

RSA CONVERSION ENDORSEMENT DIFFERENCE IN CONDITIONS, DEDUCTIBLE AMOUNTS AND LIMITS OF INSURANCE

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 supersedes and replaces any other Difference in Conditions, Deductible Amounts and Limits of Insurance endorsement that has been attached to and that has formed part of this Policy or any policy issued by the Royal & Sun Alliance Insurance Company of Canada and/or its affiliated companies.

It is understood and agreed:

1. Except as provided under paragraph 2. below and notwithstanding any contrary provisions in this Policy, the coverage granted by this Policy shall not be more restrictive than the coverage within the policy issued by the Royal & Sun Alliance Insurance Company of Canada and/or its affiliated companies that was in force at the expiration of the immediately preceding policy term, subject to the following conditions:
 - 1.1. **Difference in Coverage**
If the coverage provided and attached to the present Policy is more restrictive than the same coverage provided in the directly equivalent policy last issued by the Royal & Sun Alliance Insurance Company of Canada and/or its affiliated companies that was in force at the expiration of such preceding policy term, the latter shall take precedence.
 - 1.2. **Difference in Deductible Amounts**
If the deductible amount applicable to one of the coverages attached to the present Policy is higher than the deductible amount applicable to the same coverage provided in the directly equivalent policy last issued by the Royal & Sun Alliance Insurance Company of Canada and/or its affiliated companies that was in force at the expiration of such preceding policy term, the latter shall take precedence.
 - 1.3. **Difference in Limits of Insurance**
If a limit of insurance specified for a coverage included within the present Policy is lower than the limit of insurance specified for the same coverage provided in the directly equivalent policy last issued by the Royal & Sun Alliance Insurance Company of Canada and/or its affiliated companies that was in force at the expiration of such preceding policy term, the latter shall take precedence.
2. The coverage provided under this endorsement does not apply to:
 - 2.1. amendments made to this Policy that are imposed by law;
 - 2.2. amendments made to this Policy at the request of the Insured;
 - 2.3. amendments made to this Policy for which a specific notice has been given to the Insured or broker;
 - 2.4. amendments made to this Policy as a result of renewal terms or mid term changes offered and accepted by the Insured;
 - 2.5. any Sewer Back-Up, Earthquake or Flood Insurance endorsement; or
 - 2.6. any coverages, exclusions, changes to coverages or warranty clause outlined in Section 4. **ADDITIONAL CONDITIONS** below.
3. The coverage provided under this endorsement shall be applicable for a period of twelve (12) consecutive months following the effective date of the first renewal to which this present Endorsement is attached. At expiration of this twelve (12) month period, this Endorsement shall be null and void.
4. **ADDITIONAL CONDITIONS**
 - 4.1. **EXCLUSIONS AND WARRANTY CLAUSE ADDED TO THE INSURED'S NEW INTACT POLICY**
The following exclusions and warranty clause, which apply to current Intact customers, shall be added to the Insured's new Intact policy:
 - 4.1.1. **Virus and Bacteria Exclusion – Applicable to Property Coverage only**
This exclusion does not insure against loss or damage caused directly or indirectly, in whole or in part, by any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease. 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.
 - 4.1.2. **Cyber Incident Exclusion – Applicable to Property Coverage only**
This exclusion does not insure against loss or damage caused directly or indirectly by a **cyber incident**.
Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or any sequence to the loss or damage.
 - 4.1.3. **Communicable Diseases Exclusion or Pandemic and Epidemic Communicable Disease Exclusion - Applicable to Commercial General Liability Coverage only**
(This exclusion may be added to the Insured's policy, depending on the nature of the Insured's business activities, and may already have been included under the Insured's previous policy)
This exclusion excludes any **bodily injury, property damage or personal injury and advertising injury** arising out of the transmission of any communicable diseases by an Insured.

4.1.4. **Illegal Substances Activity Exclusion Endorsement**

This exclusion does not insure against loss or damage caused directly or indirectly from any **illegal substance activity** regardless of the Insured being unaware or able to control such activity.

4.1.5. **Smoke Detector Warranty Clause**

This warranty clause states that the Insured buildings must be equipped with at least one smoke detector on each floor and/or in each rental unit and common areas specified on the Declaration Page(s), and that such smoke detectors must be in proper working order and operational at all times.

4.2. **COVERAGES NO LONGER AFFORDED UNDER THE INSURED'S NEW INTACT POLICY**

This Endorsement shall exclude the following coverages provided in the directly equivalent policy last issued by Royal & Sun Alliance Insurance Company of Canada and/or its affiliated companies that was in force at the expiration of such preceding policy term.

