged to have participated or colluded in such theft, loss or **Unauthorized Disclosure**;

G. Unlawful Collection of Information Unlawful Communications

For, arising out of or resulting from:

1. the actual or alleged unlawful collection, acquisition or retention of **Personally Identifiable Information** (except as otherwise covered under Insuring Agreement A.5.) or other personal information by, on behalf of, or with the consent or cooperation

of the **Insured Organization**; or the failure to comply with a legal requirement to provide individuals with the ability to assent to or withhold assent (e.g. opt-in or opt-out) from the collection, disclosure or use of **Personally Identifiable Information**; provided, that this exclusion shall not apply to the actual or alleged unlawful collection, acquisition or retention of **Personally Identifiable Information** by a person or entity that is not a **Related Party** and without the knowledge of the **Insured Organization**; or

2. the distribution of unsolicited email, text messages, direct mail, or facsimiles, wire tapping, audio or video recording, or telemarketing, if such distribution, wire tapping or recording is done by or on behalf of the **Insured Organization**;

H. **Prior Acts, Errors, Omissions or Incidents**

For, arising out of or resulting from any act, error, omission, incident, failure of **Computer Security**, or **Security Breach** committed or occurring prior to the inception date of this Policy:

1. if any member of the **Control Group** on or before the **Continuity Date** knew or could have reasonably foreseen that such act, error or omission, incident, failure of **Computer Security**, or **Security Breach** might be expected to be the basis of a **Claim** or **Loss**; or
2. in respect of which any **Insured** has given notice of a circumstance, which might lead to a **Claim** or **Loss**, to the insurer of any other policy in force prior to the inception date of this Policy;

I. **Retroactive Date**

For, arising out of or resulting from any related or continuing acts, errors, omissions, incidents or events, where the first such act, error, omission, incident or event was committed or occurred prior to the Retroactive Date;

J. **Racketeering, Securities, Pensions and Discrimination**

For, arising out of resulting from any of the following:

1. any actual or alleged violation of any racketeering law or legislation (including any order, ruling or regulation issued pursuant thereto), whether such law is statutory, regulatory or common law;
2. any actual or alleged violation of any securities law, regulation or legislation, or any order, ruling or regulation issued pursuant to such law, regulation or legislation;

3. any actual or alleged violation of any employment or labour law, regulation or legislation, or any order, ruling or regulation issued pursuant to such law, regulation or legislation; or
4. any actual or alleged discrimination of any kind including but not limited to age, color, race, sex, creed, national origin, marital status, sexual preference, disability or pregnancy;

however this exclusion does not apply to an otherwise covered **Claim** under Insuring Agreement A.1., A.2., or A.3., or to providing **Privacy Breach Response Services** covered under Insuring Agreement B., that results from a theft, loss or **Unauthorized Disclosure** of **Personally Identifiable Information**, provided that no member of the **Control Group** participated, or is alleged to have participated or colluded, in such theft, loss or **Unauthorized Disclosure**;

K. **Pensions, Investment Plans and Trusts**

For, arising out of or resulting from any actual or alleged acts, errors, or omissions related to any of the **Insured Organization's** pension, healthcare, welfare, profit sharing, mutual or investment plans, funds or trusts; however this exclusion does not apply to an otherwise covered **Claim** under Insuring Agreement A.1., A.2., or A.3., or to the providing of **Privacy Breach Response Services** under Insuring Agreement B., that results from a theft, loss or **Unauthorized Disclosure** of **Personally Identifiable Information**, provided that no member of the **Control Group** participated, or is alleged to have participated or colluded, in such theft, loss or **Unauthorized Disclosure**;

L. **Criminal, Malicious or Intentional Acts**

Arising out of or resulting from any criminal, dishonest, fraudulent, or malicious act, error or omission, any intentional **Security Breach**, intentional violation of a **Privacy Policy**, or intentional or knowing violation of the law, if committed by any **Insured**, or by others if such **Insured** colluded or participated in any such conduct or activity;

this exclusion shall not apply to:

1. **Claims Expenses** incurred in defending any **Claim** alleging the foregoing until such time as there is a final adjudication, judgement, binding arbitration decision or conviction against the **Insured**, or written admission by the **Insured**, establishing such conduct, or a plea of *nolo contendere* or no contest regarding such conduct, at which time the Policyholder shall reimburse the Underwriters for all **Claims Expenses** incurred defending the **Claim** and the Underwriters shall have no further liability for **Claims Expenses**; or

2. a **Claim** or **Loss** against a natural person **Insured** if such **Insured** did not personally commit, participate in or know about any act, error, omission, incident or event giving rise to such **Claim** or **Loss**;

For purposes of this exclusion, only acts, errors, omissions or knowledge of a member of the **Control Group** will be imputed to the **Insured Organisation**;

M. **Intellectual Property**

For, arising out of or resulting from any actual or alleged:

1. infringement of patent or patent rights or misuse or abuse of patent;
2. infringement of copyright arising from or related to software code or software products other than infringement resulting from a theft or **Unauthorized Access or Use** of software code by a person who is not a **Related Party**;
3. use or misappropriation of any ideas, trade secrets or **Third Party Information** (i) by, or on behalf of, the **Insured Organization**, or (ii) by any other person or entity if such use or misappropriation is done with the knowledge, consent or acquiescence of a member of the **Control Group**;
4. disclosure, misuse or misappropriation of any ideas, trade secrets or confidential information that came into the possession of any person or entity prior to the date the person or entity became an employee, officer, director, principal, partner or **Subsidiary** of the **Insured Organization**; or
5. under Insuring Agreement A.2., theft of or **Unauthorized Disclosure** of data;

N. **Regulatory**

For, in connection with or resulting from any **Claim** brought by or on behalf of any governmental entity, in such entity's regulatory or official capacity; provided, this exclusion shall not apply to an otherwise covered **Claim** under Insuring Agreement C. or to the providing of **Privacy Breach Response Services** under Insuring Agreement B. to the extent such services are legally required to comply with a **Breach Notice Law**;

O. **Insured v. Insured**

For, arising out of or resulting from a **Claim** by or on behalf of one or more **Insureds** under this Insurance against any other **Insured** or **Insureds** under this Insurance; provided this exclusion shall not apply

to an otherwise covered **Claim** under Insuring Agreement A.1., A.2., or A.3. made by a current or former employee of the **Insured Organization**;

P. **Related Entities**

For, arising out of or resulting from:

1. any **Claim** made by any business enterprise in which any **Insured** has greater than a fifteen percent (15%) ownership interest or made by any parent company or other entity which owns more than fifteen percent (15%) of the **Named Insured**; or
2. the **Insured's** activities as a trustee, partner, member, officer, director or employee of any employee trust, charitable organization, corporation, company or business other than that of the **Insured Organization**;

Q. **Trading Losses and Monetary Transactions**

For, arising out of or resulting from any of the following: (1) trading losses, trading liabilities or change in value of accounts; (2) any loss, transfer or theft of monies, securities or tangible property of others in the care, custody or control of the **Insured Organization**; (3) the monetary value of any transactions or electronic fund transfers by or on behalf of the **Insured** which is lost, diminished, or damaged during transfer from, into or between accounts; or (4) the value of coupons, price discounts, prizes, awards, or any other valuable consideration given in excess of the total contracted or expected amount;

R. **Licensing Bodies; Joint Ventures; Product Descriptions; Pricing; Contests**

For, arising out of or resulting from:

1. the actual or alleged obligation to make licensing fee or royalty payments, including but limited to the amount or timeliness of such payments;
2. any costs or expenses incurred or to be incurred by the **Insured** or others for the reprinting, reposting, recall, removal or disposal of any **Media Material** or any other information, content or media, including any media or products containing such **Media Material**, information, content or media;
3. any **Claim** brought by or on behalf of any intellectual property licensing bodies or organizations, including but not limited to, the Composers, Authors and Publishers Association of Canada, the Society of European Stage Authors and Composers or Broadcast Music, Inc, or the American Society of Composer, Authors and Publishers;

4. the actual or alleged inaccurate, inadequate or incomplete description of the price of goods, products or services, cost guarantees, cost representations, or contract price estimates, the authenticity of any goods, products or services, or the failure of any goods or services to conform with any represented quality or performance;
5. any actual or alleged gambling, contest, lottery, promotional game or other game of chance; or
6. any **Claim** made by or on behalf of any independent contractor, joint venturer or venture partner arising out of or resulting from disputes over ownership of rights in **Media Material** or services provided by such independent contractor, joint venturer or venture partner;

S. **War**

Arising out of or resulting from, 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 nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority; provided, that this exclusion will not apply to **Cyber Terrorism**.

For purposes of this exclusion, "**Cyber Terrorism**" means the premeditated use of disruptive activities, or threat to use disruptive activities, against a computer system or network with the intention to cause harm, further social, ideological, religious, political or similar objectives, or to intimidate any person(s) in furtherance of such objectives.

T. **Asbestos, Pollution and Contamination**

Either in whole or in part, directly or indirectly arising out of or resulting from or in consequence of, or in any way involving:

1. asbestos, or any materials containing asbestos in whatever form or quantity;
2. the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, molds, spores or mycotoxins of any kind; any action taken by any party in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, molds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, molds, spores or mycotoxins; and any governmental or regulatory order,

requirement, directive, mandate or decree that any party take action in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, molds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, molds, spores or mycotoxins;

The Underwriters will have no duty or obligation to defend any **Insured** with respect to any **Claim** or governmental or regulatory order, requirement, directive, mandate or decree which either in whole or in part, directly or indirectly, arises out of or results from or in consequence of, or in any way involves the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, molds, spores or mycotoxins of any kind;

3. the existence, emission or discharge of any electromagnetic field, electromagnetic radiation or electromagnetism that actually or allegedly affects the health, safety or condition of any person or the environment, or that affects the value, marketability, condition or use of any property; or
4. the actual, alleged or threatened discharge, dispersal, release or escape of Pollutants; or any governmental, judicial or regulatory directive or request that the **Insured** or anyone acting under the direction or control of the **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 gas, acids, alkalis, chemicals, heat, smoke, vapor, soot, fumes or waste. Waste includes but is not limited to materials to be recycled, reconditioned or reclaimed;

U. **Telecommunications Infrastructure; Act of God; Satellite Failures**

With respect to Insuring Agreements G. and H., arising out of or resulting from:

1. any failure or malfunction of electrical or telecommunications infrastructure or services, provided that this exclusion shall not apply to an otherwise covered **Claim** or **Loss** arising out of failure of **Computer Security** to prevent a **Security Breach** that was solely caused by a failure or malfunction of telecommunications infrastructure or services under the **Insured Organization's** direct operational control;
2. fire, flood, earthquake, volcanic eruption, explosion, lighting, wind, hail, tidal wave, landslide, act of God or other physical event; or

3. any satellite failures;

V. **Cyber Extortion**

With respect to Insuring Agreement F., arising out of or resulting from:

1. any threat to physically harm or kidnap any person;
2. any threat to harm, take, or transfer property other than a **Data Asset**, even if such threat is made in conjunction with a threat to **Data Assets**;
3. an **Extortion Threat** first made against the **Insured Organization** during the **Policy Period** by any of the **Insured Organization's** directors, officers, principals, trustees, governors, members, management committee members, members of the management board, partners, or any person in collusion with any of the foregoing;

W. **Nationalization**

Arising out of or resulting from any seizure, nationalization, confiscation, or destruction of **Computer Systems** or **Data Assets** by order of any governmental or public authority.

