

CRIME 2.0

TABLE OF CONTENTS

	pages
SUMMARY OF COVERAGES.....	3
COVERAGE 1. – EMPLOYEE DISHONESTY.....	3
COVERAGE 2. – THEFT, ROBBERY OR BURGLARY.....	3
COVERAGE 3. – FRAUD.....	3
COVERAGE 4. – EXPENSES.....	4
EXCLUSIONS.....	4
INVENTORY COMPUTATION.....	4
MONEY DEVICES.....	4
GIFT CARDS.....	4
ACT BY EMPLOYEE.....	4
WAR AND INVASION.....	5
ACCOUNTING.....	5
NUCLEAR.....	5
CRIMINAL ACTS.....	5
FIRE.....	5
THREAT TO BODILY HARM OR DAMAGES.....	5
DEFENSE OF LEGAL ACTION.....	5
POTENTIAL INCOME.....	5
LEGAL LIABILITY OF INSURED.....	5
TERRORISM.....	5
DATA.....	5
SOCIAL ENGINEERING FRAUD.....	5
CONFIDENTIAL OR PERSONAL INFORMATION.....	5
GOVERNMENT AUTHORITY.....	5
GENERAL AGREEMENTS.....	5
CONSOLIDATION, MERGER OR PURCHASE.....	5
JOINT INSURED.....	5
TERRITORY.....	6
LOSS COVERED UNDER THIS POLICY AND PRIOR INSURANCE ISSUED BY THE INSURER.....	6
LOSS COVERED UNDER PRIOR INSURANCE.....	6
LOSS OR DAMAGE SUSTAINED.....	6
EXTENDED PERIOD TO DISCOVER LOSS.....	6
LOSS CAUSED BY UNIDENTIFIABLE EMPLOYEES.....	6
OWNERSHIP OF PROPERTY; INTERESTS COVERED.....	6
RECORDS.....	6
PRIOR FRAUD, DISHONESTY OR CANCELLATION.....	6
LOSS – NOTICE – PROOF – ACTION AGAINST INSURER.....	6
BASIS OF VALUATION – PAYMENT – REPLACEMENT.....	7

RECOVERIES.....	7
AMOUNT OF INSURANCE.....	7
OTHER INSURANCE.....	7
SUBROGATION.....	7
CANCELLATION AS TO ANY EMPLOYEE.....	7
NO BENEFIT TO BAILEE.....	7
DEDUCTIBLE.....	7
DEFINITIONS.....	8
BODILY INJURY.....	8
CLIENT.....	8
COMPUTER DATA RESTORATION EXPENSES.....	8
COMPUTER FRAUD.....	8
COMPUTER SYSTEM.....	8
DATA.....	8
DATA PROBLEM.....	8
EMPLOYEE.....	8
FINANCIAL INSTITUTION.....	8
FINANCIAL INSTRUMENT.....	8
FORGERY.....	8
FRAUDULENT INSTRUCTION.....	8
FRAUDULENT OR DISHONEST ACTS.....	8
MESSENGER.....	9
MONEY.....	9
OCCURRENCE.....	9
OTHER PROPERTY.....	9
POLICY PERIOD.....	9
PREMISES.....	9
ROBBERY.....	9
SAFE BURGLARY.....	9
SECURITIES.....	9
SOCIAL ENGINEERING FRAUD.....	9
TERRORISM.....	9
THIRD PARTY.....	9
TRANSFER ACCOUNT.....	9
VIRTUAL CURRENCY.....	9

SUMMARY OF COVERAGES

Item	Coverage	Amount of Insurance per occurrence
1.	Employee Dishonesty	\$50,000
2.	Theft, Robbery or Burglary	\$25,000
3.	Fraud – Limit per Coverage	
3.1.	Money Orders or Counterfeit Money	\$25,000
3.2.	Forgery or Alteration	\$25,000
3.3.	Computer Fraud	\$25,000
3.4.	Funds Transfer Fraud	\$25,000
4.	Expenses – Blanket Limit	
4.1.	Professional Fees	
4.2.	Theft, Robbery or Burglary Reward	
4.3.	Medical Expenses	
4.4.	Computer Data Restoration Expenses	\$10,000

Certain words and phrases in bold font have special meaning as defined in the DEFINITIONS Section.

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 Form insures those coverages as specified in the Summary of Coverages Section of this Form.

In the event that more than one coverage as provided under this Form applies to the risk insured, only the coverage with the highest amount of insurance will apply.

