

COMMERCIAL GENERAL LIABILITY COVERAGE

ABUSE LIMITATION ENDORSEMENT (CLAIMS-MADE)

This Endorsement Changes the Policy. Please Read It Carefully.

Other words and phrases that appear in bold have special meaning. Refer to SECTION IV – DEFINITIONS of the Commercial General Liability Max Form.

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, except as amended by this Endorsement.

Notwithstanding any contrary provisions contained under this Policy, the Commercial General Liability Max Form is amended as follows:

1. Except as provided by this Endorsement, this insurance does not apply to, nor shall we have any duty to defend claims or **actions** made against any Insured:
 - 1.1. directly or indirectly arising out of, or on account of, resulting from or relating to any actual or threatened **abuse** committed or alleged to have been committed by an Insured, including the transmission of disease arising out of any act of **abuse**;
 - 1.2. alleging knowledge by an Insured of the alleged **abuse**;
 - 1.3. when you have failed to report the actual, suspected or alleged **abuse**, although you had a statutory or regulatory obligation to do so, to the police and/or to other appropriate authorities.
2. **LIMITED COVERAGE FOR LIABILITY ARISING OUT OF ABUSE**
 - 2.1. We will pay on your behalf those sums that you become legally obligated to pay for **compensatory damages** and Supplementary Payments because of **bodily injury, personal injury or advertising injury** arising out of, on account of, resulting from or relating to any actual or threatened **abuse**.
 - 2.2. This insurance applies only:
 - 2.2.1. To claims or **actions** made against you during the time that this Endorsement's coverage is in effect; and
 - 2.2.2. If notice of claim is first made against you during the time this Endorsement's coverage is in effect; and
 - 2.2.3. If notice of claim is given to us during time that this Endorsement's coverage is in effect or, in the event of cancellation or non-renewal of this Policy:
 - 2.2.3.1. fifteen (15) days after the effective date of such cancellation or non-renewal, except in Québec; or
 - 2.2.3.2. in Québec, if the cancellation takes place fifteen (15) days after receipt of such written notice by the Insured to his last known address.
3. **SUPPLEMENTARY PAYMENTS**

Paragraph 1. of the provisions applicable to Supplementary Payments under **SECTION I – COVERAGES**, is deleted and replaced by the following:

 1. We will pay, with respect to any claim we investigate or settle, or any **action** against an Insured we defend:
 - 1.1. All expenses we incur;
 - 1.2. 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;
 - 1.3. All costs to protect you against any levy of execution arising from a judgment;
 - 1.4. All reasonable expenses you incur at our request to assist us in the investigation or defence of the claim or action, including actual loss of earnings because of time off from work;
 - 1.5. All costs assessed or awarded against you in the **action**;
 - 1.6. 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.

If we are prevented by law or otherwise from defending the Insured, we will reimburse the Insured for defence costs and expenses that are incurred with our consent.

Except where this Policy is governed by the insurance laws of the Province of Québec, defence costs shall reduce the Limits of Insurance stated in the Declaration Page(s). In the Province of Québec, these Supplementary Payments will not reduce the Limits of Insurance.
4. **LIMIT OF INSURANCE**
 - 4.1. The Limit of Insurance shown in the Declarations Page(s) applicable to this Endorsement is the most we will pay for **compensatory damages** and Supplementary Payments (except where this Policy is governed by the insurance laws of the Province of Québec) under this Endorsement regardless of the number of Insureds, claims made or **actions** brought, or persons or organizations making claims or bringing **actions**.
 - 4.2. For the purpose of determining whether coverage applies under this Endorsement and to determine limits, continuous or repeated actual or threatened **abuse** of the same person by the same Insured(s), will be deemed to be a single instance of **abuse** and will be deemed to have taken place on the date that **abuse** first occurred.
 - 4.3. Deductible

We will pay ninety percent (90%) of those sums that you become legally obligated to pay as **compensatory damages** and Supplementary Payments (except where this Policy is governed by the insurance laws of the Province of Québec) incurred because of **bodily injury, personal injury or advertising injury** to which this Endorsement applies. You will be obligated to pay ten percent (10%) of all **compensatory damages** and Supplementary Payments incurred to which this Endorsement applies.

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 your participation as has been paid by us.

5. ADDITIONAL CONDITIONS

5.1. Coverage Territory

Notwithstanding the definition of **coverage territory** contained under the Commercial General Liability Max Form, this Endorsement applies in Canada only and does not apply anywhere else in the world.

5.2. Notice

Upon you becoming aware of any negligent act, allegation, error or omission which may give rise to any **abuse** covered in this Endorsement, written notice shall be given by you or on your behalf in accordance with General Condition "Notice" or "Notice of Claim or Suit" of the Statutory Conditions or General Conditions form attached to and forming part of this Policy.

All other terms and conditions of the Policy remain unchanged.