4.2.1. **Outbreak Extra Expense Extension**

This Extension provided coverage for any necessary additional expense incurred by the Insured in order to continue the **normal** conduct of their business following an order of closure of the Insured's **business premises** by a public health or by any other statutory authority as a direct result of an outbreak of a **specified disease** at the Insured's **business premises**.

4.2.2. **Negative Publicity Extension**

This Extension provided coverage for loss of business income resulting from a necessary interruption of business following an order to close by a public health authority, or from a negative publication or broadcast, which results from:

- poisoning of any person directly caused by the consumption of food or drink manufactured by the Insured;
- murder or suicide occurring at the Insured's premises; or
- criminal discharge of a firearm occurring at the Insured's premises.

4.2.3. **Specified Disease Extension**

This Extension provided coverage for any loss of gross profits directly resulting from the cancellation of, or inability to accept bookings for accommodations at the Insured's premises because of closure of the Insured's premises on the order or advice of a statutory authority as a direct result of an outbreak or occurrence at the Insured's premises of any one or more of **specified disease** manifesting in a human host on-site at the Insured's premises.

4.2.4. **Cyber Insurance Form**

This Form provided coverage for:

4.2.4.1. **loss** in respect of any **claim** first made against the Insured and reported to the Insurer during the **policy period**;

4.2.4.2. **business interruption loss** resulting from a **business interruption event** commencing during the **policy period**;

4.2.4.3. **remediation costs** incurred by or on behalf of the Insured following an actual or threatened **data liability event** or **network security event** discovered and reported to the Insurer during the **policy period**.

4.3. **CHANGES TO COVERAGES PREVIOUSLY AFFORDED UNDER THE INSURED'S EQUIPMENT BREAKDOWN COVERAGE FORMS**

The following changes shall be made to coverages previously afforded under the Insured's Equipment Breakdown Forms:

4.3.1. **Service Interruption – Limited coverage**

The Service Interruption Extension provided under the new Intact Equipment Breakdown Coverage Form now only provides coverage if the breakdown causing the service interruption is caused to equipment situated on or within a 2500 metres radius of the Insured's premises.

4.3.2. **Data and Media Coverage now sublimited**

Under the new Intact Equipment Breakdown Coverage Form, the Loss of Data Extension is now sub limited to \$100,000 for any one breakdown.

4.3.3. **No Coverage for Underground, Drainage or Sprinkler Piping**

Under the new Intact Equipment Breakdown Coverage Form, there is no coverage for the following, as clearly excluded under the new "equipment" definition:

- any drainage piping, any sprinkler piping and its accessory equipment;
- equipment (including piping) which is not in a conduit beneath the surface of the ground and that requires the removal, excavation or demolition of materials in order to inspect, remove, repair or replace such equipment or such piping (excluding geothermal heating systems).

4.4. **CHANGES TO COVERAGES PREVIOUSLY AFFORDED UNDER THE INSURED'S COMMERCIAL GENERAL LIABILITY AND COMMERCIAL UMBRELLA LIABILITY COVERAGE FORMS**

The following change shall be made to coverages previously afforded under the Insured's Commercial General Liability and Commercial Umbrella Liability Coverage Forms:

Under the new Intact Commercial General Liability and Commercial Umbrella Liability Coverage Forms, there will be no coverage for punitive or exemplary damages or the multiple portion of any multiplied damage award, as these are clearly excluded under the "**compensatory damages**" definition of the new Intact Coverage Forms.

4.5. **CHANGES TO COVERAGES PREVIOUSLY AFFORDED UNDER THE INSURED'S CRIME COVERAGE FORMS**

The following changes shall be made to coverages previously afforded under the Insured's Crime Coverage Forms:

Employee Dishonesty Coverage (Form B)

The Employee Dishonesty coverage (Form B), which was included under the Insured's previous forms and provided the Insured with a limit of insurance for each employee in the event of loss or damage caused by employee dishonesty, will no longer be offered under the new Intact Crime Coverage Form.

5. **DEFINITIONS**

The following Definitions are added for the purposes of this Endorsement:

5.1. **Advertisement** means a notice that is broadcast or published to the general public or specific market segments about the Insured's goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

5.1.1. Notices that are published include material placed on the Internet or on similar electronic means of communication; and

5.1.2. Regarding websites, only that part of a website that is about the Insured's goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

5.2. **Advertising injury** means injury arising out of one or more of the following offences:

5.2.1. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or

5.2.2. Oral or written publication, in any manner, of material that violates a person's right of privacy; or

5.2.3. The use of another's advertising idea in the Insured's **advertisement**; or

5.2.4. Infringing upon another's copyright, trade dress or slogan in the Insured's **advertisement**.

5.3. **Bodily injury** means bodily or mental injury, sickness, disease, disability or shock sustained by a person, including death resulting at any time.