Coverage 1. – Employee Dishonesty

1. The Insurer will pay the Insured for the loss of **money, securities and other property** which:
 - 1.1. the Insured sustains, directly resulting from one or more **fraudulent or dishonest acts** committed by an **employee**, acting alone or in collusion with others;
 - 1.2. the Insured's **client** sustains, directly resulting from one or more **fraudulent or dishonest acts** committed by an **employee**, acting alone or in collusion with others.
 - 1.2.1. However, in the event of collusion between the Insured's **employee** and the Insured's **client's** employee, there will be no coverage provided to the Insured under this insurance.

Coverage 2. – Theft, Robbery or Burglary

2. The Insurer will pay the Insured for:
 - 2.1. loss of, or damage to, **money or securities**, by their actual destruction, disappearance or theft;
 - 2.2. loss of, or damage to, **other property**, by actual or attempted **safe burglary or robbery**;
 which the Insured sustains from any of the following locations:
 - a. within the **premises**, bank or similar place of safe deposit;
 - b. while being carried by an armoured motor vehicle company or **messenger**;
 However, the Insurer will only pay for the amount of loss or damage the Insured cannot recover:
 - i. under a contract with the armoured motor vehicle company; and
 - ii. from any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.
 - c. within the living quarters of a **messenger**.
- 2.3. loss of, or damage to, **other property**, by theft while within the living quarters of a **messenger**;
- 2.4. damage to the **premises** or its exterior, directly resulting from, an actual or attempted theft, **robbery** or **safe burglary**, or by the unlawful entry or attempted unlawful entry into the **premises**, if the Insured is the owner of the **premises** or is liable for damage to the **premises**.

Coverage 3. – Fraud

3.1. Money Orders or Counterfeit Money

The Insurer will pay the Insured for loss sustained by the Insured directly resulting from the Insured's acceptance in good faith:

- 3.1.1. of a money order, or bank draft, issued or purported to have been issued by a bank, post office or express company, if such money order or bank draft is not paid upon presentation; or
- 3.1.2. of counterfeit Canadian or United States currency that is acquired during the course of the Insured's business; in exchange for merchandise, **money** or services.

3.2. Forgery or Alteration Coverage

3.2.1. The Insurer will pay the Insured for loss sustained by the Insured, directly resulting from:

3.2.1.1. **forgery** or alteration of a **financial instrument** by a **third party**;

3.2.1.2. **forgery** or alteration of, on or in any written instrument required in connection with a credit card or automated teller card issued to the Insured or to a partner, officer or **employee** of the Insured or to the Insured's spouse or a child residing permanently in the residence of the Insured; provided, that the Insured fully complies with the provisions, conditions and other terms under which the card was issued, and that the issued card is solely used for the Insured's business;

3.2.1.3. theft of the Insured's automated teller card, provided the Insured fully complies with the provisions, conditions and other terms under which the card was issued, and that the issued automated teller card is solely used for the Insured's business.

If the Insured is sued for refusing to pay for any instrument covered above, on the basis that it has been forged, altered or stolen, and the Insured has the Insurer's written consent to defend against the suit, the Insurer will pay for reasonable legal expenses incurred by the Insured and pay that defence. The amount that the Insurer will pay for such legal expenses and defence costs is in addition to the amount of insurance applicable to this Coverage.

3.3. Computer Fraud

The Insurer will pay the Insured for loss of, or damage to, **money, securities or other property**, which the Insured or the Insured's **client** sustains and that is caused directly by **computer fraud**.

3.4. Funds Transfer Fraud

The Insurer will pay the Insured for loss of **money** or **securities** held in a **transfer account** sustained by the Insured and directly resulting from a **fraudulent instruction** directing a **financial institution** to transfer, pay or deliver such **money** or **securities** from a **transfer account**.

Coverage 4. – Expenses

4.1. Professional Fees

The Insurer will pay for necessary and reasonable fees charged by auditors, accountants, lawyers or other professionals retained by the Insured, for the purpose of producing or certifying particulars or details of the Insured's business and that are required by the Insurer in connection with a covered loss or damage and in order to arrive at the loss or damage payable under this Form.

These professional fees exclude any fees and cost of public adjusters, as well as the salary of any officer or **employee** of the Insured.

4.2. Theft, Robbery or Burglary Reward

If a theft, **robbery** or **burglary** occurs or is attempted, resulting in a loss or damage covered by this Form, the Insurer will pay for information that leads directly to a criminal conviction in connection with such loss or damage. The Insurer's liability under this coverage shall not be increased by the number of persons who provide information.

