

## COMMERCIAL GENERAL LIABILITY COVERAGE

# STRATEGIC ENERGY ENDORSEMENT

This Endorsement Changes the Policy. Please Read It Carefully.

Certain words and phrases that appear in bold have special meaning as defined below or in the Form to which this Endorsement is attached.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.

This Endorsement is attached to the Commercial General Liability Max Form and is subject to all terms, conditions and exclusions of such Form.

Except as otherwise provided in this Form, the following Extensions of Coverage are subject to all terms, conditions, exclusions, stipulations and provisions applicable to the Commercial General Liability Max Form, including the right and duty to defend and the provisions of the SUPPLEMENTARY PAYMENTS – COVERAGES A, B and D contained in SECTION I – COVERAGES.

## SUMMARY OF COVERAGES

Item	Extensions of Coverage	Limit of Insurance per occurrence
1.	Limited Underground Property Damage Coverage	\$100,000
2.	Fishing to Prevent or Minimize Property Damage Expenses	\$50,000
3.	Subrogation Waiver	Included
4.	Wrap-up: Difference in Deductibles	\$100,000
5.	Limited Pollution Liability for Haulers (while stationary)	As Per Limit of Insurance shown on Declaration Page(s)
6.	Rip & Tear Coverage Extension	As Per Limit of Insurance shown on Declaration Page(s)

## LIMITS OF INSURANCE

- The Limits of Insurance shown above in the Summary of Coverages or in the Declarations Page(s) are the most we will pay under the Extensions of Coverage described below, regardless of the number of Insureds, claims made or **actions** brought, or persons or organizations making claims or bringing **actions**. If a Limit of Insurance for an Extension of Coverage is shown on both the Summary of Coverages above and in the Declaration Page(s), the higher limit will apply.
- Unless otherwise stated, each Limit of Insurance stated above or in the Declaration Page(s) is:
  - An aggregate limit of insurance that is the most we will pay under the applicable Extension of Coverage during the **policy period** for the sum of all amounts payable under that Extension of Coverage; and
  - Part of, and are not in addition to, the Limit of Insurance – Each Occurrence applicable to the Commercial General Liability Max Form.
- The aggregate limits of insurance applicable to the Extensions of Coverage described below apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the **policy period**, unless the **policy period** is extended after issuance for an additional period of less than twelve (12) months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

## EXCLUSIONS

In addition to those exclusions specified for each Extension of Coverage, this Strategic Energy Endorsement does not apply to:

- Bodily Injury, personal injury, property damage**, cost or expense arising out of, caused by or contributed to by controlling or bringing under control any oil, gas or water well.
- Any loss covered by a policy of automobile liability insurance.
- If at the time of loss, you or anyone working on your behalf is in violation of any statute or in violation of any governmental regulation or ordinance.
- Any fines, penalties, punitive or exemplary damages.

## EXTENSIONS OF COVERAGE

In the event that more than one Extension of Coverage applies to the risk insured, only the Extension of Coverage with the highest Limit of Insurance will apply. In the event a more specific coverage elsewhere in the Policy applies to the risk insured by one of these Extensions of Coverage, only that specific coverage, and not the Extension of Coverage contained in this Form, will apply.

- LIMITED UNDERGROUND PROPERTY DAMAGE COVERAGE**

This Extension 1. applies only to you, regardless of anything in the Policy to the contrary.

- 1.1. Exclusion 2.25. Underground Property of form L508 or L509 (whichever form applies) to the contrary is deleted and replaced with the following:

**This insurance does not apply:**

2.25. Underground Property

**Property damage to underground property** including but not limited to:

- 2.25.1. Impairment to or reduction in the value of the **underground property**;
- 2.25.2. The increased cost of bringing **underground property** to physical possession at the earth's surface;
- 2.25.3. Expense incurred to prevent or to minimize **property damage to underground property**.

**This exclusion shall not apply to:**

2.25.4. **Property damage** within the **products-completed operations hazard** if:

- 2.25.4.1. No Insured has a legal or equitable interest in the **underground property**; and
- 2.25.4.2. the property damage does not occur while the **underground property** is being worked on by an Insured.

2.25.5. **Property damage to underground property** when such **property damage** is outside the **products-completed operations hazard**, provided that no Insured has a legal or equitable interest in **well or resource property**.

1.2. DEDUCTIBLE

In regards to each such **occurrence** falling within this exception to the exclusion 2.25.

- 1.2.1. Our obligation to pay under this Extension of Coverage to pay: **compensatory damages** for **property damage** applies only to:

- 1.2.1.1. **Compensatory damages** for **property damage** and loss, cost or expense, whether a claim is paid or not, applies only to the amount in excess of the \$5,000 deductible applicable to this Extension of Coverage; and
- 1.2.1.2. **Compensatory damages** only to the amount in excess of the Deductible - Underground stated in the Declaration Page(s) as applicable to **underground property** for form L508 or L509 (whichever form applies).

