

# LOSS SUSTAINED ENDORSEMENT

This Endorsement Changes The Bond. Please Read it Carefully.

Certain words and phrases that appear in bold have special meaning as defined in the Intact 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.

In consideration of the payment of the premium, it is hereby understood and agreed that the attached "Bond" is amended:

1. By the deletion and replacement of **Section 3. DISCOVERY** of this "Bond" as follows:

## **Section 3. LOSS SUSTAINED COVERAGE**

This "Bond" covers loss sustained and discovered as follows:

- (1) Loss sustained by the "Insured" after 12:01 a.m. on the effective date set forth in the Declaration Page(s) and while this "Bond" is in force.
  - (2) Loss sustained by the "Insured" at any time before the termination or cancellation of this "Bond" in its entirety, which would have been recoverable under the coverage of any other insurance carried by the Insured or any predecessor in interest of the "Insured", and giving some or all of the coverage afforded under the **Insuring Agreement** of this "Bond" applicable to such loss, had such other insurance given all the coverage afforded under such **Insuring Agreement** of this "Bond"; PROVIDED, with respect to loss covered by this paragraph, that:
    - (a) the applicable coverage of this "Bond" is substituted on or after 12:01 a.m. of the date set forth in **Item 2** of the "Declarations", for the coverage given by such other insurance and the "Insured" or such predecessor, as the case may be, carried such coverage continuously from the time such loss is sustained to the date and hour the coverage of this "Bond" is substituted therefor;
    - (b) such coverage in force at the time such loss is sustained gave some or all of the coverage afforded under the **Insuring Agreement** of this "Bond" applicable to such loss;
    - (c) at the time of the discovery of such loss, the period for discovery of loss under all bonds and policies of insurance which afford coverage applicable to such loss and for which the coverage of this "Bond" is substituted, has expired, and
    - (d) if the applicable amount of this "Bond" is larger than the amount of coverage under an other insurance carried by the "Insured" or such predecessor, as the case may be, and in force at the time such loss is sustained, and giving some or all of the coverage afforded under the **Insuring agreement** of this "Bond" applicable to such loss, then the liability hereunder for such loss shall not exceed the smaller amount.
  - (3) Losses referred to in paragraphs (1) and (2) immediately preceding must be discovered by the "Insured" prior to the expiration of twelve (12) months after the termination or cancellation of this "Bond" as an entirety, as hereinafter set forth, or after the termination or cancellation of this "Bond" in any other manner. However, such additional period of time for the discovery of loss shall terminate immediately upon any take over of the "Insured's" business by any Provincial, Federal or State official or agency, or by any receiver or liquidator, acting or appointed for such purposes.
  - (4) Discovery occurs when the "Insured" first becomes aware of facts which would cause a reasonable person to assume that a loss of a type covered by this "Bond" has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known.
2. By amending **Section 8. LIMIT OF LIABILITY UNDER THIS BOND AND PRIOR INSURANCE** as follows:
    - i. by the deletion of the expression "which is recoverable or recovered in whole or in part under" from the first paragraph and substitution in lieu thereof the following: "which occurs partly during the period of this "Bond" and partly during the period of";
    - ii. by the deletion of the second paragraph.

All other terms and conditions of this Policy remain unchanged.