4.3. Medical Expenses

The Insurer will pay the Insured for expenses related to reasonable medical expenses incurred by a **messenger** who sustains **bodily injury** during and because of a **robbery** or attempted **robbery**.

This Form covers the following expenses:

4.3.1. first aid at the time of **bodily injury** arising from such actual or attempted **robbery**;

4.3.2. necessary medical, surgical, x-ray and dental services, including prosthetic devices;

4.3.3. necessary ambulance, hospital, and professional nursing services;

4.3.4. mental health and counselling services; and

4.3.5. in the event of death resulting from such injury, the funeral expense;

All these expenses must be incurred within twelve (12) consecutive months from the date such injury is sustained, provided:

4.3.6. such expenses are not payable under a governmental medical, dental, surgical or hospitalization plan, or under any other insurance contract;

4.3.7. such expenses are not payable under a workers' compensation, disability or medical benefits or unemployment or employment compensation law or a similar law.

4.4. Computer Data Restoration Expenses

The Insurer will pay the Insured for **computer data restoration expenses** incurred by the Insured and resulting directly from a loss or damage covered under Coverages 1. – Employee Dishonesty or 3.3. Computer Fraud.

EXCLUSIONS

This Form does not apply:

1. INVENTORY COMPUTATION

Under Coverage 1. – Employee Dishonesty only, to loss or damage, or to that part of any loss or damage, where the proof of its existence or its amount, is dependent upon an inventory computation or a profit and loss computation;

2. MONEY DEVICES

Under Coverage 2. – Theft, Robbery or Burglary only, to loss of or damage to **money** contained in any money operated device or machine, unless the amount of **money** deposited within the device or machine is recorded by continuous recording;

3. GIFT CARDS

To loss of, or damage to, any gift certificate, gift card or card that has monetary exchange value. However, this exclusion does not apply to the first \$1,000 of any loss or damage insured, and is only provided if the Insured fully complies with the provisions, conditions and other terms under which the gift certificate or card was issued;

4. ACT BY EMPLOYEE

Under Coverage 2. – Theft, Robbery or Burglary and Coverage 3. – Fraud only, to loss or damage resulting from any fraudulent, dishonest or criminal act by an **employee**, director, trustee or authorized representative of any Insured whether acting alone or in collusion with others. This exclusion does not apply to actual or attempted **safe burglary** or **robbery**;

5. WAR AND INVASION

To loss or damage arising directly or indirectly, in whole or in part, by war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage;

6. ACCOUNTING

To loss or damage due to accounting or arithmetical errors or omissions;

7. NUCLEAR

To loss or damage caused directly or indirectly:

- 7.1. By any nuclear incident (as defined in the *Nuclear Liability and Compensation Act*, any other nuclear liability act, law or statute, or any amending law) or nuclear explosion;
- 7.2. By contamination by radioactive material;

8. CRIMINAL ACTS

To loss or damage due to any fraudulent, dishonest or criminal act by any Insured or partner of the Insured, whether acting alone or in collusion with others;

9. FIRE

To any loss or damage resulting from fire however caused, except loss to **money, securities**, or loss of or damage to a safe or vault;

10. THREAT TO BODILY HARM OR DAMAGES

To loss of, or damage to, **money, securities** or **other property**, after it has been transferred or surrendered to a person or place outside the **premises** as a result of a threat to do:

- 10.1. Bodily harm to any person; or
- 10.2. Damage to the **premises** or property owned by the Insured or held by the Insured in any capacity;

These exclusions do not apply to loss of, or damage to, **money, securities** or **other property**, while outside the **premises** and being conveyed by a **messenger**.

11. DEFENSE OF LEGAL ACTION

To the defence of any legal action brought against the Insured; or to fees, costs or expenses incurred by the Insured for any legal action relating to any loss or damage covered by this Form, unless specifically stated elsewhere in this Form;

12. POTENTIAL INCOME

To any potential income, including but not limited to interest and dividends, not realized because of a loss or damage covered under this Form;

13. LEGAL LIABILITY OF INSURED

To all damages of any type for which the Insured is legally liable, except direct compensatory damage arising from a loss or damage covered under this Form;

14. TERRORISM

To any loss or damage caused directly or indirectly, in whole or in part, by **terrorism** or by any activity or decision of a government agency or other entity to prevent, respond to or terminate **terrorism**;

This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.

