



Local Community General Liability Insurance Policy

SECTION I – COVERAGES

COVERAGE A

BODILY INJURY and PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as "compensatory damages" because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "action" seeking those "compensatory damages". However, we will have no duty to defend the insured against any "action" seeking "compensatory damages" for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "action" that may result. But:

- (1) The amount we will pay for "compensatory damages" is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical expenses under Coverage C. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A, B and D.

b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
- (2) The "bodily injury" or "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1 of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the

"bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for "compensatory damages" because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

e. "Compensatory damages" because of "bodily injury" include "compensatory damages" claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions



Local Community General Liability Insurance Policy

This insurance does not apply to:

a. Expected or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay "compensatory damages" by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for "compensatory damages":

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable legal fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be "compensatory damages" because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such legal fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which "compensatory damages" to which this insurance applies are alleged.

c. Workers' Compensation and Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits

or unemployment or employment compensation law or any similar law.

d. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph 2. d. (1) above.

This exclusion applies:

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

This exclusion does not apply to:

- (a) Liability assumed by the insured under an "insured contract"; or
- (b) A claim made or an "action" brought by a Canadian resident "employee" on whose behalf contribution are made by or required to be made by you under the provisions of any Canadian provincial or territorial workers' compensation law, if cover or benefits have been denied by any Canadian Workers' Compensation Authority.

e. Aircraft or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or

Local Community General Liability Insurance Policy

entrustment to others by or on behalf of any insured of:

- (i) Any aircraft, air cushion vehicle or watercraft owned or operated by or rented or loaned to any insured; or
- (ii) Any premises for the purpose of an airport or aircraft landing area and all operations necessary or incidental thereto. Use includes operation and "loading or unloading". This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

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

f. Automobile

"Bodily injury" or "property damage" arising directly or indirectly, in whole or in part, out of the ownership, maintenance, use or entrustment to others of any "automobile" owned or operated by or on behalf of or rented or loaned to any insured. Use includes operation and "loading or unloading". This

exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury" or "property damage". This exclusion applies to any motorized snow vehicle or its trailers and any vehicle while being used in any speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity. This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any "automobile" that is owned or operated by or rented or loaned to any insured. This exclusion does not apply to:

- (1) "Bodily injury" to an "employee" of the insured on whose behalf contributions are made by or required to be made by the insured under the provisions of any Canadian provincial or territorial workers' compensation law.
- (2) "Bodily injury" or "property damage" arising out of a defective condition in, or improper maintenance of, any "automobile" owned by the Insured while leased to others for a period of 30 days or more provided the lessee is obligated under contract to ensure that the "automobile" is insured.
- (3) the ownership, use or operation of machinery, apparatus or equipment mounted on or attached to any vehicle while at the site of the use or operation of such equipment, but this exception does not apply when such equipment is used for the purpose of "loading or unloading".

g. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property



Local Community General Liability Insurance Policy

for any reason, including prevention of injury to a person or damage to another's property;

- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in your care, custody or control;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it. Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you. Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement. Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

h. Damage To Your Product

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

i. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard". This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

j. Damage To Impaired Property or Property Not Physically Injured

"Property damage" to "Impaired Property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms. This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

k. Recall of Products, Work or Impaired Property

"Compensatory damages" claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property"; if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

l. Electronic Data

"Compensatory damages" arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

m. Personal and Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

n. Professional Services

"Bodily injury" (other than "incidental medical malpractice injury"), or "property damage" due



Local Community General Liability Insurance Policy

to the rendering of or failure to render by you or on your behalf of any "professional services" for others, or any error or omission, malpractice or mistake in providing those services but this exclusion does not apply to "bodily injury" or "property damage" arising from the actions of coaches, instructors or trainers, either paid or unpaid.

o. Abuse

- (1) Claims or "actions" arising directly or indirectly from "abuse" committed or alleged to have been committed by an insured, including the transmission of disease arising out of any act of "abuse".
- (2) Claims or "actions" based on your practices of "employee" hiring, acceptance of "volunteer workers" or supervision or retention of any person alleged to have committed "abuse".
- (3) Claims or "actions" alleging knowledge by an insured of, or failure to report, the alleged "abuse" to the appropriate authority (ies).

p. Injury or Property Damage to Participants

"Bodily injury" or "property damage" caused by or arising out of the participation of such person or his/her property in any game, match, race, practice, trial, or other sporting activity (including but not limited to swimming, gymnastics, health and fitness activities) but this exclusion does not apply to "bodily injury" or "property damage" caused by or arising out of your negligence as a property owner or lessee or occupier or manager of the premises or facility.

q. Asbestos – see Common Exclusions

r. Fungi or Spores – see Common Exclusions

s. Nuclear– see Common Exclusions

t. Pollution – see Common Exclusions

u. Terrorism – see Common Exclusions

v. War Risks – see Common Exclusions

COVERAGE B. PERSONAL and ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as "compensatory damages" because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "action" seeking those "compensatory damages". However, we will have no duty to defend the insured against any "action" seeking "compensatory damages" for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "action" that may result.

But:

- (1) The amount we will pay for "compensatory damages" is limited as described in Section III – Limits Of Insurance; and
 - (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical expenses under Coverage C. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A, B and D.
- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.



Local Community General Liability Insurance Policy

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for "compensatory damages" that the insured would have in the absence of the contract or agreement.

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

g. Quality Or Performance Of Goods – Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Infringement Of Copyright, Patent, Trademark or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Insureds In Media and Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web-sites for others; or
- (3) An Internet search, access, content or service provider. However, this exclusion does not apply to Paragraphs 21. a, b. and c. of "personal and advertising injury" under the **Definitions Section**. For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name



Local Community General Liability Insurance Policy

or metatag, or any other similar tactics to mislead another's potential customers.

m. Asbestos – see Common Exclusions

n. Fungi or Spores – see Common Exclusions

o. Nuclear– see Common Exclusions

p. Pollution – see Common Exclusions

q. Terrorism – see Common Exclusions

r. War Risks – see Common Exclusions

(3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers Compensation and Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

COVERAGE C. MEDICAL PAYMENTS

1. Insuring Agreement

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

(1) On premises you own or rent;

(2) On ways next to premises you own or rent; or

(3) Because of your operations; provided that:

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

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance as described in Section III- Limits of Insurance. We will pay expenses for:

- (1)** First aid administered at the time of an accident;
- (2)** Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and

COVERAGE D. TENANTS' LEGAL LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as "compensatory damages" because of "property damage" to which this insurance applies. This insurance applies only to "property damage" to



Local Community General Liability Insurance Policy

premises of others rented to you or occupied by you. We will have the right and duty to defend the insured against any "action" seeking those "compensatory damages". However, we will have no duty to defend the insured against any "action" seeking "compensatory damages" for "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "action" that may result. But:

(1) The amount we will pay for "compensatory damages" is limited as described in Section III – Limits Of Insurance; and

(2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical expenses under Coverage C. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A, B and D.

b. This insurance applies to "property damage" only if:

(1) The "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

(2) The "property damage" occurs during the policy period; and

(3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period that the "property damage" occurred, then any continuation, change or resumption of such "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

c. "Property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured

listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "property damage" after the end of the policy period.

d. "Property damage" will deemed to have been known to occur at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1)** Reports all, or any part, of the "property damage" to us or any other insurer;
- (2)** Receives a written or verbal demand or claim for "compensatory damages" because of the "property damage"; or
- (3)** Becomes aware by any other means that "property damage" has occurred or has begun to occur.

2. Exclusions

This insurance does not apply to:

a. Expected or Intended Injury

"Property damage" expected or intended from the standpoint of the insured.

b. Contractual Liability

"Property damage" for which the insured is obligated to pay "compensatory damages" by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for "compensatory damages":

- (1)** That the insured would have in the absence of the contract or agreement; or
- (2)** Assumed in a contract or agreement that is an "insured contract", provided the "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable legal fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be "compensatory

Local Community General Liability Insurance Policy

damages" because of "property damage", provided:

(a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and

(b) Such legal fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which "compensatory damages" to which this insurance applies are alleged.

c. Asbestos – see Common Exclusions

d. Fungi or Spores – see Common Exclusions

e. Nuclear– see Common Exclusions

f. Pollution – see Common Exclusions

g. Terrorism – see Common Exclusions

h. War Risks – see Common Exclusions

COMMON EXCLUSIONS – COVERAGES A, B, C and D

This insurance does not apply to:

1. Asbestos

This policy excludes all liability from asbestos however arising under this policy including without limitation any extensions to this policy which is directly or indirectly caused by or alleged to be caused by or contributed to in whole or in part by or arising out of the manufacture of, mining of, use of, sale of, installation of, survey or investigation of, management of, removal of, distribution of, existence of or exposure to asbestos products, asbestos fibres or asbestos dust, or property or materials containing any of the foregoing, including without limitation all liability to pay claimants' or the insured's legal costs and expenses or any other costs and expenses, however incurred in the investigation, defence and/or settlement of any claim against an insured or in respect of any other inquest,

inquiry, enforcement action, or proceedings in which the insured may be involved in relation to any of the foregoing.

2. Fungi or Spores

a. "Bodily injury", "property damage" or "personal and advertising injury" or any other cost, loss or expense incurred by others, arising directly or indirectly from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any "fungi" or "spores" however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of "fungi" or "spores";

b. Any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with a. above; or

c. Any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in a. or b. above. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

3. Nuclear Energy Liability

a. Liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof;

b. "Bodily injury", "property damage" or "personal and advertising injury" with respect to which an insured under this policy is also insured under a contract of nuclear energy liability insurance (whether the insured is unnamed in such contract and whether or not it is legally enforceable by the insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an insured under any such policy but

Local Community General Liability Insurance Policy

for its termination upon exhaustion of its limit of liability;

- c. "Bodily injury", "property damage" or "personal and advertising injury" resulting directly or indirectly from the "nuclear energy hazard" arising from:
- 1) The ownership, maintenance, operation or use of a "nuclear facility" by or on behalf of an insured;
 - 2) the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility";
 - 3) the possession, consumption, use, handling, disposal or transportation of "fissionable substances", or of other "radioactive material" (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be useable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an insured. This exclusion applies regardless of any other contributing or aggravating cause or event that contribute concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

4. Pollution

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":
- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapour or soot from equipment used to heat, cool or dehumidify the building, or equipment that is used to

heat water for personal use, by the building's occupants or their guests;

- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible;
 - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or

Local Community General Liability Insurance Policy

mechanical functions necessary for the operation of mobile equipment or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor; or

- (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapours from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(b) Claim or "action" by or on behalf of a governmental authority for "compensatory

damages" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this Section (2) does not apply to liability for "compensatory damages" because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "action" by or on behalf of a governmental authority.

5. Terrorism

"Bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly, in whole or in part, out of "terrorism" or out of any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism". This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

6. Toxic Mould

All loss, cost or expense directly or indirectly arising out of, resulting from or in any manner related to Fungal Pathogens or Bacteria whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss.

"Fungal Pathogens" as utilized herein, shall mean any fungus or mycota or any by-product or type of infestation produced by such fungus or mycota, including but not limited to, mould, mildew, mycotoxins, spores or any biogenic aerosols.

7. War Risks

"Bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly, in whole or in part, out of war, invasion, act of foreign enemy, hostilities (whether war be declared or not),



Local Community General Liability Insurance Policy

civil war, rebellion, revolution, insurrection or military power. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

SUPPLEMENTARY PAYMENTS – COVERAGES A, B and D

1. We will pay, with respect to any claim we investigate or settle, or any "action" against an insured we defend:

- a. All expenses we incur.
- b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- c. All reasonable expenses you incur at our request to assist us in the investigation or defense of the claim or "action", including actual loss of earnings up to \$250 a day because of time off from work.
- d. All costs assessed or awarded against you in the "action".
- e. Any interest accruing after entry of judgment upon that part of the judgment which is within the applicable limit of insurance and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance. These payments will not reduce the limits of insurance.

2. If we defend an insured against an "action" and an indemnitee of the insured is also named as a party to the "action", we will defend that indemnitee if all of the following conditions are met:

- a. The "action" against the indemnitee seeks "compensatory damages" for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";

b. This insurance applies to such liability assumed by the insured;

c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";

d. The allegations in the "action" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "action" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

f. The indemnitee:

1) Agrees in writing to:

- (a) Cooperate with us in the investigation, settlement or defense of the "action";
- (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "action";
- (c) Notify any other insurer whose coverage is available to the indemnitee; and
- (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

- (a) Obtain records and other information related to the "action"; and
- (b) Conduct and control the defense of the indemnitee in such "action".

