

RSA LIBERALIZATION ENDORSEMENT

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 liberalization endorsement attached to or forming part of the policy issued by Royal & Sun Alliance Insurance Company of Canada.

It is agreed that:

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.
2. This liberalization coverage 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 Named 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 Named Insured; or
 - 2.5. any deductible amounts or limits of insurance stated in this Policy.
 - 2.6. the **ADDITIONAL EXCLUSIONS** outlined in paragraph 4. below.
3. The cover provided under this liberalization Endorsement shall be null and void effective on the earlier of:
 - 3.1. the expiration of a period of twenty-four (24) consecutive months following the effective date of the first renewal to which this Endorsement is attached; or
 - 3.2. the effective date of termination of this Policy for any reason.
4. **ADDITIONAL EXCLUSIONS**

This liberalization coverage does not apply to the following exclusions, which shall be added to the Insured's new Intact policy:

4.1. **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.

4.2. **Communicable Diseases Exclusion or Pandemic and Epidemic Communicable Disease Exclusion – Applicable to Commercial General Liability, Commercial Umbrella Liability, or Commercial Excess Liability Coverage**

(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.

4.3. **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 damages

5. **DEFINITIONS**

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. **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

- 5.5. **Cyber incident** means:
- 5.5.1. Unauthorized access to or use of any **computer system**;
 - 5.5.2. 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
 - 5.5.3. 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.
- 5.6. **Data** means representations of information or concepts, in any form
- 5.7. **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
- 5.8. **Personal injury** means injury, including consequential **bodily injury**, arising out of one or more of the following offences:
- 5.8.1. False arrest, detention or imprisonment;
 - 5.8.2. Malicious prosecute on;
 - 5.8.3. 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;
 - 5.8.4. 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;
 - 5.8.5. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - 5.8.6. 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**.
- 5.9. **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.
- 5.10. **Property damage** means:
- 5.10.1. 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
 - 5.10.2. 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.

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