If any portion of this exclusion is found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect;

15. DATA

To loss of or damage to **data**, or loss or damage caused directly or indirectly by a **data problem**, except as provided under Paragraph 4.4. Computer Data Restoration Expenses;

16. SOCIAL ENGINEERING FRAUD

To loss or damage directly or indirectly resulting from **social engineering fraud**;

17. CONFIDENTIAL OR PERSONAL INFORMATION

To loss or damage resulting from:

- 17.1. the disclosure of the Insured's or any other person's or organization's confidential or personal information including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information; or
- 17.2. the use of another person's or organization's confidential or personal information including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or other type of non-public information.

18. GOVERNMENT AUTHORITY

To loss or damage resulting from any seizure or destruction of property by order of any governmental authority.

GENERAL AGREEMENTS

1. CONSOLIDATION, MERGER OR PURCHASE

If the Insured consolidates or merges with, or purchases or acquires the assets of another entity, the coverage provided by this Form shall be extended to such consolidated or merged entity or such purchased or acquired assets, provided the Insured shall give the Insurer written notice thereof within sixty (60) days thereafter and shall pay the Insurer an additional premium computed pro rata from the date of such consolidation, merger or purchase to the end of the current **policy period**.

2. JOINT INSURED

If more than one Insured is covered under this Form, the Insured first named shall act for itself and for every other Insured for all purposes of this Form.

Knowledge possessed, or discovery made by any Insured or by any partner or officer shall, for the purposes of General Agreements 11. PRIOR FRAUD, DISHONESTY OR CANCELLATION, 12. LOSS—NOTICE—PROOF—ACTION AGAINST INSURER and 18. CANCELLATION AS TO ANY EMPLOYEE, constitute knowledge possessed or discovery made by every Insured. Cancellation of the insurance as respects any **employee** as provided in General Agreement 18. below shall apply to every Insured.

If, prior to the cancellation or termination of this policy, this policy or any Coverage hereof is cancelled or terminated as to any Insured, there shall be no liability for any loss or damage sustained by such Insured unless discovered within one year from the date of such cancellation or termination.

Payment by the Insurer to the Insured first named of any loss or damage under this Form shall fully release the Insurer on account of such loss.

If the Insured first named ceases for any reason to be covered under this Form, then the Insured next named shall thereafter be considered as the Insured first named for all purposes of this Form.

3. TERRITORY

This Form insures acts committed or events occurring:

- 3.1. With respect to Coverage 1. – Employee Dishonesty:
 - 3.1.1. within Canada and the United States of America (including their territories and possessions);
 - 3.1.2. anywhere in the world, for loss or damage caused by any **employee** temporarily outside of the territory specified in 3.1.1. above, for a period not exceeding ninety (90) days;
- 3.2. With respect to Coverages 2. – Theft, Robbery or Burglary, 3.1. Money Orders or Counterfeit Money, 3.3. Computer Fraud, and 3.4. Funds Transfer Fraud, within Canada and the United States of America (including their territories and possessions);
- 3.3. With respect to Coverage 3.2. Forgery or Alteration, anywhere in the world.

4. LOSS COVERED UNDER THIS POLICY AND PRIOR INSURANCE ISSUED BY THE INSURER

With respect to loss or damage which occurs:

- 4.1. partly during the **policy period**; and
- 4.2. partly during the period of other bonds or policies issued by the Insurer to the Insured or to any predecessor in interest of the Insured and terminated or cancelled or allowed to expire and in which the period for discovery has not expired at the time any such loss or damage is discovered;

The most the Insurer will pay is the larger of the amount recoverable under this Form or the prior insurance.

5. LOSS COVERED UNDER PRIOR INSURANCE

- 5.1. If the Insured or any predecessor in interest sustained a loss or damage during the period of any prior insurance that the Insured or such predecessor would have recovered under that insurance except that the time within which to discover the loss or damage had expired, the Insurer will pay for it under this Form, provided:
 - 5.1.1. the loss or damage is first discovered during the current **policy period**;
 - 5.1.2. the loss or damage would have been recoverable under the immediately preceding insurance, which prior policy is terminated, cancelled or allowed to expire as of the time of such substitution; and
 - 5.1.3. the loss or damage would have been covered by this Form had this Form been in effect when the loss or damage occurred.
- 5.2. The coverage under this General Agreement 5. is part of, and not in addition to, the amount of insurance applying under this Form and is limited to the lesser of the amount recoverable under:
 - 5.2.1. this Form as of the date such loss or damage was first discovered;
 - 5.2.2. this Form as of the date it was substituted for the prior insurance; or
 - 5.2.3. the prior insurance had it remained in effect.

6. LOSS OR DAMAGE SUSTAINED

Subject to General Agreement 5. LOSS COVERED UNDER PRIOR INSURANCE above, this Form applies only to acts committed or events which occurs during the **policy period** shown on the Declaration Page(s), and which are discovered by the Insured during the **policy period**, or during the period of time described under General Agreement 7. EXTENDED PERIOD TO DISCOVER LOSS below.