So long as the above conditions are met, legal fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee



Local Community General Liability Insurance Policy

at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b. (2) of Section I – Coverage A – Bodily Injury and Property Damage Liability, such payments will not be deemed to be "compensatory damages" for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for legal fees and necessary litigation expenses as

Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership, limited liability partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, limited liability partnership, joint venture or limited liability company, you are an insured. Any Directors, Executive Officers, Employees, partners or shareholders, Committee Members, Office Holders, Managers, Coaches or Trainer employees of You or of the parties designated in paragraph 1 are also insureds but only while acting within the scope of their duties in such capacity.

It is further understood and agreed that the above definition of Who is an Insured shall also extend to the SPF 6 – Non-Owned Automobile coverage included in the policy.

- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, limited liability partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership, limited liability partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1) (a) above;
- (c) For which there is any obligation to share "compensatory damages" with or repay someone else who must pay "compensatory damages" because of the



Local Community General Liability Insurance Policy

injury described in Paragraphs (1)(a) or (b) above;

(d) Arising out of his or her providing or failing to provide professional health care services; or

(e) To any person who at the time of injury is entitled to benefits under any workers' compensation or disability benefits law or a similar law.

(2) "Property damage" to property:

(a) Owned, occupied or used by,

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership, limited liability partnership or joint venture), or any member (if you are a limited liability company).

b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

(3) Any organization you newly acquire or form, other than a partnership, limited liability partnership or joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

b. Coverage A and D does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and

c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

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

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

a. Insureds;

b. Claims made or "actions" brought; or

c. Persons or organizations making claims or bringing "actions".

2. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for "compensatory damages" because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

3. Subject to 2. above, the Each Occurrence Limit is the most we will pay for the sum of:

a. "Compensatory damages" under Coverage A; and



Local Community General Liability Insurance Policy

b. Medical expenses under Coverage C because of all "bodily injury" and "property damage" arising out of any one "occurrence".

4. The Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all "compensatory damages" because of all "personal and advertising injury" sustained by any one person or organization.

5. The Tenants' Legal Liability Limit is the most we will pay under Coverage D for "compensatory damages" because of "property damage" to any one premises.

6. Subject to 3. above, the Medical Expense Limits are the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person and in the aggregate for any one accident.

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

7. Deductible

a. Our obligation under Property Damage Liability and Tenants' Legal Liability to pay "compensatory damages" on your behalf applies only to the amount of "compensatory damages" in excess of any deductible amounts stated in the Declarations as applicable to such coverages, and the limits of insurance applicable to each "occurrence" for Property Damage Liability and any one premises for Tenants' Legal Liability will be reduced by the amount of such deductible.

b. The deductible amount applies as follows:

1) Under Coverage A: To all "compensatory damages" because of "property damage" as the result of any one "occurrence",

regardless of the number of persons or organizations who sustain "compensatory damages" because of that "occurrence".

2) Under Coverage D, Tenants' Legal Liability: To all "compensatory damages" because of "property damage" as the result of any one "occurrence", regardless of the number of persons or organizations who sustain "compensatory damages" because of that "occurrence".

c. The terms of this insurance, including those in respect to:

- 1) our right and duty to defend any "action" seeking those "compensatory damages"; and
- 2) your duties in the event of an "occurrence", claim or "action" apply irrespective of the application of the deductible amount.

d. We may pay any part or all of the deductible amount to effect settlement of any claim or "action" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

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

2. Canadian Currency Clause

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

3. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.



Local Community General Liability Insurance Policy

4. Duties In The Event Of Occurrence, Offense, Claim or Action

a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "action" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "action" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "action" as soon as practicable.

c. You and any other involved insured must:

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

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

5. Examination Of Your Books and Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

6. Inspections and Surveys

1. We have the right to:

- a. Make inspections and surveys at any time;
- b. Give you reports on the conditions we find; and
- c. Recommend changes.

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

- a. Are safe or healthful; or
- b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under provincial or municipal statutes, ordinances, bylaws or regulations, of boilers, pressure vessels or elevators.

7. Legal Action Against Us

No person or organization has a right under this policy:



Local Community General Liability Insurance Policy

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

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for "compensatory damages" that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

8. Other Insurance

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

a. Primary Insurance

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

b. Excess Insurance

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (c) If the loss arises out of the maintenance or use of watercraft or "automobile" to the extent not subject to either Exclusion e. or f. of Section I – Coverage A – Bodily Injury and Property Damage Liability.

- (2) Any other primary insurance available to you covering liability for "compensatory damages" arising out of the premises or operations or products-completed operations for which you have been added as an additional insured by attachment of an endorsement.

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

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

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

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

c. Method Of Sharing

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

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



Local Community General Liability Insurance Policy

9. Premium Audit

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

10. Premiums

The first Named Insured shown in the Declarations:

- a. Is responsible for the payment of all premiums; and
- b. Will be the payee for any return premiums we pay.

11. Representations

By accepting this policy, you agree:

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

12. Separation Of Insureds, Cross Liability

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in

this policy to the first Named Insured, this insurance applies:

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

13. Termination

- a. The first Named Insured shown in the Declarations may terminate this policy by mailing or delivering to us advance written notice of termination.
- b. We may terminate this policy by mailing or delivering to the first Named Insured written notice of termination at least:
 - 1) 15 days before the effective date of termination if we terminate for nonpayment of premium; or
 - 2) 60 days before the effective date of termination if we terminate for any other reason (Except in Quebec). If notice is mailed, termination takes effect 15 or 60 days after receipt of the letter by the post office to which it is addressed, depending upon the reason for termination. Proof of mailing will be sufficient proof of notice. In Quebec, termination takes effect either 15 or 60 days after receipt of the notice at the last known address of the first Named Insured, depending upon the reason for termination.
- c. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- d. The policy period will end on the date termination takes effect.
- e. If this policy is terminated, we will send the first Named Insured any premium refund due. If we terminate, the refund will be pro rata. If the first Named Insured terminates, the refund may be less than pro rata. The termination will be effective even if we have not made or offered a refund.