- 5.4. **Business interruption event** means:
- 5.4.1. **Unauthorized access**; or
 - 5.4.2. any unplanned system outage, network interruption, or degradation of the Insured's network motivated by a malicious event, including the network of any outsourcer or cloud provider with whom the Insured has a written contract or any damage to the Insured's data or programs as a consequence of such system outage, network interruption, or degradation.
- 5.5. **Business interruption loss** means the Insured's loss of net profit plus the additional reasonable expenses necessary to maintain the operation, functionality or service of the Insured's business, as a direct result of a business interruption event, where such loss and expense:
- 5.5.1. begins after the **waiting period** has expired;
 - 5.5.2. is incurred during the existence of a **business interruption event**; and
 - 5.5.3. ends on the date on which the Insured's business is restored to the same or equivalent condition, functionality and service that existed prior to the loss, however not exceeding 3 months from the date on which the **business interruption event** commenced, such 3 month period not to be limited by the expiration of the **policy period**.
- Business interruption loss** shall also include costs incurred during the period described in subparagraphs 5.5.1. through 5.5.3. above, to avoid or mitigate the effects of a **business interruption event**, discover and minimize such **business interruption event**, preserve evidence or substantiate the Insured's loss.
- 5.6. **Business premises** means only that part of the location shown on the Declarations Pages that the Insured exclusively owns, rents or occupies, where the Insured regularly conducts its business.
- 5.7. **Claim** means any written demand, or civil, criminal, judicial, administrative, regulatory or arbitral proceeding against the Insured seeking compensation or other legal remedy or penalty as a result of a **data liability event** or a **network security event**.
- 5.8. **Compensatory damages** means damages (including prejudgment interest) due or awarded in payment for actual injury or economic loss. **Compensatory damages** does not include punitive or exemplary damages or the multiple portion of any multiplied damage award.
- 5.9. **Computer system** means any computer, hardware, media, electronic or digital **data**, software, communications or networking system, electronic device (including but not limited to smart phones, laptops, tablets, wearable devices), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, **data** storage device, networking equipment or back-up facility.
- 5.10. **Credit monitoring costs** means reasonable fees, costs and expenses for the monitoring services of identity or credit theft including the purchase of identity theft insurance for a period of 12 months from the date of any **data liability event**.
- 5.11. **Cyber extortion costs** means reasonable fees, costs and expenses paid with the prior written consent of the Insurer, such consent not to be unreasonably withheld, to terminate or mitigate any credible threat of a **business interruption event**, **data liability event** or **network security event** resulting from an actual or attempted extortion by a third party.
- 5.12. **Cyber incident** means:
- 5.12.1. Unauthorized access to or use of any **computer system**;
 - 5.12.2. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any **computer system** and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any **computer system** or otherwise disrupt its normal functioning or operation; or
 - 5.12.3. Denial of service attack which disrupts, prevents or restricts access to or use of any **computer system**, or otherwise disrupts its normal functioning or operation.
- 5.13. **Data** means representations of information or concepts, in any form.
- 5.14. **Data liability event** means:
- 5.14.1. the loss or suspected loss of any third party non-public data or information for which the Insured is legally or contractually responsible, on a network owned or operated by an Insured, including the network of any outsourcer or cloud provider with whom the Insured has a written contract; or
 - 5.14.2. the breach of any privacy legislation worldwide by the Insured or someone for whom the Insured is legally responsible.
- 5.15. **Data restoration costs** means reasonable fees, costs and expenses for the restoration or replacement of data or programs that have been lost, erased or corrupted, and costs to prevent or minimise any further damage and preserve material evidence of criminal or malicious wrongdoing. These costs include the cost of purchasing replacement licenses for programs where necessary.
- 5.16. **Defence costs** means reasonable fees, costs and expenses (including but not limited to lawyers' fees and experts' fees) incurred by the Insured relating to the defence, settlement or appeal of a **claim**. **Defence costs** do not include salary, benefits, overhead, or other charges payable by the Insured.
- 5.17. **Electronic data** means information, facts or programs in any form or representations of information or concepts in any form stored as or on, created or used on, or transmitted to or from computer or data processing software (including systems and application software), memory devices, data processing devices or any other media that are used with electronically controlled equipment.
- 5.18. **Forensic Costs** means reasonable fees, costs and expenses of the Insured to investigate the cause, scope and extent of any **Data Liability Event**, **Business Interruption Event** or **Network Security Event**.
- 5.19. **Illegal substance** means any substance that is not legal for the Insured or any other party of interest, the Insured's employees or agents, tenants or any person to whom the Insured has entrusted the property insured, to possess, obtain, produce, provide, sell, traffic or use, and includes any controlled substance enumerated in the Schedule of the Controlled Drugs and Substances Act, (S.C. 1996, c.19) currently in force.
- 5.20. **Illegal Substance Activity** means any activity relating to the growing, cultivating, propagating or harvesting, manufacturing, distributing, storing or selling of any **illegal substance**.
- 5.21. **Legal representation expenses** means reasonable and necessary fees, costs and expenses incurred to obtain legal advice or representation to protect the Insured's interests in connection with a **data liability event** or **network security event**. **Legal representation expenses** shall include the costs associated with the investigation, adjustment and defence of regulatory proceedings.
- 5.22. **Loss** means judgments, settlements, awards, and costs, including, without limitation, damages, consumer redress funds, fines, penalties (other than those fines and penalties excluded by Exclusion (q) of the Cyber Insurance Form in respect of a **claim** to the extent permitted by law. **Loss** shall also include **defence costs** and **legal representation expenses**. **Loss** shall not include punitive damages as well as the costs to identify, remove or remediate software program errors or vulnerabilities or costs to research or develop any data asset or computer system.
- 5.23. **Malware** means any code designed to:
- 5.23.1. erase, deny access to or corrupt data;
 - 5.23.2. damage or disrupt any network or system; or
 - 5.23.3. circumvent any network security product or service.
- 5.24. **Network security event** means:
- 5.24.1. the negligent or inadvertent transmission of any **malware** from the insured's network, including the network of any outsourcer or cloud provider with whom the insured has a written contract; or
 - 5.24.2. negligent failure to secure the insured's computer system or network that results in **unauthorized access**.

