

COMMERCIAL GENERAL LIABILITY COVERAGE

EMPLOYMENT PRACTICES LIABILITY

This Endorsement Changes the Policy. Please Read It Carefully.

Certain words and phrases in bold font 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, limitations and exclusions of such Form.

1. INSURING AGREEMENT

- 1.1. We will pay on behalf of the Insured for the **ultimate net loss** which the Insured becomes legally obligated to pay because of a **wrongful employment practices** committed during the **policy period**.
- 1.2. For the purpose of determining the applicability of this insurance, all **wrongful employment practices** involving the same **employee**, regardless of the number or type of incidents alleged, shall be deemed to have occurred on the date of the first alleged incident.

2. DEDUCTIBLE

Our obligation to pay for the **ultimate net loss** on the Insured's behalf applies only to the amount of the **ultimate net loss** in excess of the deductible shown in the Declaration Page(s).

3. LIMIT OF LIABILITY

- 3.1. The Limit of Insurance shown in the Declaration Page(s) for this Endorsement is the most we will pay regardless of the number of:
 - 3.1.1. Insureds; or
 - 3.1.2. Claims made or **actions** brought; or
 - 3.1.3. Persons or organizations making claims or bringing **actions**.
- 3.2. The Aggregate Limit shown on the Declaration Page(s) for this Endorsement is the most we will pay for all **ultimate net losses** during the **policy period**.

4. EXCLUSIONS

This insurance does not apply to:

- 4.1. Claims or **actions** arising out of any violation of an obligation imposed by any act or regulation to pay equity, workers' compensation, industrial accidents and occupational diseases, occupational health and safety, employment insurance, welfare and social welfare, social security or old age security, retirement benefits or pension plan benefits, deferred profit-sharing plans, or disability benefits or other similar laws or regulations;
- 4.2. Claims or **actions** arising out of any arrangement or plan related to the value of the stock, shares or security of the Insured including any stock purchase, stock-based awards, stock option plans, phantom stock, stock appreciation rights or any stock-based compensation plan;
- 4.3. Claim or **actions** arising out of any act committed by or at the direction of an Insured with the intent of contravening any law or any governmental or administrative rider or regulation;
- 4.4. Claims or **actions** arising out of the assumption of liability by you in an oral or written contract, but this exclusion does not apply to liability that you would have in the absence of the contract;
- 4.5. Claims or **actions** based upon, arising out of any lock-out, a strike, picket line, walk-out, boycott or similar actions resulting from labour disputes or labour negotiations;
- 4.6. Claims or **actions** arising out of:
 - 4.6.1. Your **insolvency**;
 - 4.6.2. The closure of a business operation or location by you;
 - 4.6.3. Any re-organization of employees which results, within any sixty day (60) period, in the termination of the employment of twenty-five percent (25%) or more of your total workforce;
- 4.7. Claims made or **actions** brought by persons who are non-residents of Canada;
- 4.8. Claims made or **actions** brought by relatives of an **employee** or former **employee** or by members of the household of an **employee** or former **employee**;
- 4.9. Fines or penalties imposed by law or regulation;
- 4.10. Non-monetary relief;
- 4.11. Any aggravated, exemplary or punitive damages, other than such damages for which you are vicariously liable and not because of the fault of any Insured;
- 4.12. Any **data** arising out of:
 - 4.12.1. Erasure, destruction, corruption, misappropriation, misinterpretation of **data**;
 - 4.12.2. Erroneously creating, amending, entering, deleting or using **data** including any loss of use arising therefrom; or
 - 4.12.3. The distribution or display of **data**, by means of an internet website, the internet, an intranet, extranet, or similar device or system designed or intended for electronic communication of **data**.
- 4.13. Asbestos – see Common Exclusions.
- 4.14. Fungi or Spores – see Common Exclusions.
- 4.15. Nuclear Energy Liability – see Common Exclusions.
- 4.16. Pollution – see Common Exclusions.