Local Community General Liability Insurance Policy

14. Transfer Of Rights Of Recovery Against Others To Us

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

15. Transfer Of Your Rights and Duties Under This Policy

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

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

16. Ultimate Net Loss

The term "net loss" shall mean the sum actually paid by the insured in settlement of losses or liability after making deductions for all recoveries, all salvages and all claims upon other insurances whether collected or not and shall include all adjustment expenses arising from the settlement of claims other than the salaries of employees and the office expenses of the insured.

All salvages, recoveries or payments recovered or received subsequent to a loss settlement under this policy shall be applied as if recovered or received prior to the aforesaid settlement and all necessary adjustments shall be made by the parties hereto. Provided always that nothing in this clause shall be construed to mean that losses under this policy are not recoverable until the insured's ultimate net loss has been ascertained.

SECTION V – DEFINITIONS

1. "Abuse" means any act or threat involving molestation, harassment, corporal punishment or any other form of physical, sexual or mental abuse.
2. "Action" means a civil proceeding in which "compensatory damages" because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Action" includes:
 - a. An arbitration proceeding in which such "compensatory damages" are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such "compensatory damages" are claimed and to which the insured submits with our consent.
3. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
4. "Automobile" means a land motor vehicle, trailer or semi trailer that is required by law to be insured under a contract evidenced by a motor vehicle liability policy, or any vehicle insured under such a contract, including any attached machinery or equipment.
5. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

Local Community General Liability Insurance Policy

- 6. "Compensatory damages"** means damages due or awarded in payment for actual injury or economic loss. "Compensatory damages" does not include punitive or exemplary damages or the multiple portion of any multiplied damage award.
- 7. "Coverage territory"** means:
- a. Canada and the United States of America (including its territories and possessions).
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in a. above;
 - (2) The activities of an insured person whose home is in the territory described in a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication provided the insured's responsibility to pay "compensatory damages" is determined in an "action" on the merits, in the territory described in a. above or in a settlement we agree to.
- 8. "Employee"** includes a **"leased worker"** and a **"temporary worker"**.
- 9. "Executive officer"** means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
- 10. "Fissionable substance"** means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
- 11. "Fungi"** includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "fungi" or "spores" or resultant mycotoxins, allergens or pathogens.
- 12. "Hostile fire"** means one which becomes uncontrollable or breaks out from where it was intended to be.
- 13. "Impaired property"** means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement if such property can be restored to use by:
 - (i) The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - (ii) Your fulfilling the terms of the contract or agreement.
- 14. "Incidental medical malpractice injury"** means "bodily injury" arising out of the rendering of or failure to render, during the Policy Period, the following services:
- i) Medical, surgical, dental, x-ray or nursing services or treatment or the furnishing of food or beverages in connection therewith; or
 - ii) the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances; by any insured or any indemnitee causing the "incidental medical malpractice injury" who is not engaged in the business or occupation of providing any of the services described in i) and ii) above but not excluding Medical Persons employed by you to provide first aid and other medical services on Your premises.
- It is further understood and agreed that the Incidental Medical Malpractice Liability limit stated in the Policy Declarations is the most we will pay during the policy period for the sum of all "compensatory damages" under Coverage A for



Local Community General Liability Insurance Policy

"bodily injury" losses arising from "Incidental Medical Malpractice Injury".

15. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
- d. Any other easement agreement;
- e. An obligation, as required by ordinance or bylaw, to indemnify a municipality, except in connection with work for a municipality;
- f. An elevator maintenance agreement;
- g. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "compensatory damages" because of "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement. Paragraph g. does not include that part of any contract or agreement:

(1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

- a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders,

change orders or drawings and specifications; or

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render "professional services", including those listed in (1) above and supervisory, inspection, architectural or engineering activities.

16. "Leased worker" means a person leased to you by a labour leasing firm under an agreement between you and the labour leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

17. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "automobile";
- b. While it is in or on an aircraft, watercraft or "automobile"; or
- c. While it is being moved from an aircraft, watercraft or "automobile" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "automobile".

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

19. "Nuclear facility" means:

- a) Any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of



Local Community General Liability Insurance Policy

plutonium, thorium and uranium or any one or more of them;

- b)** Any equipment or device designed or used for
- (i)** Separating the isotopes of plutonium, thorium and uranium or any one or more of them,
 - (ii)** Processing or packaging waste;

c) any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

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

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

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

21. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a.** False arrest, detention or imprisonment;
- b.** Malicious prosecution;
- c.** The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises

that a person occupies, committed by or on behalf of its owner, landlord or lessor;

- d.** Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e.** Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f.** The use of another's advertising idea in your "advertisement"; or
- g.** Infringing upon another's copyright, trade dress or slogan in your "advertisement".

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

23. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1)** Products that are still in your physical possession; or
- (2)** Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a)** When all of the work called for in your contract has been completed.
 - (b)** When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c)** When that part of the work done at a job site has been put to its intended use by any person or organization other than another

Local Community General Liability Insurance Policy

contractor or subcontractor working on the same project.

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

b. Does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or

(2) The existence of tools, uninstalled equipment or abandoned or unused materials.

24. "Professional services" shall include but not be limited to:

- a.** Medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection therewith;
- b.** Any professional service or treatment conducive to health;
- c.** Professional services of a pharmacist;
- d.** The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
- e.** The handling or treatment of deceased human bodies including autopsies, organ donations or other procedures;
- f.** Any cosmetic, body piercing, tansorial, massage, physiotherapy, chiropody, hearing aid, optical or optometrical services or treatments;
- g.** The preparation or approval of maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications;

h. Supervisory, inspection, architectural, design or engineering services;

i. Accountant's, advertiser's, notary's (Quebec), public notary's, paralegal's, lawyer's, real estate broker's or agent's, insurance broker's or agent's, travel agent's, financial institution's, or consultant's professional advices or activities;

j. Any computer programming or re-programming, consulting, advisory or related services; or

k. Claim, investigation, adjustment, appraisal, survey or audit services.

25. "Property damage" means:

- a.** Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b.** Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property. As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

26. "Radioactive material" means:

uranium, thorium, plutonium, neptunium, their respective derivatives and com-pounds, radioactive isotopes of other elements and any other substances which may be designated by any nuclear liability act, law or statute, or any law amendatory thereof, as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy;

Local Community General Liability Insurance Policy

27. "Spores" includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".

28. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

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

30. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

31. "Your product":

a. Means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

32. "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and

(2) The providing of or failure to provide warnings or instructions.