7. EXTENDED PERIOD TO DISCOVER LOSS

If, prior to the cancellation or termination of this policy, this policy or any Coverage is cancelled or terminated as to any Insured, there shall be no liability for any loss or damage sustained by such Insured unless discovered within one year from the date of such cancellation or termination.

8. LOSS CAUSED BY UNIDENTIFIABLE EMPLOYEES

If a loss or damage is alleged to have been caused by the **fraudulent or dishonest acts** of any **employee(s)** and the Insured is unable to identify the specific **employee(s)** causing such loss or damage, the Insured will have the benefit of Coverage 1. – Employee Dishonesty, subject to the provisions of the Exclusions to this policy, provided that the evidence submitted reasonably proves that the loss or damage was in fact due to the **fraudulent or dishonest acts of employee(s)**, and that the total liability of the Insurer will not exceed the amount of insurance applicable to Coverage 1. – Employee Dishonesty.

9. OWNERSHIP OF PROPERTY; INTERESTS COVERED

- 9.1. Insured's Property
The property covered under this Form is limited to property that the Insured owns or leases, that is held by the Insured in any capacity or for which the Insured is legally liable, provided the Insured was liable for the property prior to the time the loss or damage was sustained.
- 9.2. Client's Property
Solely with respect to the **client** coverage, the property covered under this Form is limited to property that the **client** owns or leases, that is held by the **client** in any capacity or for which the **client** is legally liable, provided the **client** was liable for the property prior to the time the loss or damage was sustained.

However, this insurance is for the Insured's benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss or damage that is covered under this Form must be presented by the Insured.

10. RECORDS

The Insured must keep records of all property insured under this Form in such manner from which the Insurer can accurately verify the amount of loss or damage.

11. PRIOR FRAUD, DISHONESTY OR CANCELLATION

Coverage 1. – Employee Dishonesty will not apply to any **employee** from the time that the Insured, any partner of the Insured or officer not in collusion with the **employee**, has knowledge or information that the **employee** has committed any **fraudulent or dishonest act**, whether the act was committed before or after the date of employment by the Insured.

If, prior to the issuance of this Form, any fidelity insurance in favour of the Insured or any predecessor in interest of the Insured and covering one or more of the Insured's **employee(s)** has been cancelled for any of such **employee(s)** by written notice of cancellation by that Insurer, and, if the **employee(s)** has not been reinstated under the coverage of that fidelity insurance or superseding fidelity insurance, the Insurer will not be liable on account of such **employee(s)** unless the Insurer has agreed in writing to include such **employee(s)** within Coverage 1. – Employee Dishonesty.

12. LOSS – NOTICE – PROOF – ACTION AGAINST INSURER

Upon knowledge or discovery of loss or damage or of an **occurrence** which may give rise to a claim for loss or damage, the Insured shall:

- 12.1. give notice thereof as soon as practicable to the Insurer or any of its authorized agents and, except under Coverages 1. – Employee Dishonesty and 3.2. Forgery or Alteration, also to the police if the loss or damage is due to a violation of law;
- 12.2. file detailed proof of loss or damage, duly sworn to, with the Insurer within four months after the discovery of loss or damage.

Proof of loss or damage shall include any document verifying the loss or damage which is the basis of claim for such loss or damage, or if it shall be impossible to file such document, the affidavit of the Insured or the Insured's bank of deposit setting forth the amount and cause of loss or damage shall be accepted in lieu thereof.

At the Insurer's request, the Insured must submit to examination, under oath if required, by the Insurer, all at reasonable times and places as the Insurer will designate. The Insured will cooperate with the Insurer in all matters pertaining to loss, damage or claims.

No action shall lie against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this policy, nor until 90 days after the required proofs of loss or damage have been filed with the Insurer, nor at all unless commenced within two years from the date when the Insured discovered the loss or damage, except in Québec, where such commencement begins within three (3) years of the discovery of such loss or damage.

If any limitation of time for notice of loss or damage or any legal proceeding herein contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this policy, the shortest permissible statutory limitation of time shall govern and shall supersede the time limitation herein stated.

13. BASIS OF VALUATION – PAYMENT – REPLACEMENT

The value of the insured property shall be determined as follows:

13.1. Loss of money:

The Insurer will pay for loss of or damage to **money**, but only up to its face value. The Insurer may, at its option, pay for loss of or damage to **money** issued by any country other than Canada:

13.1.1. at face value in the **money** issued by that country; or

13.1.2. in the Canadian dollar equivalent determined by the rate of exchange on the day the loss or damage was first discovered.