V. **DEFINITIONS**

- A. **Application** means all applications, including any attachments thereto, and all other information and materials submitted by or on behalf of the **Insured** to the Underwriters in connection with the underwriting of this Policy, or prior policies of which this Policy is a renewal thereof.
- B. **Breach Notice Law** means:
1. any Canadian national, federal, provincial, or territorial statute or regulation that requires notice to persons whose **Personally Identifiable Information** was accessed or reasonably may have been accessed by an unauthorized person;
 2. any United States federal, state, or territorial statute or regulation that requires notice to persons whose **Personally Identifiable Information** was accessed or reasonably may have been accessed by an unauthorized person; and
 3. a foreign statute or regulation that requires notice to persons whose **Personally Identifiable Information** was accessed or reasonably may have been accessed by an unauthorized person.
- C. **Breach Resolution and Mitigation Services** means a credit monitoring, identity monitoring or other solution selected from the products listed in the **Information Packet** and offered to **Notified Individuals**. The product offered to **Notified Individuals** will be selected by the Underwriters in consultation with the **Insured**

Organization and in accordance with the guidance provided in the Breach Resolution and Mitigation section of the **Information Packet**.

The product offer will be included in the communication provided pursuant to Insuring Agreement B.3.

- D. **Business Interruption Loss** means the actual **Income Loss**, and **Dependent Business Loss** sustained, and **Forensic Expenses** and **Extra Expense** incurred, during the **Period of Restoration**.

Business Interruption Loss shall not include:

1. **Loss** arising out of any liability to any third party for whatever reason; legal costs or legal expenses of any type; **Loss** incurred as a result of unfavorable business conditions, loss of market or any other consequential loss; or costs or expenses the **Insured Organization** incurs to identify and remove software program errors or vulnerabilities; or
2. Expenses incurred by the **Insured** to update, upgrade, enhance or replace **Computer Systems** to a level beyond that which existed prior to the actual and necessary interruption of **Computer Systems**; or the costs and expenses incurred by the **Insured Organization** to restore, reproduce, or regain access to any **Data Asset** that was altered, corrupted, destroyed, deleted, damaged or rendered inaccessible as a result of the failure of **Computer Security** to prevent a **Security Breach**.

- E. **Call Centre Services** means the provision of a call centre to answer calls during standard business hours for a period of ninety (90) days following notification (or longer if required by applicable law or regulation) of an incident for which notice is provided pursuant to Insuring Agreement B.3. (Notification Services). Such notification shall include a toll free telephone number that connects to the call centre during standard business hours. Call centre employees will answer questions about the incident from **Notified Individuals** and will provide information required by applicable law or regulation.

Call Centre Services will include up to 10,000 calls per day and will be provided in accordance with the terms and conditions set forth in the **Information Packet**. **Call Centre Services** will be provided by a service provider selected by the Underwriters in consultation with the **Insured Organization** from the list of service providers in the **Information Packet**.

- F. **Claim** means:

1. a written demand received by any **Insured** for money or services, including the service of a suit or institution of regulatory or arbitration proceedings;

2. with respect to coverage provided under Insuring Agreement C. only, institution of a **Regulatory Proceeding** against any **Insured**;
3. a written request or agreement to toll or waive a statute of limitations relating to a potential **Claim** described in paragraph 1. above; and
4. with respect to coverage provided under Insuring Agreement A.1. only, a demand received by any **Insured** to fulfill the **Insured Organization's** contractual obligation to provide notice of an incident (or reasonably suspected incident) described in Insuring Agreement A.1. pursuant to a **Breach Notice Law**;

Multiple **Claims** arising from the same or a series of related or repeated acts, errors, or omissions, or from any continuing acts, errors, omissions, or from multiple **Security Breaches** arising from a failure of **Computer Security**, shall be considered a single **Claim** for the purposes of this Policy, irrespective of the number of claimants or **Insureds** involved in the **Claim**. All such **Claims** shall be deemed to have been made at the time of the first such **Claim**.

G. **Claims Expenses** means:

1. reasonable and necessary fees charged by an attorney designated pursuant to Clause II., Defence and Settlement of Claims, paragraph A.;
2. all other legal costs and expenses resulting from the investigation, adjustment, defence and appeal of a **Claim**, suit, or proceeding arising in connection therewith, or circumstance which might lead to a **Claim**, if incurred by the Underwriters, or by the **Insured** with the prior written consent of the Underwriters; and
3. the premium cost for appeal bonds for covered judgements or bonds to release property used to secure a legal obligation, if required in any **Claim** against an **Insured**; provided the Underwriters shall have no obligation to appeal or to obtain bonds.

Claims Expenses do not include any salary, overhead, or other charges by the **Insured** for any time spent in cooperating in the defence and investigation of any **Claim** or circumstance that might lead to a **Claim** notified under this Policy, or costs to comply with any regulatory orders, settlements or judgements.

H. **Computer Expert Services** means costs for:

1. a computer security expert to determine the existence and cause of an actual or suspected electronic data breach which

may require the **Insured Organization** to comply with a **Breach Notice Law** and to determine the extent to which such information was accessed by an unauthorized person or persons; and

2. a PCI Forensic Investigator that is approved by the PCI Security Standards Council and is retained by the **Insured Organization** in order to comply with the terms of a **Merchant Services Agreement** to investigate the existence and extent of an actual or suspected compromise of credit card data; and in the Underwriters' discretion, where a computer security expert described in 1. above has not been retained, for a computer security expert to provide advice and oversight in connection with the investigation conducted by the PCI Forensic Investigator; and
3. a computer security expert, up to CAD 50,000 (which amount is part of and not in addition to the sublimit of coverage stated in Item 3.B.2. of the Declarations), to demonstrate the **Insured's** ability to prevent a future electronic data breach as required by a **Merchant Services Agreement**.

Computer Expert Services will be provided in accordance with the terms and conditions set forth in the **Information Packet** and will be provided by a service provider selected by the **Insured Organization** in consultation with the Underwriters from the list of service providers in the **Information Packet**.

- I. **Computer Security** means software, computer or network hardware devices, as well as the **Insured Organization's** written information security policies and procedures, the function or purpose of which is to prevent **Unauthorized Access or Use**, a denial-of-service attack against **Computer Systems**, infection of **Computer Systems** by malicious code or transmission of malicious code from **Computer Systems**. **Computer Security** includes anti-virus and intrusion detection software, firewalls and electronic systems that provide access control to **Computer Systems** through the use of passwords, biometric or similar identification of authorized users.
- J. **Computer Systems** means computers and associated input and output devices, data storage devices, networking equipment, and back up facilities:
 1. operated by and either owned by or leased to the **Insured Organization**; or
 2. systems operated by a third party service provider and used for the purpose of providing hosted computer application services to the **Insured Organization** or for processing, maintaining, hosting or storing the **Insured Organization's** electronic data, pursuant

to written contract with the **Insured Organization** for such services.

- K. **Continuity Date** means (i) the date stated in Item 8. of the Declarations with respect to the **Named Insured** and any **Subsidiaries** acquired before the date stated in Item 8. of the Declarations; (ii) with respect to any **Subsidiaries** acquired after the date stated in Item 8. of the Declarations, the date the **Named Insured** acquired such **Subsidiary**.
- L. **Control Group** means the individuals holding the following positions in the **Insured Organization**: President; members of the Board of Directors; executive officers, including the Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer; General Counsel, staff attorneys employed by the **Insured Organization**; Chief Information Officer; Chief Security Officer; Chief Privacy Officer; and any individual in a substantially similar position as those referenced above, or with substantially similar responsibilities as those referenced above, irrespective of the exact title of such individual and any individual who previously held any of the above referenced positions.
- M. **Cyber Extortion Loss** means:
1. any **Extortion Payment** that has been made under duress by or on behalf of the **Insured Organization** with the Underwriters' prior written consent, but solely to prevent or terminate an **Extortion Threat**; and
 2. reasonable and necessary expenses incurred by the **Insured Organization** with the Underwriters' prior written approval, that directly relate to the **Insured's** efforts to prevent or terminate an **Extortion Threat**.
- N. **Damages** means a monetary judgement, award or settlement; provided that the term **Damages** shall not include or mean:
1. future profits, restitution, disgorgement of unjust enrichment or profits by an **Insured**, or the costs of complying with orders granting injunctive or equitable relief;
 2. return or offset of fees, charges, or commissions charged by or owed to an **Insured** for goods or services already provided or contracted to be provided;
 3. any damages which are a multiple of compensatory damages, fines, taxes or loss of tax benefits, sanctions or penalties;
 4. punitive or exemplary damages, unless insurable by law in any applicable venue that most favors coverage for such punitive or exemplary damages;

5. discounts, coupons, prizes, awards or other incentives offered to the **Insured's** customers or clients;
 6. liquidated damages to the extent that such damages exceed the amount for which the **Insured** would have been liable in the absence of such liquidated damages agreement;
 7. fines, costs or other amounts an **Insured** is responsible to pay under a **Merchant Services Agreement**; or
 8. any amounts for which the **Insured** is not liable, or for which there is no legal recourse against the **Insured**.
- O. **Data Asset** means any software or electronic data that exists in **Computer Systems** and that is subject to regular back-up procedures.
- P. **Data Protection Loss** means the reasonable and necessary costs and expenses incurred by the **Insured Organization** to regain access to, replace, restore, re-assemble or recollect any **Data Asset**, or if any **Data Asset** cannot reasonably be accessed, replaced, restored, re-assembled or recollect, then the actual, reasonable and necessary costs and expenses incurred by the **Insured Organization** to reach such determination.

Data Protection Loss shall not mean, and there shall be no coverage under Insuring Agreement G. for:

1. costs or expenses incurred by the **Insured Organization** to identify or remediate software program errors or vulnerabilities or update, replace, restore, assemble, reproduce, recollect or enhance a **Data Asset** or **Computer Systems** to a level beyond that which existed prior to the alteration, corruption, destruction, deletion or damage of such **Data Asset**;
2. costs or expenses to research or develop any **Data Asset**, including but not limited to trade secrets or other proprietary information;
3. the monetary value of profits, royalties, or lost market share related to a **Data Asset**, including but not limited to trade secrets or other proprietary information or any other amount pertaining to the value of the **Data Asset**;
4. loss arising out of any liability to any third party for whatever reason; or
5. legal costs or legal expenses of any type.

- Q. **Dependent Business** means any entity that the **Insured Organization** does not own but which provides necessary products or services to the **Insured Organization** pursuant to a written contract.
- R. **Dependent Business Loss** means **Income Loss** and **Extra Expense** incurred by the **Insured Organization** during the **Period of Restoration** as a direct result of an actual and necessary interruption of the **Insured Organization's Computer Systems** caused by a failure of computer security to prevent a security breach of computer systems operated by a **Dependent Business**.
- S. **Extortion Payment** means cash, marketable goods or services demanded to prevent or terminate an **Extortion Threat**.
- T. **Extortion Threat** means a threat to:
1. alter, destroy, damage, delete or corrupt any **Data Asset**;
 2. prevent access to **Computer Systems** or a **Data Asset**,
 3. perpetrate a theft or misuse of a **Data Asset** on **Computer Systems** through external access;
 4. introduce malicious code into **Computer Systems** or to third party computers systems from **Computer Systems**;
 5. interrupt or suspend **Computer Systems**; or
 6. publicly disclose a **Data Asset**, **Personally Identifiable Information** or **Third Party Information** that is obtained by **Unauthorized Access or Use** to the **Insured Organization's Computer Systems**,
- unless an **Extortion Payment** is received from or on behalf of the **Insured Organization**.
- U. **Extra Expense** means reasonable and necessary expenses that are incurred by the **Insured Organization** during the **Period of Restoration** to minimize, reduce or avoid **Income Loss**, over and above those expenses the **Insured Organization** would have incurred had no interruption of **Computer Systems** occurred.
- V. **Forensic Expenses** means reasonable and necessary expenses incurred by the **Insured Organization** to investigate the source or cause of the failure of **Computer Security** to prevent a **Security Breach**.
- W. **Income Loss** means an amount equal to:

1. net profit or loss before interest and tax that the **Insured Organization** would have earned or incurred; and
2. continuing normal operating expenses incurred by the **Insured Organization** (including payroll), but only to the extent that (a) such operating expenses must necessarily continue during the **Period of Restoration**; and (b) such expenses would have been incurred by the **Insured Organization** had such interruption not occurred;

In determining **Income Loss**, due consideration shall be given to:

- a. the prior experience of the **Insured Organization's** business operations before the beginning of the **Period of Restoration**;
- b. the probable business operations the **Insured Organization** could have performed had no actual and necessary interruption occurred as result of a failure of **Computer Security** to prevent a **Security Breach**; and
- c. the **Insured Organization's** ability to reasonably reduce or limit the interruption of **Computer Systems** or conduct its business operations by other means.