SPF. NO. 6 – NON- OWNED AUTOMOBILE INSURANCE

(ALL PROVINCES EXCEPT QUEBEC)

In consideration of the payment of the premium and of the statements contained in the application on file with the Insurer and subject to the limits, terms, conditions, provisions, definitions, and exclusions herein stated.

INSURING AGREEMENTS

Section A - Third Party Liability

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



Local Community General Liability Insurance Policy

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

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

- a. for any liability which arises from the use or operation of any automobile while personally driven by the Insured if the Insured is an individual; or
- b. for any liability imposed upon any person insured by this endorsement:
 - i. by any workers compensation law; or,
 - ii. by any law or bodily injury to or the death of the Insured or any ;partner, officer or employee of the Insured while engaged in the business of the Insured; or
- c. for any liability assumed by any person insured by this endorsement voluntarily under any contract or agreement, but this exclusion does not apply to that part of any contract or agreement pertaining to the business of the Insured under which the Insured assumes tort liability of another to pay compensatory damages because of the bodily injury or property damage to a third person or organization, if the contract or agreement is made prior to the bodily injury or property damage. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement; or
- d. for loss or damage to property carried in or upon an automobile personally drive by any person insured by this endorsement or to any property owned or rented by, or in the care, custody or control of any such person; or
- e. for any amount in excess of the limit stated on the Schedule of Coverage for Non-Owned Automobile, and expenditures provided for in the Additional Agreements of Insurer, as set out below; subject always to the provisions of the Section of The Insurance Act(Automobile Insurance Part) relating to the nuclear energy hazard.

Paragraph b. of this section is not applicable in the Province of Ontario.

ADDITIONAL AGREEMENTS OF THE INSURER

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

- a. upon receipt of notice of loss or damage caused to persons or property to serve any person insured by this endorsement by such investigation thereof, or by such negotiations with the claimant, or by such settlement of any resulting claims, as may be deemed expedient by the Insurer; and
- b. to defend in the name and on behalf of any person insured by this endorsement and at the cost of the Insurer any civil action which may at any time be brought against such person on account of such loss or damage to persons or property; and
- c. to pay all costs taxed against any person insured by this endorsement in any civil action defended by the Insurer and any interest accruing after entry of judgment upon that part of the judgment which is within the limits of the Insurer's liability ; and
- d. in case the injury be to a person, reimburse any person insured by this endorsement for outlay for such medical aid as may be immediately necessary at the time of such injury; and
- e. be liable up to the minimum limit(s) prescribed for that Province or Territory of Canada in which the accident occurred, if that limit(s) is higher than the limit stated on the Schedule of Coverage for Non-Owned automobile; and
- f. not set up any defense to a claim that might not be set up if the endorsement were a motor vehicle liability policy issued in the Province or Territory of Canada in which the accident occurred.

AGREEMENTS OF INSURED

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

- a. by the acceptance of this endorsement, constitutes and appoints the Insurer his irrevocable attorney to appear and defend in any Province or Territory of Canada in



Local Community General Liability Insurance Policy

which action is brought against the Insured arising out of the use or operation of an automobile with respect to which insurance is provided hereunder;

- b. shall reimburse the Insurer, upon demand, in the amount which the Insurer has paid by reason of the Provisions of any statute relating to automobile insurance and which the Insurer would not otherwise be liable to pay under this endorsement.

GENERAL PROVISIONS AND DEFINITIONS

1. Additional Insured's:

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

- i. In the business of the Insured stated on the Declaration page, any automobile not owned in whole or in part by or licensed in the name of:
 - a. The Insured, or
 - b. Such additional Insured person, or
 - c. Any person or persons residing in the same dwelling premises as the Insured or such additional Insured person, or
- ii. Any automobile hired or leased in the name of the Insured except any automobile owned in whole or in part or licensed in the name of such additional Insured Person.

2. Territory:

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

3. Hired Automobiles Defined:

The term "Hired Automobiles" as used in this endorsement means automobiles hired or leased from others with or without drivers, for periods not exceeding 30 days, used under the control of the

Insured in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

4. Automobiles Operated Under Contract Defined:

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

5. Two or More Automobiles;

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

6. Premium Adjustment:

An estimated premium for this endorsement has been used as a factor in the computation of the advance premium shown on the Declaration page. The actual premium for the insurance afforded by this endorsement determined in accordance with the Insurer's rules, rates, rating plans, premium and minimum premiums applicable to this insurance shall be included as a factor in the computation of the earned premium for Commercial General Liability.

7. Representation:

- Where,
- (1) an applicant for a contract gives false particulars of the described automobile to be insured to the prejudice of the Insurer, or knowingly misrepresents or fails to



Local Community General Liability Insurance Policy

disclose in the application any fact required to be stated therein; or

- (2) the Insured contravenes a term of the contract or commits a fraud; or
- (3) the Insured willfully makes a false statement in respect of a claim under the contract, a claim by the Insured is invalid and the right of the Insured to recover indemnity is forfeited.

8. Waiver of Term or Condition:

No term or condition of this form shall be deemed to be waived by this Insurer in whole or in part unless the waiver is clearly expressed in writing by a person authorized for that purpose by the Insurer. Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of this form by any act relating to the appraisal of the amount of loss or to the delivery and completion of proofs, or the investigation or adjustment of any claim under this form.

STATUTORY CONDITIONS

1. Material Change in Risk

- a. The insured named in this contract shall promptly notify the Insurer or its local agent in writing of any change in the risk material to the contract and within his knowledge.
- b. Without restricting the generality of the foregoing, the words "change in the risk material to the contract" include:
 - i. Any change in the insurable interest of the insured named in this contract in the automobile by sale, assignment or otherwise, except through change of title by succession, death or proceeding under the Bankruptcy Act (Canada).
 - ii. Any mortgage, lien or encumbrance affecting the automobile after the application for the contract;
 - iii. Any other insurance of the same interest, whether valid or not covering loss or damage insured by this contract or any portion thereof.

2. Prohibited Use by the Insured

This insured shall not drive or operate the automobile,

- i. Unless he is for the time being either authorized by law or qualified to drive or operate the automobile; or
- ii. While his license to drive or operate an automobile is suspended or while his right to obtain a license is suspended or while he is prohibited under order of any court from driving or operating an automobile; or
- iii. While he is under the age of sixteen years or under such other age as is prescribed by the law of the province in which a license or permit to drive an automobile may be issued to him; or
- iv. For any illicit or prohibited trade or transportation; or
- v. In any race or speed test.