1.3. DEFINITION

For the purpose of this Extension of Coverage:

**Well or Resource Property** means:

- 1.3.1. Any substance, including but not limited to coal, oil, gas, minerals or water that is not in physical possession at the earth's surface at the time of any act or omission which causes or contributes to **property damage** to such substance; or
- 1.3.2. Any well, hole, mine, formation, strata or area beneath the earth's surface in or through which exploration for or production of any substance (including but not limited to coal, oil, gas, minerals or water) is or will at any time be conducted.

**2. FISHING TO PREVENT OR MINIMIZE PROPERTY DAMAGE EXPENSES**

2.1. INSURING AGREEMENT

We will pay those sums that the Insured become legally obligated to pay as reasonable and necessary expenses for **fishing** for the purposes of preventing or mitigating **property damage** to property of others and directly arising from operations performed by you or on your behalf. Any such reasonable expenses necessarily incurred must be over and above the normal expenses that would have been sustained had no prevention or mitigation of such **property damage** been needed.

2.2. EXCLUSIONS

**This insurance does not apply to any expenses:**

- 2.2.1. In connection with or arising out of well re-drilling, sidetracking or plug and abandonment.
- 2.2.2. That are out-of-pocket expenses of an Insured.
- 2.2.3. Recoverable under Paragraph 1. **LIMITED UNDERGROUND PROPERTY DAMAGE COVERAGE** under this section of this Endorsement.
- 2.2.4. In connection with or arising out of **well or resource property** in which an Insured has a legal or equitable interest.
- 2.2.5. With respect to which any action seeking recovery of expenses is brought against any Insured by any other Insured.

2.3. DEDUCTIBLE

Our obligation to pay under this Extension for **fishing** expenses, including fees, and expenses, whether a claim is paid or not, applies only to the amount in excess of the \$5,000.00 applicable to this Extension of Coverage.

2.4. DEFINITION

For the purpose of this Extension of Coverage:

**Fishing** means the removal or recovery of tools, pipe, pumps, equipment, bits or similar items left accidentally, unintentionally and unwanted in any well or hole that has been drilled beneath the earth's surface.

**3. SUBROGATION WAIVER**

Subject to all terms and conditions of this Policy, the following provision of this Extension of Coverage applies to claims that arise only out of your sole negligence.

To the extent that a waiver of subrogation requirement forms part of a written contractual agreement or a written contractual obligation entered into by you prior to any **occurrence** that may give rise to an insured claim, we agree to waive our rights of subrogation (whether by loan receipts, equitable assignment, or otherwise) against such person, firm, government entity or corporation included as an additional Insured vicariously within the terms of this Policy.

**4. WRAP-UP: DIFFERENCE IN DEDUCTIBLES**

4.1. INSURING AGREEMENT

If other insurance is provided under a **Wrap-Up Liability Insurance Policy**, we agree to indemnify you with respect to any loss arising from **your work**, for the difference in deductibles where the amount of any deductible applicable to this insurance is less than the amount of any deductible applicable to such **Wrap-up Liability Insurance Policy**.

#### 4.2. DEFINITION

For the purposes of this Extension of Coverage:

**Wrap-Up Liability Insurance Policy** means any specific liability insurance procured by any owner or anyone on the owner's behalf which insures the owner, you, majority of contractors, sub-contractors and others, engaged on a specific construction project.

#### 5. LIMITED POLLUTION LIABILITY FOR HAULERS (WHILE STATIONARY)

This Extension of Coverage does not apply if an Absolute Pollution Exclusion Form is attached to and forms part of the Policy.

- 5.1. Exclusion **4. POLLUTION** under **COMMON EXCLUSIONS – COVERAGES A, B, C and D of SECTION I – COVERAGES** from the Commercial General Liability Max Form is deleted and replaced by the following:

**This insurance does not apply to:**

##### 4. POLLUTION

- 4.1. **Bodily injury, property damage or personal injury** arising out of the actual, alleged or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants**:
- 4.1.1. 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 sub-paragraph does not apply to:
- 4.1.1.1. **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;
- 4.1.1.2. **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;
- 4.1.1.3. **Bodily injury or property damage** arising out of heat, smoke or fumes from, or fire extinguishing substances used to fight, a **hostile fire**; or
- 4.1.1.4. **Bodily injury or property damage** arising out of an unexpected or unintentional discharge, dispersal, release or escape of **oilfield liquids** provided such discharge, dispersal, release or escape of **oilfield liquids** is from a tank attached to a licensed truck or trailer while stationary and only while said tank is being directly loaded or unloaded or is having its contents dispensed in the normal course of your business operations. Such unexpected or unintentional discharge, dispersal, release or escape must:
- 4.1.1.4.1. Results in the injurious presence of **oilfield liquids** in or upon land, a drainage or sewer system, watercourse or body of water; and
- 4.1.1.4.2. Is detected within 120 hours after the commencement of such discharge, dispersal, release or escape; and
- 4.1.1.4.3. Is reported to us within 120 hours of detecting such discharge, dispersal, release or escape; and
- 4.1.1.4.4. Occurs in a quantity or with a quality that is in excess of that which is routine or that is usual to the business of the Insured.
- 4.1.2. 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;
- 4.1.3. Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
- 4.1.3.1. Any Insured; or
- 4.1.3.2. Any person or organization for whom you may be legally responsible; or
- 4.1.4. 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 sub-paragraph does not apply to:
- 4.1.4.1. **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 mechanical functions necessary for the operation of mobile equipment or its parts, if such fuels, lubricants or other operating fluids escape from a permanent and integral mobile equipment 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;
- 4.1.4.2. **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;
- 4.1.4.3. **Bodily injury or property damage** arising out of heat, smoke or fumes from, or fire extinguishing substances used to fight, a **hostile fire**; or
- 4.1.4.4. **Bodily injury or property damage** arising out of an unexpected or unintentional discharge, dispersal, release or escape of **oilfield liquids** provided such discharge, dispersal, release or escape of **oilfield liquids** is from a tank attached to a licensed truck or trailer while stationary and only while said tank is being directly loaded or unloaded or is having its contents dispensed in the normal course of your business operations. Such unexpected or unintentional discharge, dispersal, release or escape must:
- 4.1.4.4.1. Result in the injurious presence of **oilfield liquids** in or upon land, a drainage or sewer system, watercourse or body of water; and
- 4.1.4.4.2. Is detected within 120 hours after the commencement of such discharge, dispersal, release or escape; and
- 4.1.4.4.3. Is reported to us within 120 hours of detecting such discharge, dispersal, release or escape; and
- 4.1.4.4.4. Occurs in a quantity or with a quality that is in excess of that which is routine or that is usual to the business of the Insured.
- 4.1.5. 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, decontaminate, stabilize, remediate or neutralize, or in any way respond to, or assess the effect of **pollutants**.
- 4.2. Any loss, cost or expense arising out of any:
- 4.2.1. Request, demand, order or statutory or regulatory requirement that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify, decontaminate, stabilize, remediate or neutralize, or in any way respond to, or assess the effects of, **pollutants**; or
- 4.2.2. 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, decontaminating, stabilizing, remediating or neutralizing, or in any way responding to, or assessing the effects of, **pollutants**.

However, this Section 4.2. 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.

#### 5.2. LIMITS OF INSURANCE

- 5.2.1. The Limit of Insurance - Each Accident limit is the most we will pay for the sum of **compensatory damages** because of **bodily injury** or **property damage** and loss, cost or expense for **clean up** arising out of a **pollution condition**.
- 5.2.2. The Limit of Insurance - Aggregate is the most we will pay for the sum of **compensatory damages** under this Endorsement in any one **policy period** regardless of the number of Insureds, the number of claims or the number of **occurrences**.

5.3. DEDUCTIBLE

- 5.3.1. Our obligation to pay **compensatory damages** for **bodily injury** and **property damage** and loss, cost of expense for **clean up** under this Endorsement applies only to the amount in excess of 10% of any loss, subject to a minimum deductible of \$2,500, to which this Endorsement applies.
- 5.3.2. We may pay any 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.

5.4. DEFINITIONS

For the purpose of this Extension:

- 5.4.1. **Clean up** means testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, decontaminating, stabilizing, remediating, neutralizing or in any way responding to or assessing the effect of **pollutants**.
- 5.4.2. **Oilfield Liquids** means and is limited to liquid crude oil, liquid drilling fluids and their liquid additives, cements, slurries and their liquid additives, drilling fluid wastewater, sewage, hot oil and treatment fluids.
- 5.4.3. **Pollution** condition means the actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of pollutants into or upon real or personal property, land, the atmosphere or water of any description no matter where located or how contained, or into any watercourse, drainage or sewage system.

6. RIP & TEAR COVERAGE EXTENSION

This Extension of Coverage only applies if Form L440 forms part of the Policy.

Neither this Extension of Coverage nor coverage under form L440 apply to any property beneath the earth's surface.

The definition of **your product** in Paragraph 35. under **SECTION IV – DEFINITIONS** of the Commercial General Liability Max Form and Paragraph **9. DEFINITIONS** of form L440 Concrete Rip and Tear Liability Endorsement are deleted and is replaced by the following:

35. Your product

35.1. Means:

- 35.1.1. Any goods or products, other than real property, manufactured, fabricated, installed, sold, handled, distributed or disposed of by:
- 35.1.1.1. You or on Your behalf;
- 35.1.1.2. Others trading under the Insured's name; or
- 35.1.1.3. A person or organization whose business or assets you have acquired; and
- 35.1.2. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

35.2. Includes:

- 35.2.1. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your product**;
- 35.2.2. The providing of or failure to provide warnings or instructions;
- 35.2.3. Poured Concrete;
- 35.2.4. Concrete Block;
- 35.2.5. Cement;
- 35.2.6. Asphalt;
- 35.2.7. Mortar;
- 35.2.8. Sand;
- 35.2.9. Gravel;
- 35.2.10. Reinforcing Steel Bars;
- 35.2.11. Precast Concrete;
- 35.2.12. Brick;
- 35.2.13. Lumber;
- 35.2.14. Sheet Metal;
- 35.2.15. Pipe; and
- 35.2.16. Similar construction or building material products that are not (except for ready-mixed concrete) of a chemical or liquid nature.

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

**All other terms and conditions of the Policy remain unchanged.**