X. **Information Packet** means the Information Packet provided with this Policy. The **Information Packet** is incorporated into and forms part of this Policy and may be updated by the Underwriters from time to time.

Y. **Insured** means:

1. The **Named Insured** and any **Subsidiaries** of the **Named Insured**;
2. A director or officer of the **Insured Organization**, but only with respect to the performance of his or her duties as such on behalf of the **Insured Organization**;
3. An employee (including a part time or temporary employee) of the **Insured Organization**, but only for work done while acting within the scope of his or her employment and related to the conduct of the **Insured Organization's** business;
4. A principal if the **Named Insured** is a sole proprietorship, or a partner if the **Named Insured** is a partnership, but only with respect to the performance of his or her duties as such on behalf of the **Insured Organization**;
5. Any person who previously qualified as an **Insured** under 2., 3. or 4. above prior to the termination of the required relationship

with the **Insured Organization**, but only with respect to the performance of his or her duties as such on behalf of the **Insured Organization**;

6. The estate, heirs, executors, administrators, assigns and legal representatives of any **Insured** in the event of such **Insured's** death, incapacity, insolvency or bankruptcy, but only to the extent that such **Insured** would otherwise be provided coverage under this Insurance; and
7. The lawful spouse, including any natural person qualifying as a domestic partner under the provisions of any applicable national, federal, provincial, territorial or local law, of any **Insured**, but solely by reason of any act, error or omission of an **Insured** other than such spouse or domestic partner.

Z. **Insured Organization** means the **Named Insured** and any **Subsidiaries** of the **Named Insured**.

AA. **Legal Services** means fees charged by an attorney:

1. to determine the applicability of and actions necessary for the **Insured Organization** to comply with **Breach Notice Laws** due to an actual or reasonably suspected theft, loss or **Unauthorized Disclosure** of **Personally Identifiable Information**;
2. to provide necessary legal advice to the **Insured Organization** in responding to actual or suspected theft, loss or **Unauthorized Disclosure** of **Personally Identifiable Information**; and
3. to advise the **Insured Organization** in responding to credit card system operating regulation requirements for any actual or suspected compromise of credit card data that is required to be reported to the **Insured Organization's** merchant bank under the terms of a **Merchant Services Agreement**, but **Legal Services** does not include fees incurred in any actual or threatened legal proceeding, arbitration or mediation, or any advice in responding to credit card system operating regulations in connection with an assessment of **PCI Fines, Expenses and Costs**.

Legal Services will be provided in accordance with the terms and conditions set forth in the **Information Packet** and will be provided by an attorney selected by the **Insured Organization** in consultation with the Underwriters from the list of attorneys in the **Information Packet**.

BB. **Loss** means **Damages, Claims Expenses, Penalties, PCI Fines, Expenses and Costs, Cyber Extortion Loss, Data Protection Loss, Business Interruption Loss** and **Privacy Breach Response Services**.

- CC. **Management Control** means:
1. owning, directly or indirectly, more than fifty percent (50%) of the outstanding securities representing the present right to vote for the election of an entity's directors (in the case of a corporation), members of the board of managers (in the case of a United States limited liability company), management committee members (in the case of a joint venture or partnership) or persons serving in a functionally equivalent role for such an entity operating or organized outside of Canada or the United States; or
 2. having the right, pursuant to a written contract or the bylaws, charter, operating agreement or similar documents of an entity to elect, appoint or designate a majority of: the board of directors of a corporation; the management committee of a joint venture or partnership; the management board of a limited liability company; or persons serving in a functionally equivalent role for such an entity operating or organized outside of Canada or the United States.
- DD. **Media Material** means any information in electronic form, including words, sounds, numbers, images, or graphics and shall include advertising, video, streaming content, web-casting, online forum, bulletin board and chat room content, but does not mean computer software or the actual goods, products or services described, illustrated or displayed in such **Media Material**.
- EE. **Merchant Services Agreement** means any agreement between an **Insured** and a financial institution, credit/debit card company, credit/debit card processor or independent service operator enabling an **Insured** to accept credit card, debit card, prepaid card, or other payment cards for payments or donations.
- FF. **Named Insured** means the Named Insured listed in Item 1. of the Declarations.
- GG. **Notification Services** means:
1. notification by first class mail or e-mail to Canadian or United States residents; and
 2. notification by first class mail or e-mail to individuals residing outside Canada or the United States, but only to the extent reasonably practicable.

E-mail notification will be provided in lieu of first class mail to the extent reasonable, practicable and where permitted under the applicable **Breach Notice Law**. **Notification Services** will be provided by a service provider selected by the Underwriters in consultation with the **Insured Organization** from the list of service providers in the **Information Packet** and will be provided in

accordance with the terms and conditions set forth in the **Information Packet**.

HH. **Notified Individual** means an individual person to whom notice is given or attempted to be given under Insuring Agreement B.3 pursuant to a **Breach Notice Law**.

II. **PCI Fines, Expenses and Costs** means the direct monetary fines, penalties, reimbursements, fraud recoveries or assessments owed by the **Insured Organization** under the terms of a **Merchant Services Agreement**, but only where such fines, penalties, reimbursements, fraud recoveries or assessments result both from the **Insured Organization's** actual or alleged noncompliance with published PCI Data Security Standards and from a data breach caused by an incident (or reasonably suspected incident) described in Insuring Agreement A.1. or A.2.; provided, that the term **PCI Fines, Expenses and Costs** shall not include or mean any charge backs, interchange fees, discount fees or prospective service fees.

JJ. **Penalties** means:

1. any civil fine or money penalty payable to a governmental entity that was imposed in a **Regulatory Proceeding** by any national, federal, provincial, territorial or foreign governmental entity, in such entity's regulatory or official capacity; the insurability of **Penalties** shall be in accordance with the law in the applicable venue that most favors coverage for such **Penalties**; and
2. amounts which the **Insured** is legally obligated to deposit in a fund as equitable relief for the payment of consumer claims due to an adverse judgement or settlement of a **Regulatory Proceeding** (including such amounts required to be paid into a consumer redress fund); but shall not include payments to charitable organizations or disposition of such funds other than for payment of consumer claims for losses caused by an event covered pursuant to Insuring Agreements A.1., A.2. or A.3.;

but shall not mean (a) costs to remediate or improve **Computer Systems**, (b) costs to establish, implement, maintain, improve or remediate security or privacy practices, procedures, programs or policies, (c) audit, assessment, compliance or reporting costs, or (d) costs to protect the confidentiality, integrity and/or security of **Personally Identifiable Information** from theft, loss or disclosure, even if it is in response to a regulatory proceeding or investigation.

KK. **Period of Restoration** means the time period that:

1. begins after the expiration of the **Waiting Period** following the actual and necessary interruption of **Computer Systems**; and

2. ends one hundred twenty (120) days after the actual and necessary interruption of **Computer Systems** ends (or would have ended with the exercise of due diligence and dispatch);

provided that in no event shall the **Period of Restoration** mean a period of time greater than one hundred eighty (180) days; and provided further that restoration of **Computer Systems** will not end the **Period of Restoration** if such systems are actually and necessarily interrupted or suspended again within one hour of such restoration due to the same cause as the original interruption or suspension.

LL. **Personally Identifiable Information** means:

1. information concerning the individual that constitutes "nonpublic personal information" as defined in the Gramm-Leach Bliley Act of 1999, as amended, and regulations issued pursuant to the Act;
2. information concerning the individual that constitutes "personal information" as defined under the Personal Information Protection and Electronic Documents Act, S.C. 2000 c. 5 ("PIPEDA"), as may be amended, and regulations issued pursuant to the Act;
3. medical or health care information concerning the individual, including "personal health information" as defined in PIPEDA, or "protected health information" as defined in the Health Insurance Portability and Accountability Act of 1996, as amended, and regulations issued pursuant to such Acts;
3. information concerning the individual that is defined as private personal information under statutes enacted to protect such information in any country outside the United States, including but not limited to any Canadian national, federal, provincial, or territorial statutes or regulations, for **Claims** subject to the law of such jurisdiction;
4. information concerning the individual that is defined as private personal information under a **Breach Notice Law**;
5. education records as defined by the Family Educational Rights and Privacy Act (FERPA), which are directly related to an individual's attendance as a student;
6. the individual's drivers licence or federal or provincial identification number, social insurance number, unpublished telephone number, and credit, debit or other financial account numbers in combination with associated security codes, access codes, passwords or pins; if such information allows an individual to be uniquely and reliably identified or contacted or

allows access to the individual's financial account or medical record information.

Personally Identifiable Information does not include publicly available information that is lawfully made available to the general public from government records, unless expressly included in any **Breach Notice Law**.

- MM. **Policy Period** means the period of time between the inception date shown in the Declarations and the effective date of termination, expiration or cancellation of this Insurance and specifically excludes any Optional Extension Period or any prior policy period or renewal period.
- NN. **Privacy Law** means a national, federal, provincial, territorial, local or foreign statute or regulation requiring the **Insured Organization** to protect the confidentiality and/or security of **Personally Identifiable Information**.
- OO. **Privacy Policy** means the **Insured Organization's** public declaration of its policy for collection, use, disclosure, sharing, dissemination and correction or supplementation of, and access to **Personally Identifiable Information**.
- PP. **Public Relations and Crisis Management Expenses** shall mean the following costs approved in advance by the Underwriters in their discretion, and which are directly related to mitigating harm to the **Insured Organization's** reputation or potential **Loss** covered by the Policy resulting from an incident described in Insuring Agreement A.1. or A.2. or from a **Public Relations Event**:
1. costs incurred by a public relations or crisis management consultant;
 2. costs for media purchasing or for printing or mailing materials intended to inform the general public about the incident, such costs to be limited to CAD 100,000;
 3. for incidents or events in which notification services are not otherwise provided pursuant to Insuring Agreement A. or B., costs to provide notifications and notices via e-mail or first class mail to customers or patients where such notifications are not required by law ("voluntary notifications"), including to non-affected customers or patients of the **Insured Organization**;
 4. costs to provide government mandated public notices related to breach events;
 5. costs to provide services to restore healthcare records of **Notified Individuals** residing in Canada or the United States whose **Personally Identifiable Information** was

compromised as a result of theft, loss or **Unauthorized Disclosure**; and

6. other costs approved in advance by the Underwriters.

Public Relations and Crisis Management Expenses must be incurred no later than twelve (12) months following the reporting of such **Claim** or breach event to the Underwriters and, with respect to clauses 1. and 2. above, within ninety (90) days following the first publication of such **Claim** or incident. If voluntary notifications are provided, e-mail notification will be provided in lieu of first class mail to the extent practicable.