Prohibited Use by Others

The Insured shall not permit, suffer, allow or connive at the use of the automobile, by any person,

1. Unless that person is for the time being either authorized by law or qualified to drive or operate the automobile; or
2. While that person is under the age of sixteen years or under such other age as is prescribed by the law of the province in which he resides at the time this contract is made as being the minimum age at which a license or permit to drive an automobile may be issued to him; or
3. By any person who is a member of the household of the Insured while his license to drive or operate an automobile is suspended or while his right to obtain a license is suspended or while he is prohibited under order of any court from driving or operating an automobile; or
4. For any illicit or prohibited trade or transportation; or
5. In any race or speed test.

3. Requirements Where Loss or Damage to Persons or Property



Local Community General Liability Insurance Policy

a. The insured shall,

- (i) Promptly give the Insurer written notice, with all available particulars, of any accident involving loss or damage to persons or property and of any claim made on account of the accident;
- (ii) Verify by statutory declaration, if required by the Insurer, that the claim arose out of the use or operation of the automobile and that the person operating or responsible for the operation of the automobile at the time of the accident is a person insured under this contract; and

b. The insured shall not,

- (a) Voluntarily assume any liability or settle any claim except at his own cost, or
- (b) Interfere in any negotiations for settlement or in any legal proceeding.

c. The Insured shall, whenever requested by the Insurer, aid in securing information and evidence and the attendance of any witness and shall co-operate with the Insurer, except in a pecuniary way, in the defence of any action or in the prosecution of any appeal.

4. Requirements Where Loss or Damage to Automobile

a. Where loss of or damage to the automobile occurs, the insured shall, if the loss or damage is covered by this contract,

- i. Promptly give notice thereof in writing to the Insurer with the fullest of information obtainable at the time;
- ii. At the expense of the Insurer, and as far as reasonably possible, protect the automobile from further loss or damage; and
- iii. Deliver to the insurer within ninety days after the date of the loss or damage a statutory declaration stating, to the best of his knowledge and belief, the place, time, cause and amount of the loss or damage, the interest of the insured and of

all others therein, the encumbrances thereon, all other insurance, whether valid or not, covering the automobile and that the loss or damage did not occur through any willful act or neglect procurement, means or connivance of the insured.

b. Any further loss or damage accruing to the automobile directly or indirectly from a failure to protect it as required under sub condition a. of this condition is not recoverable under this contract.

c. No repairs, other than those that are immediately necessary for the protection of the automobile from further loss or damage, shall be undertaken and no physical evidence of the loss or damage shall be removed;

i Without the written consent of the Insurer; or

ii Until the Insurer has had a reasonable time to make the examination for which provision is made in subsection d. of Statutory Condition 4.

Examination of Insured

d. The Insured shall submit to examination under oath, and shall produce for examination at such reasonable place and time as is designated by the insurer or its representative all documents in his/her possession or control that relate to the matters in question, and he/she shall permit extracts and copies thereof to be made.

Insurer Liable for Cash Value of Automobile

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



Local Community General Liability Insurance Policy

of loss or damage, not exceeding the maker's latest list price.

Repair or Replacement

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

No Abandonment (Salvage)

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

In Case of Disagreement

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

5. Inspection of Automobile

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

6. Time and Manner of Payment of Insurance Money

- a. The Insurer shall pay the insurance money for which it is liable under this contract within sixty days after the proof of loss has been

received by it or, where an appraisal is made under sub condition h. of Statutory Condition 4, within fifteen days after the award is rendered by the appraisers.

When Action may be brought

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

Limitation of Actions

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

Note: In Yukon Territory, Northwest Territories and New Brunswick, the one year limitation period in sub condition c. should read "2 Years". In the case of Nova Scotia and Newfoundland sub condition c. should read as follows: "c. Every action or proceeding under this contract against the Insurer in respect of a claim for indemnification for liability of the Insured for loss or damage to property of another person or for personal injury to or death of another person shall be commenced within two years after the liability of the Insured is established by a court of competent jurisdiction and not afterwards. Every other action or proceeding against the Insurer under this contract in respect of loss or damage to the automobile shall be commenced within two years from the time the loss was sustained and not afterwards."

7. Who May Give Notice and Proofs of Claim



Local Community General Liability Insurance Policy

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

registered letter at the post office to which it is addressed.

8. Termination

- a. This contract may be terminated:
 - i. By the Insurer giving to the Insured sixty days' notice of termination by registered mail.
 - ii. By the Insured at any time.
- b. Where this contract is terminated by the Insurer:
 - i. 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
 - ii. The refund shall accompany the notice unless the premium is subject to adjustment or determination as to the amount, in which case the refund shall be made as soon as practicable.
- c. Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
- d. The refund may be made by money, postal or express company money order or cheque payable at par.
- e. The sixty days mentioned in clause i. of sub condition a. of this condition commences to run on the day following the receipt of the

9. Notice

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

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

SEF. NO. 94 – LEGAL LIABILITY FOR DAMAGE TO HIRED AUTOMOBILES

The Insurer agrees to indemnify the Insured against the liability imposed by law upon the Insured or assumed by him/her under a contract or agreement for loss or damage arising from care, custody or control of automobiles and resulting from loss or damage thereto, caused by any peril not specifically excluded herein.

EXCLUDED

The Insurer shall not be liable:

1. for loss or damage to any automobile while personally driven by the Insured if the Insured is an individual; or
2. for loss or damage:
 - a. to tires or consisting of or caused by mechanical fracture or breakdown of any part of an automobile or by rusting, corrosion, wear and tear, freezing or explosion within the combustion chamber, unless the loss or damage is coincident with other loss or damage caused by fire, theft or malicious mischief; or



Local Community General Liability Insurance Policy

- b. caused directly or indirectly by contamination by radioactive material; or
- c. to contents of trailers or to rugs or robes; or
- d. to tapes and equipment for use with a tape recorder when detached therefrom; or
- e. caused directly or indirectly by bombardment, invasion, civil war, insurrection, rebellion, revolution, military or usurped power, or by the operation of armed forces while engaged in hostilities whether war be declared or not; or
- f. for any amount in excess of the limit stated in the applicable subsection hereof and expenditures provided for in the Additional Agreements hereof and as set out in the Non-Owned Automobile Endorsement attached to this policy.