- 5.25. **Notification costs** means reasonable fees, costs and expenses in respect of notifying: (i) any natural person or legal entity whose data or information has been or may have been lost; or (ii) any governmental or regulatory authority; in both cases as: (a) as a result of a **data liability event**; and (b) as required under any applicable statute, regulation, or any governmental or regulatory guidelines mandating or recommending notification as best practice. In jurisdictions where no such laws, regulations or guidelines exist, **notification costs** shall also include voluntary notification to affected individuals or entities where it is reasonably believed that such notification will mitigate or prevent loss to the Insured.
- 5.26. **Normal** means the condition which would have existed had no loss occurred.
- 5.27. **Personal injury** means injury, including consequential **bodily injury**, arising out of one or more of the following offences:
- 5.27.1. False arrest, detention or imprisonment;
 - 5.27.2. Malicious prosecution;
 - 5.27.3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - 5.27.4. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - 5.27.5. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - 5.27.6. Discrimination, (except in such jurisdictions whereby legislation, court decisions or administrative ruling, such insurance is prohibited or held to violate the law or public policy of any such jurisdiction) sustained by any person or persons during the **policy period**.
- 5.28. **Policy period** means:
- 5.28.1. **Applicable to Section 4.1.3. Communicable Diseases Exclusion or Pandemic and Epidemic Communicable Disease Exclusion**
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.
 - 5.28.2. **Applicable to Section 4.2.4. Cyber Insurance Form**
the period of one year following the effective date of this policy specified in the Declaration Page(s) or any renewal date thereof, or any lesser period of the time between the effective date or renewal date and the termination of this policy if less than one year.
- 5.29. **Property damage** means:
- 5.29.1. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 - 5.29.2. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the occurrence that caused it.
- For the purposes of this insurance, **electronic data** is not tangible property.
- 5.30. **Public relations costs** means reasonable fees, costs and expenses incurred with the prior written consent of the insurer, such consent not to be unreasonably withheld, for obtaining advice and support to protect, or mitigate any damage to, the insured's reputation.
- 5.31. **Remediation costs** means any:
- 5.31.1. **Credit monitoring costs**;
 - 5.31.2. **Cyber extortion costs**;
 - 5.31.3. **Data restoration costs**;
 - 5.31.4. **Forensic costs**;
 - 5.31.5. **Legal representation expenses**;
 - 5.31.6. **Notification costs**; and
 - 5.31.7. **Public relations costs**.
- 5.32. **Specified disease** means acute encephalitis, anthrax, cholera, infectious bloody diarrhea, legionnaire's disease, leptospirosis, meningitis, tetanus, acute poliomyelitis, chicken pox (including shingles), diphtheria, malaria, measles, meningococcal septicemia, mumps, typhoid fever, rubella, scarlet fever, smallpox, tuberculosis, viral hepatitis, whooping cough or yellow fever.
- 5.33. **Unauthorized access** means the use, access, alteration or interference of the insured's computer system or network infrastructure by any person or persons not authorized to do so, including employees.
- 5.34. **Waiting period** means the number of hours stated in the Declaration Page(s).

All other terms, conditions and limitations of the Policy remain unchanged.