QQ. **Public Relations Event** means the publication or imminent publication in a newspaper (or other general circulation print publication) or on radio, television or a publicly accessible website of a covered **Claim** under this Policy.

RR. **Regulatory Proceeding** means a request for information, civil investigative demand, or civil proceeding commenced by service of a complaint or similar proceeding brought by or on behalf of any national, federal, provincial, territorial or foreign governmental entity in such entity's regulatory or official capacity in connection with such proceeding.

SS. **Retention** means the applicable retention for each **Claim** or incident as specified in Item 4. of the Declarations.

TT. **Related Party** means the **Insured Organization** and any past, present or future employees, directors, officers, partners or natural person independent contractors of the **Insured Organization**.

UU. **Security Breach** means:

1. **Unauthorized Access or Use of Computer Systems**, including **Unauthorized Access or Use** resulting from the theft of a password from a **Computer System** or from any **Insured**;
2. a denial-of-service attack against **Computer Systems** or computer systems that are not owned, operated or controlled by an **Insured**; or
3. infection of **Computer Systems** by malicious code or transmission of malicious code from **Computer Systems**,

whether any of the foregoing is a specifically targeted attack or a generally distributed attack.

A series of continuing **Security Breaches**, related or repeated **Security Breaches**, or multiple **Security Breaches** resulting from a continuing failure of **Computer Security** shall be considered a single **Security Breach** and be deemed to have occurred at the time of the first such **Security Breach**.

VV. **Subsidiary** means any corporation, limited liability company, joint venture or partnership while the **Named Insured** has **Management Control** over such entity, if the **Named Insured**:

1. had **Management Control** over such entity on the inception date of this Policy or such entity was an insured under a policy issued by the Underwriters of which this Policy is a renewal;
2. acquires **Management Control** after the inception date of this Policy provided the revenues of the entity do not exceed ten percent (10%) of the **Named Insured's** annual revenues for the four quarterly periods directly preceding inception of the **Policy Period**; or
3. acquires **Management Control** after the inception date of this Policy provided that if the revenues of the entity exceed ten percent (10%) of the **Named Insured's** annual revenues for the four quarterly periods directly preceding inception of the **Policy Period**, the provisions of Clause XV., Mergers and Acquisitions, must be fulfilled;

provided that this Policy only provides coverage for acts, errors, omissions, incidents or events that take place while the **Named Insured** has **Management Control** over such entity.

WW. **Third Party Information** means any trade secret, data, design, interpretation, forecast, formula, method, practice, credit or debit card magnetic strip information, process, record, report or other item of information of a third party not insured under this Policy which is not available to the general public and is provided to the **Insured** subject to a mutually executed written confidentiality agreement or which the **Insured Organization** is legally required to maintain in confidence; however, **Third Party Information** shall not include **Personally Identifiable Information**.

XX. **Unauthorized Access or Use** means the gaining of access to or use of **Computer Systems** by an unauthorized person or persons or the use of **Computer Systems** in an unauthorized manner.

YY. **Unauthorized Disclosure** means the disclosure of (including disclosure resulting from phishing) or access to information in a manner that is not authorized by the **Insured Organization** and is without knowledge of, consent, or acquiescence of any member of the **Control Group**.

ZZ. **Waiting Period** means the period of time beginning when the actual and necessary interruption of **Computer Systems** caused directly by a failure of **Computer Security** to prevent a **Security Breach** begins and expiring after the elapse of the number of hours set forth in Item 4.F. of the Declarations. A **Waiting Period** shall apply to each **Period of Restoration**.

VI. LIMIT OF LIABILITY AND COVERAGE

- A. The Policy Aggregate Limit of Liability set forth in Item 3.A.1. of the Declarations (the "**Policy Aggregate Limit of Liability**") is the Underwriters' combined total limit of liability for all **Damages, Penalties, PCI Fines, Expenses and Costs, Cyber Extortion Loss, Data Protection Loss, Business Interruption Loss** and **Claims Expenses** payable under this Policy.

The sublimit of liability stated in Item 3.A.2. of the Declarations is the aggregate sublimit of liability payable under Insuring Agreement C. of this Policy.

The sublimit of liability stated in Item 3.A.3. of the Declarations is the aggregate sublimit of liability payable under Insuring Agreement E. of this Policy.

The sublimit of liability stated in Item 3.A.4. is the aggregate limit of liability payable under this Policy for all **Cyber Extortion Loss** covered under Insuring Agreement F. Prior to the payment of any **Extortion Payment**, the **Insured Organization** shall make every reasonable effort to determine that the **Extortion Threat** is not a hoax, or otherwise not credible. The **Insured Organization** shall take all steps reasonable and practical to avoid or limit the payment of an **Extortion Payment**.

The sublimit of liability stated in Item 3.A.5. is the aggregate limit of liability payable under this Policy for all **Data Protection Loss** under Insuring Agreement G. of this Policy.

The sublimit of liability stated in Item 3.A.6. is the aggregate limit of liability payable under this Policy for all **Business Interruption Loss** under Insuring Agreement H. of this Policy.

The sublimit of liability stated in Item 3.A.6.(i) is the aggregate limit of liability payable under this Policy for all **Forensic Expenses** under Insuring Agreement H. and shall be part of and not in addition to the **Business Interruption Loss** sublimit stated in Item 3.A.6.

The sublimit of liability stated in Item 3.A.6.(ii) is the aggregate limit of liability payable under this Policy for all **Dependent Business Loss** under Insuring Agreement H. and shall be part of and not in addition to the **Business Interruption Loss** sublimit stated in Item 3.A.6.

Each of the sublimits of liability described above is part of and not in addition to **the Policy Aggregate Limit of Liability**. Neither the inclusion of more than one **Insured** under this Policy, nor the making of **Claims** by more than one person or entity shall increase the Limit of Liability.

- B. The Limit of Liability for the Optional Extension Period shall be part of and not in addition to the **Policy Aggregate Limit of Liability**.

- C. The Underwriters shall not be obligated to pay any **Damages, Penalties, PCI Fines, Expenses and Costs, Cyber Extortion Loss, Data Protection Loss, Business Interruption Loss** or **Claims Expenses**, or to undertake or continue defence of any suit or proceeding, after the **Policy Aggregate Limit of Liability** has been exhausted by payment of **Damages, Penalties, PCI Fines, Expenses and Costs, Cyber Extortion Loss, Data Protection Loss, Business Interruption Loss** or **Claims Expenses**, or after deposit of the **Policy Aggregate Limit of Liability** in a court of competent jurisdiction. Upon such payment, the Underwriters shall have the right to withdraw from the further defence of any **Claim** under this Policy by tendering control of said defence to the **Insured**.
- D. The amount stated in Item 3.B.1. of the Declarations is the maximum total number of **Notified Individuals** to whom notification will be provided or attempted for all incidents or series of related incidents giving rise to an obligation to provide **Notification Services, Call Centre Services** or **Breach Resolution and Mitigation Services**.
- The aggregate limit of coverage stated in Item 3.B.2. of the Declarations is the aggregate limit of coverage for all **Computer Expert Services, Legal Services** and **Public Relations and Crisis Management Services** combined.
- E. The Underwriters shall not be obligated to provide any **Privacy Breach Response Services** after the number of **Notified Individuals** under Insuring Agreement B.3. reaches an aggregate of the number of **Notified Individuals** stated in Item 3.B.1. of the Declarations. If the total number of individuals to be notified under the Policy exceeds the number of **Notified Individuals** stated in Item 3.B.1. of the Declarations, the **Insured** shall be responsible for providing notification, credit monitoring services or identity monitoring services to such additional individuals in accordance with Clause VI.F. below.
- F. If the total number of notifications made pursuant to Insuring Agreement B.3. aggregates to more than the number of notifications stated in Item 3.B.1. of the Declarations, the **Insured Organization** will be responsible for paying for **Privacy Breach Response Services** with respect to any excess notifications, and such costs will not be covered by the Policy. If an incident involves notifications made pursuant to Insuring Agreement B.3. both within the notification limit stated in Item 3.B.1. of the Declarations and in excess of such limit, all excess notifications will be provided by the same service provider that provides **Notification Services** covered under the Policy, and the costs will be allocated between the Underwriters and the **Insured Organization** pro rata based on the number of covered and non-covered notifications.

- G. Unless otherwise specified in this Policy, **Privacy Breach Response Services** will be provided by the service providers listed in the **Information Packet**. In the event a service provider is unable to or does not provide the services set forth, the Underwriters will procure similar services from other sources; provided, the maximum the Underwriters will pay for the costs of procuring and providing all **Privacy Breach Response Services** under Insuring Agreement B., including substitute products and services shall be no more than CAD 10,000,000 in the aggregate for the **Policy Period**, which amount shall be in addition to the **Policy Aggregate Limit of Liability**. In the event there is a change of law, regulation or enforcement that prevents the Underwriters or its service providers from providing all or part of the **Privacy Breach Response Services**, the Underwriters will make reasonable efforts to substitute other services but, if this is not possible, the Underwriters shall not be obligated to provide such services.
- H. To the extent that costs to provide **Privacy Breach Response Services** are covered pursuant to a **Claim** described in Clause V.F.4., such costs shall be covered solely under Insuring Agreement A. and not under Insuring Agreement B. or any other Insuring Agreement in this Policy.
- I. Multiple related or continuing **Extortion Threats** shall be considered a single **Extortion Threat** for purposes of this Policy and shall be deemed to have occurred at the time of the first such **Extortion Threat**.

A **Data Protection Loss** will be deemed to occur at the time such alteration, corruption, destruction, deletion or damage to or inability to access a **Data Asset** is first discovered by the **Insured**. All **Data Protection Loss** that arises out of the same or a continuing **Security Breach**, from related or repeated **Security Breaches**, or from multiple **Security Breaches** resulting from a failure of **Computer Security** shall be deemed to be a single **Data Protection Loss**.

All **Business Interruption Loss** resulting from multiple covered interruptions of **Computer Systems** that arise out of the same or a continuing **Security Breach**, from related or repeated **Security Breaches**, or from multiple **Security Breaches** resulting from a failure of **Computer Security** shall be deemed to be a single **Business Interruption Loss**; provided, however, that a separate **Waiting Period** shall apply to each **Period of Restoration**.

VII. RETENTION

- A. The **Retention** amount set forth in Item 4.A. of the Declarations applies separately to each incident, event or related incidents or events, giving rise to a **Claim**. The **Retention** shall be satisfied by monetary payments by the **Named Insured** of **Damages, Claims**

Expenses, Penalties, Cyber Extortion Loss, Data Protection Loss, Business Interruption Loss or PCI Fines, Expenses and Costs.

With respect to Insuring Agreement F., the **Retention** set forth in Item 4.C. of the Declarations applies separately to each **Extortion Threat**. The **Retention** shall be satisfied by monetary payments by the **Named Insured** of covered **Cyber Extortion Loss**.

With respect to Insuring Agreement G., the **Retention** amount set forth in Item 4.D. of the Declarations applies separately to each **Security Breach**. The **Retention** shall be satisfied by monetary payments by the **Named Insured** of covered **Data Protection Loss**.

With respect to Insuring Agreement H., the **Retention** set forth in Item 4.E. of the Declarations applies separately to each **Security Breach**. The **Retention** shall be satisfied by covered **Business Interruption Loss** retained by the **Insured Organization**. The **Retention** applicable to Insuring Agreement H. shall be reduced on a dollar-for-dollar basis by the amount of **Income Loss** that was sustained by the **Insured Organization** during the **Waiting Period**.

- B. **Notification Services, Call Centre Services, and Breach Resolution and Mitigation Services** will only be provided for each incident, event or related incidents or events, requiring notification to at least the number of individuals set forth in Item 4.B.1. of the Declarations. For incidents involving notification to fewer individuals there shall be no coverage for any such services under Insuring Agreement B.