LIMITS OF INSURANCE

The Insurer shall not be liable for any amount in excess of the amount stated on the Declarations of Coverage Schedule Page for this endorsement (exclusive of interest and costs) for any one accident.

DEDUCTIBLE CLAUSE

Each occurrence causing loss or damage covered under this endorsement hereof except loss or damage caused by fire or lightning or theft of the entire automobile shall give rise to a separate claim in respect of which the insurer's liability shall be limited to the amount of loss or damage in excess of the amount stated on the Declarations of Coverage Schedule Page for this endorsement.

ADDITIONAL AGREEMENTS

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

SEF. NO. 96 - CONTRACTUAL LIABILITY

It is hereby understood and agreed that:

Exclusion c. of the Insuring Agreement of the SPF 6 to which this endorsement is attached is amended to read as follows:

- c. for any liability assumed by any person insured by this endorsement voluntarily under any contract or agreement other than those listed below:

All written contracts

SEF. NO. 99 – EXCLUDING LONG TERM LEASED VEHICLES

In consideration of the premium for which this policy is issued, it is understood and agreed that Item 3 (Hired Automobiles Defined) of General Provisions and Definitions of the SPF 6 to which this endorsement is attached is hereby amended to read as follows:

- 3. The term "Hired Automobiles" as used in this endorsement means,
 - a. automobiles hired or leased from others with drivers, or
 - b. hired or leased by the named Insured from others without driver for periods not exceeding 30 days, used under the control of the Insured in the business stated in the Declarations but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.
 - c. With respect to b. above this endorsement does not apply to vehicles owned by Contractors and utilized by the Insured for Winter Maintenance.



Local Community General Liability Insurance Policy

ENDORSEMENT – USA JURISDICTION

Notwithstanding anything contained in this Policy to the contrary, it is hereby understood and agreed that with respect to any indemnification provided under the Policy for legal liability against the Insured to pay damages in respect of any judgement, award or settlement made within the jurisdiction of the United States of America, the following additional condition applies:

The Limits of Liability stated in the Policy Declarations are inclusive of the costs expenses, legal expenses and charges for which the Insurer in accordance with the terms and conditions of the Policy would otherwise be liable.

It is further understood and agreed that, regardless of any other provision of this insurance, this insurance does not apply to punitive or exemplary damages.

EXCEPT AS OTHERWISE PROVIDED IN THIS ENDORSEMENT, ALL LIMITS, TERMS, CONDITIONS, PROVISIONS, DEFINITIONS AND EXCLUSIONS OF THE POLICY SHALL HAVE FULL FORCE AND EFFECT.



Local Community General Liability Insurance Policy

ENDORSEMENT – FIRE FIGHTING EXPENSE LIABILITY

It is agreed that Section I - Coverage A. Bodily Injury and Property Damage Liability, is extended to include all sums for forest fire fighting expenses which you shall become obligated to pay by reason of liability imposed upon you by law.

It is further understood and agreed that:

(a) Coverage granted herein shall not extend to cover:

- (i) any of your fire fighting expenses or that of your employees or agents, whether such payment is made directly by you or made by any other person, corporation or Government of any Province or the Government of Canada;
- (ii) any fire fighting expenses of contractors or sub-contractors engaged by you at the time loss first occurs;
- (iii) any expenses for which you are liable by reason of failure to comply with any Provincial Forest Fire Prevention Act or any equivalent legislation in effect in Canada;
- (iv) any fines or penalties, for which you are liable by reason of failure to comply with any statute, permit, rule or regulation;
- (v) liability assumed by you under any contract or agreement, except your liability that would have existed in the absence of such contact or agreement;
- (vi) any action brought against any of the Insureds by any other Insured or Insureds under this Policy with respect to the recovery of fire fighting expenses;
- (vii) any fire fighting expenses of others on your behalf where more specific coverage has been purchased and is available to you.

(b) Each accident shall be subject to the deductible amount, if any, stated in the Declarations for this extension as Deductible amount.

(c) Coverage granted herein shall be limited to the amount, if any, stated in the Declarations for this extension as Limit of liability.

EXCEPT AS OTHERWISE PROVIDED IN THIS ENDORSEMENT, ALL LIMITS, TERMS, CONDITIONS, PROVISIONS, DEFINITIONS AND EXCLUSIONS OF THE POLICY SHALL HAVE FULL FORCE AND EFFECT.



Local Community General Liability Insurance Policy

ENDORSEMENT – SECURITY DEFAULT CANCELLATION CLAUSE

Notwithstanding anything contained in this Policy to the contrary, in the event of a “Default Event” occurring (as hereinafter described) in relation to any Insurer, the Insured shall have the right to give notice of cancellation to such Insurer in respect of their participation in this Policy. Such cancellation shall be effective as at the date of the Default Event or, at the sole discretion of the Insured (and always subject to any other cancellation date imposed by any relevant law or statute governing insolvency and liquidation generally in the country in which the Insurer has its place of incorporation or domicile), such date thereafter during the period of this Policy as the Insured may stipulate in its notice of cancellation. To be effective, any notice of cancellation by the Insured under this clause must be delivered in writing to the Insurer whose participation is being cancelled.

A “Default Event” shall be deemed to have occurred if an Insurer:

- (a) is placed into voluntary or involuntary liquidation, rehabilitation, bankruptcy, receivership, Chapter 11, administration or is dissolved or is the subject of any similar relief or state of affairs for the protection of some or all of the creditors of the Insurer or is the subject of any application, resolution or petition for or with a view to effecting any of the foregoing; or
- (b) has its Financial Strength Rating or its Financial performance Rating, as published by Standard & Poor’s or A M Best, downgraded below A- or A minus respectively.

In relation to a Lloyd’s syndicate, the published rating, as referenced in sub-paragraph (b) above, shall be that which applies to Lloyd’s as a whole, provided Lloyd’s continues to be rated as a single entity by Standard & Poor’s and A M Best.

Any insurer whose participation in this Policy is cancelled by the Insured in accordance with this Clause shall return to the Insured its share of unearned premium, which shall be calculated on a pro-rata daily basis. If the premium for this Policy is adjustable it is agreed that such adjustment will take place in accordance with the original terms of this Policy and, if applicable, the resultant additional or return premiums shall be applied pro-rata to the time such Insurer participated in this Policy.

It is further agreed that either party shall be entitled to off-set any monies which are owed by the other party as at the date of cancellation under this Policy.