13.2. Loss of Securities

The Insurer will pay for loss of or damage to **securities**, but only for the market value of such **securities** at the close of business on the business day immediately preceding the day on which the loss was discovered.

13.3. Loss of or Damage to Other Property or Damage to Premises

In case of loss of or damage to **other property** or damage to the **premises**, the Insurer shall not be liable for more than:

13.3.1. the actual cash value of such property; or

13.3.2. the actual cost of repairing such property or of replacing same with property or material of like quality and value.

The Insurer may, at its election, pay such actual cash value, or make such repairs or replacements. If the Insurer and the Insured cannot agree upon such cash value or such cost of repairs or replacements, such cash value or such cost shall be determined by arbitration.

14. RECOVERIES

Any recoveries, less the cost of effecting such recoveries, made after settlement of a loss or damage covered under this Form, shall be distributed as follows:

14.1. First, to the Insured in satisfaction of its covered loss or damage in excess of the applicable amount of insurance and any applicable deductible amount;

14.2. Second, to the Insurer in satisfaction of the amounts paid to an Insured for a covered loss or damage;

14.3. Third, to an Insured in satisfaction of any deductible amount applicable to such loss or damage.

Recoveries do not include any amounts recovered from insurance, suretyship, reinsurance, security or indemnity taken for the Insurer's benefit.

15. AMOUNT OF INSURANCE

The Insurer's total liability for all loss or damage resulting directly from an **occurrence** is the applicable amount of insurance shown in the Declaration Page(s) under each Coverage Section.

The maximum liability of the Insurer for loss or damage sustained will not exceed the amount of insurance as shown on the Declaration Page(s), regardless of the number of Insureds sustaining the loss.

Regardless of the number of years this policy continues in force and the number of premiums payable or paid, the limit of the Insurer's liability as specified on the Declaration Page(s) are not cumulative from **policy period to policy period**.

16. OTHER INSURANCE

16.1. Insurance Issued by The Insurer or Any Subsidiary

Coverage provided under this Form may also be provided elsewhere by other coverages issued by the Insurer or a subsidiary of the parent of the Insurer to the Insured. In the event of any such coverage duplication or overlap, the limits afforded under the different coverages only and issued by the Insurer or a subsidiary of the parent of the Insurer to the Insured shall be cumulative, and this, notwithstanding any other provision to the contrary contained elsewhere within this policy or in any other policy issued by the Insurer or a subsidiary of the parent of the Insurer to the Insured.

In the event such loss or damage would also be afforded or invoked under any other valid or collectible insurance maintained by the Insured, except an insurance policy issued by the Insurer or a subsidiary of the parent of the Insurer, the provisions of clause 16.2. below will prevail.

16.2. Insurance Issued by Another Insurer

Under any other Coverage provided by this Form, if there is any other valid and collectible insurance (except for an insurance policy issued by the Insurer or a subsidiary of the parent of the Insurer as described under Paragraph 16.1. above), which would apply in the absence of such Coverage, the insurance under this policy shall apply only as excess insurance over such other insurance, except in the province of Québec where each of the Insurers under its respective contract is liable to the Insured for its rateable proportion of the loss or damage.

17. SUBROGATION

In the event of any payment under this policy, the Insurer shall be subrogated to all the Insured's rights of recovery therefore against any person or organization and the Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing after loss or damage to prejudice such rights.

18. CANCELLATION AS TO ANY EMPLOYEE

Coverage 1. – Employee Dishonesty, shall be deemed cancelled as to any **employee**:

18.1. Immediately upon discovery by the Insured, or by any partner or officer thereof not in collusion with such **employee**, of any **fraudulent or dishonest act** on the part of such **employee**; or

18.2. Except in the province of Quebec, at 12:01 a.m. standard time as per the terms mentioned above, upon the effective date specified in a written notice mailed to the Insured.

Such date shall be not less than fifteen days after the date of mailing. The mailing by the Insurer of this notice to the Insured at the address shown in the Declaration Page(s) shall be sufficient proof of notice. Delivery of such written notice by the Insurer shall be equivalent to mailing. In the province of Quebec, cancellation shall be made by endorsement only.

19. NO BENEFIT TO BAILEE

This General Agreement applies only to Coverage 2. – Theft, Robbery or Burglary.

The insurance afforded by this Form shall not inure directly or indirectly to the benefit of any carrier or other bailee for hire.