- 4.17. Terrorism – see Common Exclusions.
- 4.18. War Risks – see Common Exclusions.
- 4.19. Unsolicited Communication – see Common Exclusions.

5. COVERAGE TERRITORY

This Extension of Coverage shall only cover claims made or **actions** brought in Canada in respect of **wrongful employment practices** committed in Canada and based on Canadian law.

6. SPECIAL CONDITIONS

In addition to the conditions of the Policy to which this Form is attached:

6.1. Duties Following a Complaint

You shall promptly notify us of any administrative charge, allegation, complaint or demand concerning **wrongful employment practices** of an Insured received by its management or supervisory staff. Notice shall include:

- 6.1.1. The name of the person or organization alleging **wrongful employment practices**;
- 6.1.2. The name of the Insured accused of **wrongful employment practices**;
- 6.1.3. The name of any witness to the alleged **wrongful employment practices**;
- 6.1.4. The date and place of the alleged **wrongful employment practices**; and
- 6.1.5. The date and place of receipt of the administrative charge, allegation, complaint or demand, and the name of the recipient.

6.2. Exhaustion of Aggregate Limit

If the Limit of Insurance under this Form is exhausted by payment of judgments, settlements, investigation costs or defence costs before the end of the **policy period**:

- 6.2.1. The premium charged for this Form shall be deemed fully earned;
- 6.2.2. We will notify you of all outstanding claims under this Form and co-operate in transferring the control of those claims you;
- 6.2.3. We will take measures to continue the defence of outstanding claims and avoid a default judgment until the transfer of control has been completed to the you;
- 6.2.4. The Insured agrees that, by taking the measures described in the preceding sub-paragraph 6.2.3., we will not waive or give up any of its rights;
- 6.2.5. You shall promptly reimburse us for any expenses incurred by us during the transfer of control that exceed the Limit of Insurance under this Form.

7. DEFINITIONS

For the purpose of this Endorsement:

7.1. **Data** means representations of information or concepts, in any form.

7.2. **Insolvency** means:

- 7.2.1. The financial position of the Insured as a debtor as that term is defined and used within the provisions of the *Bankruptcy and Insolvency Act*, R.S.C. (1985), c. B-3 and, without limiting the generality of the foregoing, shall occur when any receiver, conservator, liquidator, trustee, sequestrator, court or similar provincial or federal official or a creditor takes control of, supervises, manages or liquidates the Insured; or
- 7.2.2. A reorganization proceeding of the Insured under the *Companies' Creditors Arrangement Act*, R.S.C. (1985), c. C-36.

7.3. **Ultimate net loss** means:

- 7.3.1. The amount paid or payable by you in settlement or satisfaction of a claim or judgment, after making proper deduction for all recoveries and contribution from other sources;
- 7.3.2. Reasonable and necessary expenses that result from the investigation, settlement or defence of a claim by us, other than the salaries of our own staff and our regular overhead costs;
- 7.3.3. Security for costs and the premiums for appeal bonds and bonds to release attachments, to the extent that the costs and bond amounts are within the Limit of Insurance under this Form;
- 7.3.4. Costs assessed against you by a court or tribunal.

Ultimate net loss does not include:

- 7.3.5. The cost of modifying a work environment to provide accessibility to people with disabilities;
- 7.3.6. Severance pay or any payments required to be made by a written employment contract upon termination of employment.

7.4. **Wrongful Employment Practices** means:

- 7.4.1. the contravention or violation in employment practices of any federal or provincial human rights law or regulation, other than a law or regulation concerning pay equity or employment equity; or
- 7.4.2. the termination of employment in a manner which is illegal or in breach of an agreement. As used in this definition, employment practices mean:
 - 7.4.2.1. the recruitment, hiring, orientation, training, evaluating, promoting, demoting, compensating and disciplining of an **employee**;
 - 7.4.2.2. the interviewing and evaluating of an applicant for employment;
 - 7.4.2.3. career counselling for an **employee**;
 - 7.4.2.4. the allocation of work and the application of personnel policies and procedures to an **employee**.

All other terms and conditions of the Policy remain unchanged.