For all **Computer Expert Services, Legal Services and Public Relations and Crisis Management Services**, the **Retention** amounts set forth in Item 4.B.2. of the Declarations apply separately to each incident, event or related incidents or events, giving rise to an obligation to provide such services; and the Each Incident **Retention** shall be satisfied by monetary payments by the **Named Insured** for such services.

- C. In the event that **Damages, Claims Expenses, Penalties or PCI Fines, Expenses and Costs** arising out of a **Claim** are subject to more than one **Retention**, the applicable **Retention** amounts shall apply to such **Damages, Claims Expenses, Penalties or PCI Fines, Expenses and Costs**, provided that the sum of such **Retention** amounts shall not exceed the largest applicable **Retention** amount.

In the event that **Cyber Extortion Loss, Data Protection Loss or Business Interruption Loss** arising out of a single incident are subject to more than one **Retention**, the applicable **Retention** amounts shall apply to such **Cyber Extortion Loss, Data Protection Loss or Business Interruption Loss**, provided that the sum of such

Retention amounts shall not exceed the largest applicable **Retention** amount.

- D. Satisfaction of the applicable **Retention** is a condition precedent to the payment by the Underwriters of any amounts or providing of any services hereunder, and the Underwriters shall be liable only for the amounts in excess of such **Retention** subject to the Underwriters' total liability not exceeding the **Policy Aggregate Limit** or the Limits of Coverage for **Privacy Breach Response Services** set forth in Item 3.B. of the Declarations. The **Named Insured** shall make direct payments within the **Retention** to appropriate other parties designated by the Underwriters.

VIII. OPTIONAL EXTENSION PERIOD

- A. In the event of the termination of this Insurance for any reason except the non-payment of premium, the **Named Insured** designated in Item 1. of the Declarations shall have the right, upon payment in full and not proportionally or otherwise in part of the percentage shown in Item 7.(a) of the Declarations of the full premium set forth in Item 5. of the Declarations, to have issued an endorsement providing an Optional Extension Period for the period of time set forth in Item 7.(b) of the Declarations for **Claims** first made against any **Insured** and reported to the Underwriters during the Optional Extension Period, and arising out of any act, error or omission committed on or after the Retroactive Date and before the end of the **Policy Period**, subject to the conditions set forth herein. In order for the **Named Insured** to invoke the Optional Extension Period option, the payment of the additional premium for the Optional Extension Period must be paid to the Underwriters within thirty (30) days of the termination of this Insurance. If notice of election of the Optional Extension Period and full premium payment is not given to the Underwriters within such thirty (30) day period, there shall be no right to purchase the Optional Extension Period.
- B. The Limit of Liability for the Optional Extension Period shall be part of, and not in addition to, the applicable Limit of Liability of the Underwriters for the **Policy Period** and the exercise of the Optional Extension Period shall not in any way increase the **Policy Aggregate Limit of Liability** or any sublimit of liability. The Optional Extension Period does not apply to Insuring Agreement B.
- C. The right to the Optional Extension Period shall not be available to the **Named Insured** where the Policy premium has not been paid in full, or where cancellation or non-renewal by the Underwriters is due to non-payment of premium or failure of an **Insured** to pay such amounts in excess of the applicable limit of liability or within the amount of the applicable **Retention**.

- D. All notices and premium payments with respect to the Optional Extension Period option shall be directed to the Underwriters through the entity named in Item 9.(c) of the Declarations.
- E. At the commencement of the Optional Extension Period the entire premium shall be deemed earned, and in the event the **Named Insured** terminates the Optional Extension Period for any reason prior to its natural expiration, the Underwriters will not be liable to return any premium paid for the Optional Extension Period.

IX. NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM

- A. If any **Claim** is made against the **Insured**, the **Insured** shall forward as soon as practicable to the Underwriters through persons named in Item 9.(a) of the Declarations written notice of such **Claim** in the form of a telecopy, email or express or certified mail together with every demand, notice, summons or other process received by the **Insured** or the **Insured's** representative. In no event shall the Underwriters be given notice of a **Claim** later than the end of the **Policy Period**, the end of the Optional Extension Period (if applicable), or thirty (30) days after the expiration date of the **Policy Period** in the case of **Claims** first made against the **Insured** during the last thirty (30) days of the **Policy Period**.
- B. With respect to Insuring Agreement B., for a legal obligation to comply with a **Breach Notice Law** because of an incident (or reasonably suspected incident) described in Insuring Agreement A.1. or A.2., such incident or reasonably suspected incident must be reported as soon as practicable during the **Policy Period** after discovery by the **Insured** via the email address or telephone number set forth in Item 9.(b) of the Declarations; provided, that unless the **Insured** cancels the Policy, or the Underwriters cancel for non-payment of premium, incidents discovered by the **Insured** within sixty (60) days prior to expiration of the Policy shall be reported as soon as practicable, but in no event later than sixty (60) days after the end the **Policy Period**; provided further, that if this Policy is renewed by the Underwriters and **Privacy Breach Response Services** are provided because of such incident or suspected incident that was discovered by the Insured within sixty (60) days prior to the expiration of the Policy, and first reported during the sixty (60) day post **Policy Period** reporting period, then any subsequent **Claim** arising out of such incident or suspected incident is deemed to have been made during the **Policy Period**.

Notwithstanding the foregoing, if the **Named Insured** reasonably believes that the **Privacy Breach Response Services** provided as a result of such incident or suspected incident are not likely to meet or exceed the **Retention**, then reporting of such incident or suspected incident under this Clause IX.B. is at the **Named Insured's** option, but unless such incident or suspected incident is reported in accordance with the first paragraph of this Clause IX.B., there shall be

no coverage for **Privacy Breach Response Services** in connection with such incident or suspected incident.

- C. With respect to Insuring Agreement F., in the event of an **Extortion Threat** to which this Policy applies, the **Named Insured** shall notify Underwriters by contacting the persons specified in Item 9.(a). of the Declarations by telephone at (646) 943-5900 immediately upon receipt of any **Extortion Threat**, and shall thereafter also provide written notice by telecopy, email or express mail within five (5) days following the **Extortion Threat**.
- D. With respect to Insuring Agreement G., the **Named Insured** must forward written notice by express mail, email or telecopy to Underwriters through persons named in Item 9.(a). of the Declarations immediately upon discovery of alteration, corruption, destruction, deletion or damage to or inability to access a **Data Asset** to which this Insurance applies; provided that all covered **Data Protection Loss** must be discovered and reported (in accordance with Clause XXV., Proof and Appraisal of Loss) to Underwriters no later than six (6) months after the end of the **Policy Period**.
- E. The **Named Insured** shall forward immediately to Underwriters through persons named in Item 9.(a) of the Declarations, written notice of the interruption or suspension of **Computer Systems** to which this Insurance applies in the form of a telecopy, email or express mail. Such notice must be provided during the **Policy Period**, or no later than ten (10) days after the end of the **Policy Period** for interruptions or suspensions occurring within ten (10) days of the end of the **Policy Period**; provided, all covered **Business Interruption Loss** must be reported to Underwriters (in accordance with Clause XXV., Proof and Appraisal of Loss) no later than six (6) months after the end of the **Policy Period**.
- F. If during the **Policy Period**, the **Insured** becomes aware of any circumstance that could reasonably be the basis for a **Claim** it may give written notice to the Underwriters in the form of a telecopy, email or express or certified mail through persons named in Item 9.(a) of the Declarations as soon as practicable during the **Policy Period**. Such a notice must include:
1. the specific details of the act, error, omission, or **Security Breach** that could reasonably be the basis for a **Claim**;
 2. the injury or damage which may result or has resulted from the circumstance; and
 3. the facts by which the **Insured** first became aware of the act, error, omission or **Security Breach**.

Any subsequent **Claim** made against the **Insured** arising out of such circumstance which is the subject of the written notice will be deemed

to have been made at the time written notice complying with the above requirements was first given to the Underwriters.

An incident or reasonably suspected incident reported to Underwriters during the **Policy Period** and in conformance with Clause IX.B. shall also constitute notice of a circumstance under this Clause IX.F.

- G. A **Claim** or legal obligation under paragraph A. or B. above shall be considered to be reported to the Underwriters when written notice is first received by the Underwriters in the form of a telecopy, email or express or certified mail or email through persons named in Item 9.(a) of the Declarations of the **Claim** or legal obligation, or of an act, error, or omission, which could reasonably be expected to give rise to a **Claim** if provided in compliance with paragraph C. above.

X. ASSISTANCE AND COOPERATION

- A. The Underwriters shall have the right to make any investigation they deem necessary, and the **Insured** shall cooperate with the Underwriters in all investigations, including investigations regarding the **Application** for and coverage under this Policy. The **Insured** shall execute or cause to be executed all papers and render all assistance as is requested by the Underwriters. The **Insured** agrees not to take any action which in any way increases the Underwriters' exposure under this Policy.
- B. Upon the Underwriters' request, the **Insured** shall 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 acts, errors or omissions, incidents or events 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.
- C. The **Insured** shall not admit liability, make any payment, assume any obligations, incur any expense, enter into any settlement, stipulate to any judgement or award or dispose of any **Claim** without the written consent of the Underwriters, except as specifically provided in Clause II., Defence and Settlement of Claims, paragraph D.

Compliance with a **Breach Notice Law** will not be considered an admission of liability for purposes of this Clause X.C.

- D. Expenses incurred by the **Insured** in assisting and cooperating with the Underwriters do not constitute **Claims Expenses** under the Policy.

XI. SUBROGATION

If any payment is made under this Policy and there is available to the Underwriters any of the **Insured's** rights of recovery against any other party, then the Underwriters shall maintain all such rights of recovery. 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 an incident or event giving rise to a **Claim** or **Loss** to prejudice such rights. Any recoveries shall be applied first to subrogation expenses, second to **Loss** paid by the Underwriters, and lastly to the **Retention**. Any additional amounts recovered shall be paid to the **Named Insured**.

XII. OTHER INSURANCE

The insurance under this Policy shall apply in excess of any other valid and collectible insurance available to any **Insured**, including any self-insured retention or deductible portion thereof unless such other insurance is written only as specific excess insurance over the **Policy Aggregate Limit of Liability** or any other applicable Limit of Liability of this Policy.

XIII. ACTION AGAINST THE UNDERWRITERS

No action shall lie against the Underwriters or the Underwriters' representatives unless and until, as a condition precedent thereto, the **Insured** shall have fully complied with all provisions, terms and conditions of this Insurance and the amount of the **Insured's** obligation to pay shall have been finally determined either by judgement or award against the **Insured** after trial, regulatory proceeding, arbitration or by written agreement of the **Insured**, the claimant, and the Underwriters.

No person or organization shall have the right under this Policy to join the Underwriters as a party to an action or other proceeding against the **Insured** to determine the **Insured's** liability, nor shall the Underwriters be impleaded by the **Insured** or the **Insured's** legal representative.

The **Insured's** bankruptcy or insolvency or of the **Insured's** estate shall not relieve the Underwriters of their obligations hereunder.

XIV. ENTIRE AGREEMENT

By acceptance of the Policy, all **Insureds** agree that this Policy embodies all agreements between the Underwriters and the **Insured** relating to this Policy. 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 stop the Underwriters from asserting any right under the terms of this Insurance; nor shall the terms of this Insurance be waived or changed, except by endorsement issued to form a part of this Policy signed by the Underwriters.