20. DEDUCTIBLE

The Insurer will not pay for loss or damage directly resulting from an **occurrence**, unless the amount of loss or damage exceeds any deductible amount shown on the Declaration Page(s). The Insurer will then pay the amount of loss in excess of the deductible amount, up to the applicable amount of insurance.

DEFINITIONS

Wherever used in this Form:

1. **Bodily injury** means bodily or mental injury, disability or shock sustained by a person, including death.
2. **Client** means a customer of the Insured to whom such Insured provides goods or services pursuant to a written contract or for a fee.
3. **Computer data restoration expenses** means reasonable expenses, other than the Insured's internal corporate costs, fees, wages and salary, incurred by the Insured, with the Insurer's prior written consent, to reproduce or duplicate damaged or destroyed **data** that was stored in the Insured's **computer system** and was damaged or destroyed directly as a result of a loss covered under Coverage 1. – Employee Dishonesty or 3.3. Computer Fraud. Such damaged or destroyed **data** shall be reproduced or duplicated from other **data** available to the Insured.

However, if such damaged or destroyed **data** cannot be reproduced or duplicated from other **data**, then **computer data restoration expenses** means reasonable costs, other than the Insured's internal corporate costs, fees, wages and salary, incurred by the Insured for computer programmers or technology consultants to restore such damaged or destroyed **data** to substantially the same level existing immediately before the covered loss. **Computer data restoration expenses** shall not include any expenses incurred by a **client**.
4. **Computer fraud** means the unlawful taking of **money**, **securities** or **other property** resulting from:
 - 4.1. The unauthorized entry of **data** or computer instructions directly into; or
 - 4.2. The unauthorized change of **data** or computer instructions within;a **computer system**, including any such entry or change made via the internet, by a natural person or entity, other than an **employee** or any individual under the direct supervision of the Insured.
Computer fraud does not include **social engineering fraud**.
5. **Computer system** means any computer or network of computers, including its input, output, processing, storage and communication facilities, operating system or application software, that is rented by, owned by, leased by, licensed to, or under the direct operational control of, the Insured.
6. **Data** means representations of information or concepts, in any form stored in a **computer system**.
7. **Data problem** means:
 - 7.1. Erasure, destruction, corruption, misappropriation, misinterpretation of **data**;
 - 7.2. Error in creating, amending, entering, deleting or using **data**; or
 - 7.3. Inability to receive, transmit or use **data**.
8. **Employee** means:
 - 8.1. Any natural person:
 - 8.1.1. While in the Insured's service and for the first thirty (30) days immediately after termination of service, unless such termination is due to any **fraudulent or dishonest acts** committed by such natural person;
 - 8.1.2. Who the Insured compensates directly by salary, wages or commissions; and
 - 8.1.3. Who the Insured has the right to direct and control while performing services for the Insured;
 - 8.2. Any natural person who is furnished temporarily to the Insured:
 - 8.2.1. To substitute for a permanent **employee**, as defined in Paragraph 8.1. who is on leave; or
 - 8.2.2. To meet seasonal or short-term workload conditions;Who the Insured compensates directly by salary, wages or commissions and while that person is subject to the Insured's direction and control and performing services for the Insured;
 - 8.3. Any natural person whose services are leased to the Insured under a written agreement between the Insured and a labor leasing firm, to perform duties related to the conduct of the Insured's business, but excluding any temporary **employee** defined in Paragraph 8.2. above; or
 - 8.4. Any natural person who is a former **employee** retained by the Insured as a consultant while performing services for the Insured;**Employee** does not mean:
 - 8.5. Any volunteer, agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in this Paragraph 8. Above;
 - 8.6. Any director or trustee, except while performing acts coming within the scope of the usual duties of an **employee**.
9. **Financial institution** means:
 - 9.1. A bank, trust company, savings bank, credit union, savings and loan association, or similar banking institution; or
 - 9.2. A stock brokerage firm, mutual fund, liquid assets fund, or similar investment institution.
10. **Financial instrument** means any cheque, draft, promissory note, or similar written promise, order or direction to pay a sum certain in **money** that is made, drawn by or drawn upon the Insured or made or drawn by anyone acting as the Insured's agent, or that is purported to have been so made or drawn.
11. **Forgery** means the signing of the name of another person or entity with intent to deceive. **Forgery** does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose. Facsimile, mechanical or electronically produced or reproduced signatures shall be treated the same as original signatures.
12. **Fraudulent instruction** means:
 - 12.1. An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction which purports to have been transmitted by the Insured, but which was, in fact, fraudulently transmitted by another party without the Insured's knowledge or consent;
 - 12.2. A written instruction issued by the Insured, which was forged or altered by another party without the Insured's knowledge or consent, or which purports to have been issued by the Insured, but which was, in fact, fraudulently issued without the Insured's knowledge or consent; provided, that this Paragraph 12.2. does not include any **forgery** covered under Paragraph 3.2. Forgery or Alteration.
13. **Fraudulent or dishonest acts** means only fraudulent or dishonest acts committed by an **employee** with the manifest intent:
 - 13.1. To cause the Insured to sustain such loss or damage; and
 - 13.2. To cause the Insured's **client** to sustain such loss or damage, solely for the purposes of the coverage afforded under Paragraph 1.2. of Coverage 1. – Employee Dishonesty; and
 - 13.3. To obtain financial benefit for the **employee**, or for any other person or organization intended by the **employee** to receive such benefit, but does not mean benefits earned in the normal course of employment.