As used in this Clause, “Insurer” means each insurance company, reinsurance company, Lloyd’s syndicate or other risk bearing entity subscribing to this contract. “Insured” may mean Insured under a contract of direct insurance or Reinsured under a contract of reinsurance, as the case may be.

Subscription Market Agreement

It is understood and agreed that in the event that the participation of one or more insurers is cancelled in accordance with the above provisions then the remaining insurers subscribing to this policy agree that their participation hereunder may be increased up to their original written line with effect from the date of such cancellation. The applicable additional premium will also be calculated on a pro-rata daily basis however it is understood that such additional premium is due and payable by the Insured and is not related to any return premium due to the Insured in accordance with the above.

EXCEPT AS OTHERWISE PROVIDED IN THIS ENDORSEMENT, ALL LIMITS, TERMS, CONDITIONS, PROVISIONS, DEFINITIONS AND EXCLUSIONS OF THE POLICY SHALL HAVE FULL FORCE AND EFFECT.



Local Community General Liability Insurance Policy

SERVICE OF SUIT CLAUSE (CANADA) (Action against Insurer)

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

EXCEPT AS OTHERWISE PROVIDED IN THIS ENDORSEMENT, ALL LIMITS, TERMS, CONDITIONS, PROVISIONS, DEFINITIONS AND EXCLUSIONS OF THE POLICY SHALL HAVE FULL FORCE AND EFFECT.



Local Community General Liability Insurance Policy

NOTICE CONCERNING PERSONAL INFORMATION

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

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

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

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



Local Community General Liability Insurance Policy

LLOYD'S

NOTICE TO INSUREDS – AVIS AUX ASSURÉS

Pursuant to the Freedom Of Information And Protection Of Privacy Act, 1987

Conformément à la Loi de 1987 sur l'accès à l'information et la protection de la vie privée

IMPORTANT

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

L'avis ci-dessous s'applique dans des contrats d'assurance (sauf automobile) couvrant la Responsabilité Civile dans toute province où ces contrats doivent faire l'objet de rapports statistiques à l'intention du Surintendant des assurances.

LEGAL AUTHORITY FOR COLLECTION

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

PRINCIPAL PURPOSE FOR WHICH PERSONAL INFORMATION IS INTENDED TO BE USED

Information collected by insurers from insureds or supplied to insurers pertaining to the attached document will be used:

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

THE PUBLIC OFFICIAL WHO CAN ANSWER QUESTIONS ABOUT THE COLLECTION IS:

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

Fax:

AUTORITÉ LÉGALE RELATIVE À LA COLLECTE

Loi sur les assurances, L.R.O. de 1990, chap.I.8, article 101(1).

PRINCIPAL OBJECTIF AUQUEL LES RENSEIGNEMENTS PERSONNELS DEVRAIENT SERVIR

Les renseignements recueillis auprès des assurés par les assureurs ou fournis aux assureurs en ce qui a trait au document ci-joint serviront:

- à accumuler des données statistiques globales qui serviront à surveiller les tendances de l'industrie de l'assurance ;
- à élaborer des tableaux statistiques qui serviront à suivre de près l'industrie de l'assurance ;
- à répondre aux demandes de renseignements statistiques spécifiques sur l'industrie de l'assurance ;
- à répondre aux demandes de renseignements statistiques adressées au Bureau du surintendant des assurances ;
- ces renseignements seront utilisés et divulgués à fins compatibles avec alinéas précédents.

LE FONCTIONNAIRE QUI EST EN MESURE DE RÉPONDRE AUX QUESTIONS CONCERNANT LA COLLECTE EST:

Chef des Services de statistiques
Commission des services financiers de l'Ontario
5160, rue Yonge, 17^e étage
C.P. 85
Téléphone : (416) 250-7250
NORTH YORK (Ontario) M2N 6L9
Télécopieur : (416) 590-7070



Local Community General Liability Insurance Policy

LLOYD'S UNDERWRITERS' POLICYHOLDERS' COMPLAINT PROTOCOL

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

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

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

Please forward your complaint to:

Lloyd's Underwriters

Attention: Complaints Officer:

1155 rue Metcalfe, Suite 2220, Montréal (Québec) H3B 2V6

Tel: 1-877-455-6937 - Fax: (514) 861-0470

E-mail: lineage@lloyds.ca

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

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

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

Toll free number: 1-877-225-0446

www.giocanada.org

For Quebec clients:

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

Toll Free: 1-877-525-0337

Québec: (418) 525-0337

Montréal: (514) 395-0311

www.lautorite.qc.ca



Local Community General Liability Insurance Policy

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

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

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

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

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

www.fcac-acfc.gc.ca

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Local Community General Liability Insurance Policy

INTENTION FOR AIF TO BIND CLAUSE

Whereas Lloyd's Underwriters have been granted an order to insure in Canada risks under the Insurance companies Act (Canada) and are registered in all provinces and territories in Canada to carry on insurance business under the laws of these jurisdictions or to transact insurance in these jurisdictions.

And whereas applicants for insurance coverage in respect of risks located in Canada and Canadian Cedants wish that Lloyd's insurance and reinsurance coverage be provided in a manner that requires Lloyd's Underwriters to vest assets in trust in respect of their risks pursuant to the Insurance Companies Act (Canada);

- a) This contract shall be in force and shall be the governing contract pending the decision by Lloyd's Underwriters' attorney and chief agent in Canada (the "AIF") to confirm coverage in accordance with both the terms and conditions set out in this contract and applicable Canadian law;
- b) The AIF shall confirm Lloyd's Underwriters' coverage by signing in Canada a policy that will contain the terms and conditions set out in this contract (the "Canadian Policy"), and by communicating from Canada the issuance of that policy to the policyholder or his broker;
- c) This contract shall cease to have effect upon the communication by the AIF from Canada of the Canadian Policy to the policyholder or his broker, and the Canadian Policy will replace and supersede this contract.

LMA5180

01 November 2011



Local Community General Liability Insurance Policy

GARANTIE AU CANADA DE RISQUES

Aux fins de la Loi sur les sociétés d'assurances (Canada), ce document a été établi dans le cadre des opérations d'assurance au Canada des souscripteurs du Lloyd's.



Local Community General Liability Insurance Policy

Sanction Limitation and Exclusion Clause

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

LMA3100
15 September 2010