XV. MERGERS AND ACQUISITIONS

A. Newly Acquired Subsidiaries

During the **Policy Period**, if the **Named Insured** or any **Subsidiary** acquires another entity whose annual revenues are more than ten percent (10%) of the **Named Insured's** total annual revenues for the four quarterly periods directly preceding inception of the **Policy**

Period, such acquired entity shall not be a **Subsidiary**, and no **Insured** shall have coverage under this Policy for any **Claim** or **Loss** that arises out of any act, error omission, incident or event whether committed before or after such acquisition:

1. by or on behalf of the acquired entity or any person employed by the acquired entity;
2. involving or relating to the assets, liabilities, media activities or policies or procedures of the acquired entity or to data, information, computers, or networks, security systems, of or under the care, custody or control of the acquired entity, a Business Associate of the acquired entity, or a third party on behalf of the acquired entity; or
3. by any person or entity holding, processing, managing or transferring information or operating **Computer Systems** on behalf of the acquired entity;

unless the **Named Insured** gives the Underwriters written notice prior to the acquisition, obtains the Underwriters' written consent to extend coverage to such additional entities, assets, exposures, or **Computer Systems**, and agrees to pay any additional premium required by the Underwriters.

If during the **Policy Period** the **Named Insured** or any **Subsidiary** acquires an entity whose annual revenues are more than ten percent (10%) of the Named Insured's total annual revenues for the four quarterly periods directly preceding inception of the **Policy Period**, then, subject to the **Policy Period** and all other terms and conditions of this Policy, coverage under this Policy shall be afforded for a period of sixty (60) days, but only for any **Claim** that arises out of any act, error or omission first committed or incident or event first occurring after the entity becomes so owned. Coverage beyond such sixty (60) day period shall only be available if the **Named Insured** gives the Underwriters written notice of the acquisition, obtains the written consent of Underwriters to extend coverage beyond such sixty (60) day period to the entity and agrees to pay any additional premium required by Underwriters.

B. **Mergers or Consolidations**

If during the **Policy Period** the **Named Insured** consolidates or merges with or is acquired by another entity, or sells substantially all of its assets to any other entity, then this Policy shall remain in full force and effect, but only with respect to a **Security Breach**, or other act or incidents that occur prior to the date of the consolidation, merger or acquisition. There shall be no coverage provided by this Policy for any other **Claim** or **Loss** unless the **Named Insured** provides written notice to the Underwriters prior to such consolidation, merger or acquisition, the **Named Insured** has agreed to any

additional premium and terms of coverage required by the Underwriters and the Underwriters have issued an endorsement extending coverage under this Policy.

- C. All notices and premium payments made under this Clause XV. shall be directed to the Underwriters through the entity named in Item 9.(c) of the Declarations.

XVI. ASSIGNMENT

The interest hereunder of any **Insured** is not assignable. If the **Insured** shall die or be adjudged incompetent, such insurance shall cover the **Insured's** legal representative as the **Insured** as would be permitted under this Policy.

XVII. CANCELLATION

- A. This Policy may be cancelled by the **Named Insured**, by surrender thereof to the Underwriters or by mailing or delivering to the Underwriters through the entity named in Item 9.(c) of the Declarations, written notice stating when the cancellation shall be effective.
- B. This Policy may be cancelled by the Underwriters by mailing or delivering to the **Named Insured** at the address shown in the Declarations written notice stating when, not less than sixty (60) days thereafter, such cancellation shall be effective. However, if the Underwriters cancel this Insurance because the **Insured** has failed to pay a premium when due, this Policy may be cancelled by the Underwriters by mailing a written notice of cancellation to the **Named Insured** at the address shown in the Declarations stating when, not less than ten (10) days thereafter, such cancellation shall be effective. Mailing of notice shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Policy Period**. Delivery (where permitted by law) of such written notice either by the **Named Insured** or by the Underwriters shall be equivalent of mailing.
- C. If the **Named Insured** cancels this Policy, the earned premium shall be computed in accordance with the customary short rate portion of the full premium set forth in Item 5. of the Declarations.
- D. If the Underwriters cancel this Policy prior to any **Claim** being reported or **Loss** incurred under this Policy, earned premium shall be computed pro rata.
- E. The premium shall be deemed fully earned if any **Claim**, or any circumstance that could reasonably be the basis for a **Claim** or **Loss**, is reported to the Underwriters on or before the date of cancellation.
- F. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective,

but payment or tender of unearned premium is not a condition of cancellation.

XVIII. SINGULAR FORM OF A WORD

Whenever the singular form of a word is used herein, the same shall include the plural when required by context.

XIX. HEADINGS

The titles of paragraphs, section, provisions, or endorsements of or to this Policy are intended solely for convenience and reference, and are not deemed in any way to limit or expand the provisions to which they relate and are not part of the Policy.

XX. WARRANTY BY THE INSURED

By acceptance of this Policy, all **Insureds** agree that the statements contained in the **Application** are their agreements and representations and that the Underwriters issue this Policy, and assume the risks hereunder, in reliance upon the truth thereof.

XXI. NAMED INSURED AS AGENT

The **Named Insured** shall be considered the agent of all **Insureds**, and shall act on behalf of all **Insureds** with respect to the giving of or receipt of all notices pertaining to this Policy, the acceptance of any endorsements to this Policy, and the **Named Insured** shall be responsible for the payment of all premiums and **Retentions**.

XXII. CHOICE OF LAW

Unless otherwise set forth in Item 10. of the Declarations, any disputes involving this Policy, including its construction, application and validity shall be resolved applying the laws of Canada and/or the Province indicated in Item 1. of the Declarations as the principle address of the **Named Insured**.

XXIII. ARBITRATION

- A. Any dispute or difference arising hereunder between the **Insured** and the Underwriters (for purposes of this Clause XXIII., each a "Party" and, collectively, the "Parties") arising out of or relating to this Policy or the breach, termination or invalidity thereof shall be fully and finally determined in the Province indicated in Item 1. of the Declarations as the principle address of the **Named Insured** under the provisions of the Manitoba Arbitration Act in effect at the time of the dispute.
- B. The arbitrator shall fix, by a notice in writing to the Parties, a reasonable time and place for the hearing and may prescribe reasonable rules and regulations governing the course and conduct of the arbitration proceeding, including without limitation discovery and document production by the Parties.

- C. The arbitrator shall, within ninety (90) calendar days following the conclusion of the hearing, render a decision on the matter or matters in controversy in writing and shall cause a copy thereof to be served on all the Parties thereto. The decision of the arbitrator shall be final and binding on the Parties thereto. Such a decision shall be a complete defence to any attempted appeal or litigation of such decision in the absence of fraud or collusion. Without limiting the foregoing, the Parties waive any right to appeal to, and/or seek collateral review of the decision of the arbitrator by any court or other body to the fullest extent permitted by applicable law.
- D. The Underwriters and all **Insureds** agree that in the event that claims for indemnity or contribution are asserted in any action or proceeding against the Underwriters by any **Insured's** other insurers in any jurisdiction or forum other than that set forth in this Clause XXIII., such **Insured** shall in good faith take all reasonable steps requested by the Underwriters to assist the Underwriters in obtaining a dismissal of the such action or proceeding (other than on the merits) and will, without limitation, undertake to prevail upon or persuade such other court or tribunal to reduce any judgement or award against such other insurers to the extent that the court or tribunal determines that the Underwriters would have been liable to such insurers for indemnity or contribution pursuant to this Policy. The **Insured** shall be entitled to assert claims against the Underwriters for coverage under this Policy, including, without limitation, for amounts by which the **Insured** reduced its judgement against such other insurers in respect of such claims in indemnity and contribution in arbitration between the Underwriters and the **Insured** pursuant to this paragraph, which arbitration may take place before, concurrently with and/or after the action or proceeding involving such other insurers; provided, however, that the Underwriters in such arbitration in respect of such reduction of any judgement shall be entitled to raise any defences under this Policy and any other defences (other than jurisdictional defences) as it would have been entitled to raise in the action or proceeding with such insurers (and no determination in any such action or proceeding involving such other Insurers shall have collateral estoppel, *res judicata* or other issue preclusion or estoppel effect against the Underwriters in such arbitration, irrespective of whether or not the Underwriters remain a party to such action or proceeding).

XXIV. VALUATION AND CURRENCY

All premiums, limits, deductibles, **Damages** and other amounts under this Policy are expressed and payable in the currency of Canada. If judgement is rendered, settlement is denominated or another element of **Damages** under this Policy is stated in a currency other than Canadian dollars or if **Claims Expenses** are paid in a currency other than Canadian dollars, payment under this Policy shall be made in Canadian dollars at the rate of exchange published in the *Wall Street Journal* on the date the judgement becomes final or payment of the settlement or other element of **Damages** is due or the date such **Claims Expenses** are paid.

XXV. AUTHORIZATION

By acceptance of this Policy, the **Insureds** agree that the **Named Insured** will act on their behalf with respect to the giving and receiving of any notice provided for in this Policy, the payment of premiums and the receipt of any return premiums that may become due under this Policy, and the agreement to and acceptance of endorsements.

XXV. PROOF AND APPRAISAL OF LOSS

1. Before coverage under Insuring Agreement G. will apply, the **Named Insured** must:
 - A. prepare and submit to the persons named in Item 9.(a) of the Declarations a written and detailed proof of loss sworn by an officer of the **Named Insured** within ninety (90) days after the **Insured** discovers a **Data Protection Loss**, but in no event later than six (6) months following the end of the **Policy Period**. Such proof of loss shall include a narrative with full particulars of such **Data Protection Loss**, including the time, place and cause of the **Data Protection Loss**, a detailed calculation of the **Data Protection Loss**, the Insured Organization's interest and the interest of all others in the property, the sound value thereof, the amount of **Data Protection Loss** or damage thereto, and all other insurance thereon; and
 - B. upon Underwriters' request, submit to an examination under oath and provide copies of the underlying documents, data and materials that reasonably relate to or are part of the basis of the claim for such **Data Protection Loss**.

The costs and expenses of preparing and submitting a proof of loss, and establishing or proving **Data Protection Loss** or any other **Loss** under this Policy shall be the **Insured's** obligation, and are not covered under this Policy.

2. If the **Named Insured** and Underwriters do not agree on the amount of a **Loss**, each party shall select and pay an appraiser or other qualified expert (the "Appraiser") to state the amount of the loss or reasonable expenses, and the Appraisers shall choose an umpire. If the Appraisers cannot agree on an umpire, the **Named Insured** or the Underwriters may request a judge of a court having jurisdiction to make the selection. Each Appraiser shall submit the amount of the **Loss** or reasonable expenses to the umpire, and agreement by the umpire and at least one of the Appraisers as to the amount of a **Loss** shall be binding on all **Insureds** and Underwriters. The **Named Insured** and Underwriters will equally share the costs of the umpire and any other costs other than the cost of the Appraisers. This provision shall govern only the appraisal of the amount of a **Loss**, and shall not control the determination of whether such **Loss** is otherwise

covered by the Policy; and compliance with this provision shall have no effect on Underwriters' rights or ability to deny coverage or enforce any obligation under this Policy.

3. If the **Insured** or the Underwriters recover any property, money or **Data Assets** after a loss payment is made, the party making the recovery must give prompt notice of the recovery to the other party. If the recovered property is money or other funds, the recovery shall be applied first to **Loss** payments made by Underwriters, second to any **Retention** payment made by the **Named Insured**, and third to any costs incurred by Underwriters in recovering the property. If property other than money or funds is recovered, the **Named Insured** may (i) keep the recovered property and return the **Loss** payment plus all costs of recovery incurred by Underwriters, or (ii) keep the **Loss** payment less the costs of recovery incurred by Underwriters and transfer all rights in the property to Underwriters.