- 14. Messenger** means the Insured or a partner of the Insured or any **employee** who is duly authorized by the Insured to have the care and custody of the property insured under this Form located outside or within the **premises**. **Messenger** does not include any person acting as a watchman, porter or janitor.
- 15. Money** means:
- 15.1. Currency, coins, bank notes and bullion; and
 - 15.2. Travellers' cheques, registered cheques and money orders, held for sale to the public.
- Money** does not include **virtual currency**.
- 16. Occurrence** means:
- 16.1. As with respect to Coverage 1. – Employee Dishonesty, all loss or damage caused by, or involving, one or more **employees**, whether the result of a single act or series of acts;
 - 16.2. As with respect to Coverage 3.2. Forgery or Alteration, all loss caused by any person or in which that person is involved, whether the loss or damage involves one or more instruments;
 - 16.3. As respects all other Coverages:
 - 16.3.1. An act or event, or series of related acts or events, involving one or more persons; or
 - 16.3.2. An act or event, or a series of related acts or events, not involving any person.
- 17. Other property** means any tangible property, other than **money** and **securities**, that has an intrinsic value.
- Other Property** does not include:
- 17.1. Intangible property such as computer programs or electronic data;
 - 17.2. Any Insured's or another entity's or person's confidential or personal information;
 - 17.3. Any property excluded under this Form; or
 - 17.4. **Virtual currency**.
- 18. Policy period** means each consecutive period of twelve (12) months included in the policy period shown on the Declaration Page(s). The first twelve-month period starts on the inception date of the policy and the subsequent period starts at the expiry of the first twelve-month period.
- 19. Premises** means:
- 19.1. The interior of that portion of any building; or
 - 19.2. Any temporary booth or similar location;
- Which is occupied by the Insured in conducting its business.
- For **robbery** only, the **premises** also include the space immediately surrounding such **premises**.
- 20. Robbery** means the unlawful taking of property from the care and custody of a person by someone who has:
- 20.1. Caused or threatened to cause that person bodily harm; or
 - 20.2. Committed an overt unlawful act witnessed by that person and of which that person was actually cognizant.
- 21. Safe burglary** means the unlawful taking of property from within a locked safe or vault by forcible or violent entry, as evidenced by visible marks upon its exterior, or the unlawful taking of a safe or vault from within the **premises**.
- 22. Securities** means all negotiable and non-negotiable instruments or contracts representing either **money** or **other property** and includes revenue and other stamps in current use, tokens and tickets. **Securities** does not include **money** or **virtual currency**.
- 23. Social engineering fraud** means the intentional misleading of an **employee** or the Insured (if the Insured named in the Declaration Page(s) is a natural person who is a sole proprietor), through the use of an instruction received by the **employee** or the Insured that:
- 23.1. Causes such **employee** or such Insured to transfer, pay, or deliver **money, securities or other property**;
 - 23.2. Contains a misrepresentation of a material fact; and
 - 23.3. is relied upon by such **employee** or such Insured, believing the material fact to be true.
- 24. 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.
- 25. Third party** means a natural person, other than:
- 25.1. An **employee**; or
 - 25.2. A natural person acting in collusion with an **employee**.
- 26. Transfer account** means an account maintained by the Insured at a **financial institution** from which the Insured can initiate the transfer, payment or delivery of **money** or **securities** by means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system, or by means of written instructions establishing the conditions under which such transfers are to be initiated by such **financial institution** through an electronic funds transfer system.
- 27. Virtual currency** means a digital or electronic medium of exchange that is used and accepted as a means of payment, but that is not issued by, or guaranteed by, a central bank, government or public authority.