Criminal Rewards Endorsement

In consideration of the premium charged for the Policy, it is hereby understood and agreed that:

1. Clause **I. INSURING AGREEMENTS** is amended by the addition of:

Criminal Reward Fund

To indemnify the **Named Insured**, at the Underwriter's sole and absolute discretion, up to CAD 25,000 in the aggregate as a **Criminal Reward Fund**. No Deductible shall apply to this Insuring Agreement.

2. Clause **V. DEFINITIONS** is amended by the addition of:

Criminal Reward Fund means any amount offered and paid by the Underwriters for information that leads to the arrest and conviction of any individual(s) committing or trying to commit any illegal act related to any coverage under this Policy. Provided, however, the Underwriters shall not pay any **Criminal Reward Fund** for, and this Policy shall not cover any amount based upon, any information provided by the **Insured**, the **Insured's** auditors, whether internal or external, any individual hired or retained to investigate the aforementioned illegal acts, or any other individuals with responsibilities for the supervision or management of the aforementioned individuals. **Criminal Reward Fund** coverage is subject to the limitations set forth in Clause V.N..

All other terms and conditions remain unchanged.



Authorized Representative

Telecommunications Fraud Endorsement

It is hereby understood and agreed that this endorsement modifies the insurance coverage provided under the following:

BEAZLEY BREACH RESPONSE

In consideration of the premium charged for the Policy, it is hereby understood and agreed that:

1. Item 3.A. of the Declarations is amended to include the following:
 7. Aggregate sublimit applicable to Insuring Agreement J.
(Telecommunications Fraud): CAD 100,000
2. Item 4. of the Declarations is amended to include:
 - G.. Each incident, event, or related incidents or events, giving rise to an obligation to pay loss under
Insuring Agreement J.: CAD 1,000
3. Clause **I. INSURING AGREEMENTS** is amended by the addition of:
 - J. **TELECOMMUNICATIONS FRAUD**
To indemnify the **Insured Organization** for any **Telecommunications Fraud Loss**, in excess of the applicable **Retention**, incurred by the **Insured** during the **Policy Period** and reported in writing to the Underwriters during the **Policy Period**.
4. Clause **V. DEFINITIONS**, Paragraph BB. is amended to include **Telecommunications Fraud Loss** within the definition of "**Loss**".
5. Clause **V. DEFINITIONS** is amended by the addition of:

Third Party means any person or entity other than the **Insured Organization** or a **Related Party**.

Telecommunications Fraud Loss means any direct financial loss to the **Insured** that results directly from a **Third Party** gaining access to and using the **Insured Organization's** telephone system in an unauthorized manner; provided that such unauthorized access and use must occur after the Retroactive Date and before the end of the **Policy Period**.
- II. 6. Clause **VI. LIMIT OF LIABILITY AND COVERAGE**, Paragraph A. is amended to include the following:

The sublimit of liability stated in Item 3.A.7. is the aggregate limit of liability payable under this Policy for all **Telecommunications Fraud Loss** covered

under Insuring Agreement J. and is part of and not in addition to the **Policy Aggregate Limit of Liability**.

- III. 7. Clause **VII. RETENTION** is amended by the addition of:
 - F. The **Retention** set forth in Item 4.G. of the Declarations applies separately to each incident, event, or related incidents or events, giving rise to an obligation to pay loss under Insuring Agreement J.

All other terms and conditions remain unchanged.



Authorized Representative

PROFESSIONAL SERVICES EXCLUSION

This endorsement modifies insurance provided under the following:

BEAZLEY BREACH RESPONSE

In consideration of the premium charged for the Policy, it is hereby understood and agreed that:

1. The coverage under this Insurance does not apply to any Claim or Loss arising out of or resulting from any act, error or omission, or any breach of contract in rendering or failure to render Professional Services;
2. Professional Services means services performed for, or products sold, leased or otherwise provided to, others by or on behalf of the Insured Organization.

All other terms and conditions remain unchanged.



Authorized Representative

UNPROTECTED PORTABLE COMPUTERS AND MEDIA EXCLUSION

This endorsement modifies insurance provided under the following:

BEAZLEY BREACH RESPONSE

In consideration of the premium charged for the Policy, it is hereby understood and agreed that:

1. Clause IV., Exclusions is amended to add the following at the end thereof:
 - X. For, arising out of or resulting from any theft of, loss of, or parting with, any portable computing device or media containing data in an electronic format, unless the data stored on such device or media are stored in an encrypted format.

All other terms and conditions of this Policy remain unchanged.



Authorized Representative

NUCLEAR EXCLUSION CLAUSE (NMA 1256)

This endorsement modifies insurance provided under the following:

BEAZLEY BREACH RESPONSE

In consideration of the premium charged for the Policy, it is hereby understood and agreed that this Policy does not apply:

- I. Under any Liability Coverage, to injury, sickness, disease, death or destruction:
 - (a) with respect to which an insured under the Policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (b) resulting from the hazardous properties of nuclear material and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the insured is, or had this Policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- II. Under any Medical Payments Coverage, or under any Supplementary Payments Provision relating to immediate medical or surgical relief, to expenses incurred with respect to bodily injury, sickness, disease or death resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.
- III. Under any Liability Coverage, to injury, sickness, disease, death or destruction resulting from the hazardous properties of nuclear material, if:
 - (a) the nuclear material (1) is at any nuclear facility owned by, or operated by or on behalf of, an insured or (2) has been discharged or dispersed therefrom;
 - (b) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
 - (c) the injury, sickness, disease, death or destruction arises out of 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, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (c) applies only to injury to or destruction of property at such nuclear facility.
- IV. As used in this endorsement:

"hazardous properties" include radioactive, toxic or explosive properties; "nuclear material" means source material, special nuclear material or by-product material; "source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act 1954 or in any law amendatory thereof; "spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor; "waste" means any waste material (1) containing by-product material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) thereof; "nuclear facility" means:

- (a) any nuclear reactor,
- (b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,
- (c) any equipment or device used for the processing, fabricating or alloying of special nuclear material 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,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations; "nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material. With respect to injury to or destruction of property, the word "injury" or "destruction" includes all forms of radioactive contamination of property.

All other terms and conditions of this Policy remain unchanged.



Authorized Representative

Radioactive Contamination Exclusion Clause

1. Notwithstanding any provision to the contrary within this reinsurance agreement or any endorsement thereto, this reinsurance agreement excludes any loss, liability, cost or expense, or any other amount incurred by or accruing to the reinsured, whether as insurer or reinsurer, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with:
 - 1.1. irradiation or contamination by Nuclear Material; or
 - 1.2. the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter; or
 - 1.3. any device or weapon employing atomic or nuclear fission and / or fusion or other like reaction or radioactive force or matter.

Definitions

2. Nuclear Material means:
 - 2.1. Nuclear Fuel; or
 - 2.2. where the United States Atomic Energy Act of 1954 as amended applies:
 - 2.2.1. special nuclear material; or
 - 2.2.2. source material; or
 - 2.2.3. by-product material;as defined in the Atomic Energy Act of 1954 as amended; or
 - 2.3. where the Canadian Nuclear Liability Act R.S.C., 1985, c. N-28 or any law amendatory thereof applies:
 - 2.3.1. any material, other than thorium or natural or depleted uranium uncontaminated by significant quantities of fission products, that is capable of releasing energy by a self-sustaining chain process of nuclear fission;
 - 2.3.2. radioactive material produced in the production or utilization of material referred to in paragraph 2.3.1; and
 - 2.3.3. material made radioactive by exposure to radiation consequential on or incidental to the production or utilization of material referred to in paragraph 2.3.1; or
 - 2.4. in respect of any territory where the United States Atomic Energy Act of 1954 as amended and the Canadian Nuclear Liability Act R.S.C., 1985, c. N-28 or any law amendatory thereof do not apply, any other radioactive material (including but not limited to radioactive products and waste).
3. Nuclear Fuel means any material, other than natural uranium or depleted uranium, capable of releasing nuclear energy by nuclear fission or otherwise, either alone or in conjunction with any other material.

LMA5198

SANCTION LIMITATION AND EXCLUSION CLAUSE

This endorsement modifies insurance provided under the following:

BEAZLEY BREACH RESPONSE

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, law or regulations of the European Union, United Kingdom or United States of America.

All other terms and conditions of this Policy remain unchanged.

LMA3100

STATUTORY CONDITIONS/CONDITIONS

The conditions as set out below apply to all of the perils insured by this policy either as STATUTORY CONDITIONS or as contractual conditions as the law may require.

Misrepresentation

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

Property of Others

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

Change of Interest

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

Material Change

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

Termination

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

premium for the expired time be deemed to be less than any minimum retained premium specified; and

(b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.

3. Where this contract is terminated by the insured, the insurer shall refund as soon as practicable the excess of the premium actually paid by the insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
4. The refund may be made by money, postal or express company money order or cheque payable at par.
5. The fifteen days mentioned in clause 1(a) 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 the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11,
 - (a) forthwith give notice thereof in writing to the insurer;
 - (b) deliver as soon as practicable to the insurer a proof of loss verified by a statutory declaration,
 - (i) giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed,
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
 - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
 - (iv) showing the amount of other 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.
2. The evidence furnished under clauses 1(c) and (d) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

Fraud

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

Who May Give Notice and Proof

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

Salvage

9. 1. The insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.
2. The insurer shall contribute *pro rata* towards any reasonable and proper expenses in connection with steps taken by the insured and required under subparagraph (1) of this condition according to the respective interests of the parties.

Entry, Control, Abandonment

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

Appraisal

11. In the event of disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under the *Insurance Act* before there can be any recovery under this contract whether the right to recover on the contract is disputed or not, and independently of all other

questions. There shall be no right to an appraisal until a specific demand therefor is made in writing and until after proof of loss has been delivered.

When Loss Payable

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

Replacement

13. 1. The insurer, instead of making payment, may repair, rebuild, or replace the property damaged or lost, giving written notice of its intention so to do within thirty days after receipt of the proofs of loss.
 2. In that event the insurer shall commence to so repair, rebuild, or replace the property within forty-five 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.

* Two years in the Province of Manitoba and the Northwest and Yukon Territories.

Saskatchewan Statutory Condition 14 is repealed. See The Limitations Act, S.S. 2004, c.L-16.1.

Notice

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

ADDITIONAL CONDITIONS

Notice to Authorities

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

No Benefit to Bailee

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

Pair and Set

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

Parts

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

Sue and Labour

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

Basis of Settlement

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

Subrogation

7. The insurer, upon making any payment or assuming liability therefore under this Policy, shall be subrogated to all rights of recovery 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.

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GENERAL CONDITIONS

IV. This policy is subject to the Civil Code of the Province of Québec

V. Reference to Civil Code articles in some instances is for easier reading only and should not be construed as exact quotations.

VI. For all coverages except where inapplicable.

VII. **1. STATEMENTS**

VIII. **1.1 Representation of risk** (Article 2408)

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

X. The client means the person submitting an insurance application.

XI. **1.2 Material change in risk** (Articles 2466 and 2467)

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

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

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

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

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

XVII. **1.4 Warranties** (Article 2412)

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

XIX. 2. GENERAL PROVISIONS

XX. **2.1 Insurable interest** (Articles 2481 and 2484)

XXI. (Applicable only to property insurance)

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

XXIII. **2.2 Changes** (Article 2405)

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

XXV. **2.3 Assignment** (Articles 2475 and 2476)

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

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

XXVIII. 2.4 Books and records

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

XXX. 2.5 Inspection

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

XXXII. 2.6 Currency

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

XXXIV. 3. LOSSES

XXXV. 3.1 Notice of loss (Article 2470)

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

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

XXXVIII.

XXXIX.

XL. 3.2 Information to be provided (Article 2471)

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

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

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

XLIV. 3.3 False representation (Article 2472)

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

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

XLVII. 3.4 Intentional Fault (Article 2464)

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

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

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

LI. 3.5 Notice to police (applicable to property insurance only)

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

LIII. 3.6 Safeguarding and examination of property (Article 2495)

LIV. (applicable to property insurance only)

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

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

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

LVIII. 3.7 Admission of liability and cooperation

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

LX. (The following two paragraphs are applicable to liability insurance only: article 2504)

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

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

LXIII. 3.8 Right of action (Article 2502)

LXIV. (applicable to liability insurance only)

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

LXVI. 4. COMPENSATION AND SETTLEMENT

LXVII. 4.1 Basis of settlement (Articles 2490, 2491, 2493)

LXVIII. (applicable to property insurance only)

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

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

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

LXXII. **4.2 Pair and set** (applicable to property insurance only)

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

LXXIV. **4.3 Parts** (applicable to property insurance only)

LXXV. 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.

LXXVI. **4.4 Fire insurance** (Articles 2485 and 2486)

LXXVII. (applicable to property insurance only)

LXXVIII. In fire insurance, the insurer is bound to repair any damage which is an immediate consequence of fire or combustion, whatever the cause, including damage to the property during removal or that caused by the means employed to extinguish the fire, subject to the exceptions specified in the policy. The insurer is also liable for the disappearance of insured things during the fire, unless he proves that the disappearance is due to theft which is not covered.

LXXIX. The insurer is not liable for damage caused solely by excessive heat from a heating apparatus or by any process involving the applications of heat where there is no fire or commencement of fire but, event where there is no fire, the insurer is liable for damage caused by lightning or the explosion of fuel.

LXXX. An insurer who insures a property against fire is not liable for damage due to fires or explosions caused by foreign or civil war, riot or civil disturbance, nuclear explosion, volcanic eruption, earthquake or other cataclysm.

LXXXI. **4.5 Replacement** (Article 2494)

LXXXII. (applicable to property insurance only)

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

LXXXIV. **4.6 Time of payment** (Articles 1591, 2469 and 2473)

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

LXXXVI. Any outstanding premium may be deducted from the indemnity payable.

LXXXVII. **4.7 Property of others** (applicable to property insurance only)

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

LXXXIX. **4.8 Waiver**

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

XCI. **4.9 Limitation of actions** (Article 2925)

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

XCIII. **4.10 Subrogation** (Article 2474)

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

XCV. 5. OTHER INSURANCE

XCVI. **5.1 Property insurance** (Article 2496)

XCVII. The Insured who, without fraud, is insured by several insurers, under several policies, for the same interest and against the same risk so that the total amount of indemnity that would result from the separate performance of such policies would exceed the loss incurred may be indemnified by the

insurer or insurers of his choice, each being liable only for the amount he has contracted for.

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

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

C.

CI. 5.2 Liability insurance

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

CIII. A Contribution by equal share:

CIV. If all of such other collectible insurance provides for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than would be payable if each insurer contributed an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of 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.

CV. B Contribution by limits:

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

CVII. **6. CANCELLATION** (Articles 2477 and 2479)

CVIII. This policy may be cancelled at any time:

CIX. (a) By mere written notice from each of the Named Insureds. Termination takes effect upon receipt of the notice and the Insured shall therefore be

entitled to a refund of the excess of the premium actually paid over the short-term rate for the expired time.

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

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

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

CXIII.

CXIV. 7. NOTICE

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

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

Feb. 2011
LSW1194A

STATUTORY CONDITIONS (Alberta)

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.
 - (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.
 - (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) 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 insurance

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.
- (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.
- (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.
- (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 of 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 cost 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.
- (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 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.
- (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.
- (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.

Repair or 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.
- (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.
- (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.

01/07/12
LSW1814

STATUTORY CONDITIONS (Manitoba)

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.
 - (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.
 - (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) 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.
- (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.
- (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.
- (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.
- (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.
- (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.
- (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.
- (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.
- (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.

17/10/14
LSW1851

STATUTORY CONDITIONS (British Columbia)

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.
 - (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.
 - (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) 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 insurance

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.
- (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.
- (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.
- (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 of 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 cost 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.
- (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 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.
- (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.
- (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.

Repair or 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.
- (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.
- (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.

01/07/12
LSW1815

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: info@lloyds.ca

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

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

General Insurance OmbudService (GIO): assists in the resolution of conflicts between insurance customers and their insurance companies. The GIO can be reached at:

Toll free number: 1-877-225-0446

www.giocanada.org

For Quebec clients:

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

Toll Free: 1-877-525-0337

Québec: (418) 525-0337

Montréal: (514) 395-0311

www.lautorite.qc.ca

If you have a complaint specifically about Lloyd's Underwriters' complaints handling procedures you may contact the 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

09/14

LSW1542F

PRIVACY: NOTICE CONCERNING PERSONAL INFORMATION

Who we are

We are the Lloyd's underwriter(s) identified in the insurance contract and/or the certificate of insurance. Your privacy is important to us. This Privacy notice explains what personal information we collect, use and disclose about policyholders, beneficiaries, claimants and witnesses and for what purposes, in compliance with applicable Canadian privacy laws.

What personal information we collect

Personal information is any information about an identified and or identifiable individual. The personal information that is collected for a clear and legitimate use and disclosure generally includes the following:

- Identification and contact information (name, address including postal code, country, telephone number, email address, month and date of birth, drivers licence, employer, job title, employment history, family details)
- Policy information (policy number, policy amounts, policy terms)
- Claim information (claim number, information relating to a potential or existing claim)
- Payment information (credit card details, bank account details, credit score)
- Other information related to your insurance cover or a claim only for legitimate business purposes

We also collect personal information about you when you visit www.lloyds.com. Further details can be found on our online Cookies policy at <http://www.lloyds.com/common/privacy-and-cookies-statement>

We will not use your personal information for marketing purposes and we will not sell your personal information to other parties.

How we use your information

By purchasing insurance from certain Lloyd's Underwriters ("Lloyd's"), a customer provides Lloyd's with his or her explicit consent to the collection, use and disclosure of personal information. Meaningful consent is subject to the customer's understanding of the nature, purpose and consequences of the collection, use or disclosure of their personal information.

Information is generally collected, used, disclosed and stored in order to provide you with the insurance products that you have requested, including to:

- Identify you and provide you with insurance cover
- Communicate with Lloyd's policyholders
- Calculate, collect or refund premiums
- Underwrite policies and facilitate policy administration

- Evaluate and process claims
- Detect and prevent fraud, carry out anti-money laundering and sanctions checks
- Investigate and prosecute fraud
- Meet our regulatory and other legal obligations
- Enforce terms or exercise rights under the insurance contract
- Analyze insurance risk and business results
- Improve our services and offerings
 - Provide general client care
 - Defend or prosecute legal claims
 - Renew your insurance policy
 - Transfer of books of business, company sales and reorganisations

Or as may be otherwise required or authorized by law.

Your information may be shared and disclosed;

In order to fulfil the purposes described in this Privacy notice, we may share your personal information with other third parties that we have engaged to provide services on our behalf, or who otherwise assist us in providing you with services, such as affiliated organizations, sub-contractors, agents/coverholders, legal counsel, insurers, brokers, reinsurers, loss adjusters and other service providers.

We will limit this disclosure to only the Personal Information that is reasonably necessary for the purpose or service for which the third party or affiliate will provide. We will use contractual and other means to provide a comparable level of protection while the information is being processed by these service providers, including limiting such providers to using your Personal Information solely to provide Lloyd's with the specific service for which they were engaged, and for no other purpose. You can obtain more information about our policies and practices with respect to the use of Personal Information by Third Party Service Providers by contacting us as described below, under the section "How to Contact Us" at the end of this document.

Some of these entities may be located outside Canada, therefore your information may be processed in a foreign jurisdiction, where it will be subject to the laws of that jurisdiction, which may be different than the laws in your province. Personal information that is stored or processed outside Canada may also be accessible to the law enforcement and national security authorities of that jurisdiction.

We may also share or transfer your Personal Information where reasonably required in the context of a sale, merger or amalgamation of all or part of our business or the insurance or securitization of our assets. In any such case, the recipient parties will be contractually required to keep the information confidential and use it only for the purposes of the transaction, or proposed transaction, in question. In the event a business transaction is affected, assignees or successors of Lloyd's or our business or assets, or those of our affiliated entities, may use and disclose Personal Information only for the purposes as set out in this Privacy notice, unless further consent is obtained.

We may also share your Personal Information with law enforcement, national security agencies or other governmental officials, as required or permitted by law, such as in response to a court order or a verified request relating to a criminal investigation or alleged

illegal activity, where we are legally obligated to contribute information to compulsory insurance databases, or where required to detect, prevent or prosecute fraud.

Authority to collect, use and disclose personal information

When you share information with us for particular purposes, such as providing you with insurance, you give us explicit consent to collect, use and disclose your information for those purposes. Canadian law also authorizes us to collect, use and disclose personal information without consent in certain circumstances prescribed by law, which may include the following:

- Detecting or suppressing fraud
- Investigating or preventing financial abuse
- For communication with the next to kin or authorized representative of an injured, ill or deceased individual
- Investigating a breach of an agreement or a contravention of the laws of Canada or a foreign jurisdiction where obtaining consent would compromise the availability or accuracy of the information
- Witness statement necessary to assess, process or settle insurance claims
- Information that is produced in the course of an individual's employment, business or profession

There may be situations where we need your additional consent to collect, use, and disclose information about you. In those situations, we will ask you for consent separately. You do not have to give your consent and, subject to legal and contractual restrictions, you can withdraw your consent to us collecting, using and disclosing your information at any time. However, withdrawing your consent may affect our ability to provide you with insurance cover or other services.

Retention and security

We retain personal information for as long as necessary to provide you with insurance cover and meet the other purposes for collection, use and disclosure described in this Privacy notice, or as otherwise required or permitted by law. When your Personal Information is no longer required, we will make all reasonable efforts to ensure all electronic and hard copies of such information are securely destroyed and irreversibly deleted from our systems.

We use various physical, technical and administrative security measures, appropriate to the sensitivity of the personal information, that are designed to protect against loss, theft, unauthorized access, disclosure, copying, use or modification by. Although we will take reasonable measures to protect personal information, the transmission of information through the internet or other electronic means is not guaranteed to be secure and may create risks for the privacy and security of your information.

How to access your personal information

Subject to certain exceptions provided by applicable law, you have the right to access your personal information, request corrections about your personal information if you identify any inaccuracies, and request that we delete your information. If you would like to exercise any of these rights, please contact the Ombudsperson at info@lloyds.ca.

The Ombudsperson can also provide additional information about Lloyd's policies and practices, answer questions about the collection, use, disclosure or storage of personal information by Lloyd's and its service providers located outside Canada, as well as discuss any complaints you may have regarding the collection, use and disclosure of your personal information.

Changes

We may amend this Privacy notice from time to time as our business evolves, in response to legal developments, as new technologies become available, or as we introduce new features, products or services.

When we make changes to wording of this Privacy notice we will revise the "last updated" date at the bottom of this Privacy notice. You should check back here periodically to find out if any changes have been made to this Privacy notice. If we make substantial changes we will, as appropriate prominently post these changes to our Site or notify registered Users directly.

How to contact us

Further information about Lloyd's personal information protection policy may be obtained by visiting, <https://www.lloyds.com/lloyds-around-the-world/americas/canada/market-conduct> from your broker, or by contacting Lloyd's by phone: 514 861 8361, 1 877 455 6937 or email: info@lloyds.ca.

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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.

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