

CIVIL CODE OF QUÉBEC EXEMPTION ENDORSEMENT AND CONFORMITY CLAUSE

This endorsement changes the policy. Please read it carefully.

Certain words and phrases in bold have special meaning as defined below or in the form to which this Endorsement is attached.

This Endorsement modifies insurance provided under the following:

MEDICAL TECHNOLOGY SOLUTIONS form

In consideration of the payment of the premium, the insured and the insurer agree that this Policy is issued in compliance with the exemption provided under sections 2500 and 2503 of the *Civil Code of Québec* and its Order in Council 656-2022. As such, it is agreed that the Policy is amended as follows:

1. The preamble is deleted and replaced by the following:

THIS POLICY CONTAINS CLAIMS-MADE COVERAGE. DEFENCE EXPENSES ARE PAYABLE WITHIN THE LIMITS OF INSURANCE AND PAYMENT OF DEFENCE EXPENSES REDUCES AND MAY EXHAUST THE LIMITS OF INSURANCE. PLEASE READ THE ENTIRE FORM CAREFULLY TO DETERMINE RIGHTS, DUTIES AND WHAT IS AND IS NOT COVERED. VARIOUS PROVISIONS IN THIS POLICY RESTRICT COVERAGE.

ITEMS ON DECLARATION PAGES MAY BE MODIFIED BY ENDORSEMENT. READ YOUR ENTIRE POLICY.

COVERAGE UNDER THIS POLICY IS PROVIDED ONLY FOR THOSE COVERAGES FOR WHICH A LIMIT OF INSURANCE APPEARS ON THE DECLARATION PAGES. IF NO LIMIT OF INSURANCE IS SHOWN FOR A COVERAGE, SUCH COVERAGE IS NOT PROVIDED BY THIS POLICY. THE MAXIMUM POLICY AGGREGATE LIMIT OF INSURANCE SHOWN IN THE DECLARATION PAGES IS THE MOST THE INSURER WILL PAY REGARDLESS OF THE NUMBER OF COVERAGES PURCHASED.

Throughout this policy the words “you” and “your” refer to the First Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The word “insured” means any person or organization qualifying as such under **SECTION III – WHO IS AN INSURED**. The words “we,” “us” and “our” refer to the company providing this insurance. Other words and phrases that appear in **bold**, other than headings, have special meaning. Refer to **SECTION VII – DEFINITIONS**.

2. Notwithstanding any contrary provision contained under this Policy or in the Declarations Page, the Deductible and all deductible amounts stated in the Declarations Page are deleted and replaced by the expression Self-Insured Retention.
3. Paragraph H. of **SECTION IV – LIMITS OF INSURANCE** is deleted in its entirety.
4. **SECTION V. DEDUCTIBLES AND COINSURANCE** is deleted and replaced with the following:

V. SELF-INSURED RETENTION AND COINSURANCE:

- A. The Self-Insured Retention and Coinsurance shown in the Declarations and the rules below fix the amount of damages, **defence expenses, privacy regulatory fines, consumer redress funds, foreign jurisdiction expenses, medical expenses, first-party loss** or other expenses shown in the Declarations and incurred by, or on behalf of, you or any insured, that you will be responsible for paying. The Self-Insured Retentions do not apply to payments we make under Paragraph U. **SUPPLEMENTARY PAYMENTS – LIABILITY COVERAGES** of **SECTION VIII – CONDITIONS**.
- B. A Self-Insured Retention applies only to the Coverages for which an amount is shown in the Declarations. If no amount is shown for the Self-Insured Retention, a Self-Insured Retention does not apply to such Coverage.
 1. Each Liability Coverage Self-Insured Retention, other than Liability Coverage 6 Clinical Trial Medical Expenses, applies to each **claim, foreign jurisdiction demand or privacy regulatory proceeding** under such Liability Coverage.
 2. The Self-Insured Retention for Liability Coverage 6 Clinical Trial Medical Expenses applies to all **medical expenses** for **bodily injury** to each **clinical trial** participant.
 3. Each First-Party Coverage Self-Insured Retention applies to all **first-party loss** caused by the same **first-party incident**, including all **related first-party incidents**.
 4. For purposes of the Each Liability Coverage Self-Insured Retention, all **related claims, proceedings or demands** are deemed a single **claim, privacy regulatory proceeding or foreign jurisdiction demand** subject to the same Each Liability Coverage Self-Insured Retention.
 5. The Aggregate Liability Self-Insured Retention is the most you will be responsible for paying for all Self-Insured Retention for the combined total of all **claims, privacy regulatory proceedings, foreign jurisdiction demands or medical expenses** under all Liability Coverages during the Policy Period shown in the Declarations.
- C. If more than one Self-Insured Retention applies to a **claim, privacy regulatory proceeding, foreign jurisdiction demand, related claims, proceedings or demands, medical expenses or first-party loss**, or to any combination of the foregoing, you are required to pay only the highest Self-Insured Retention. Only amounts you pay for the highest Self-Insured Retention will be applied to the Aggregate Self-Insured Retention.
- D. The Limits of Insurance will not be reduced by the payment of any applicable Self-Insured Retention.
- E. You may not transfer or insure your liability for payment of the Self-Insured Retention. We have no obligation to pay any amounts until you have paid in full the applicable Self-Insured Retention shown in the Declarations. We may pay all or part of the Self-Insured Retention to defend an insured against, or effect payment or settlement of, any **claim, privacy regulatory proceeding, foreign jurisdiction demand, medical expenses or first-party loss**. If we do so, you must promptly reimburse us from your own funds for that part of the Self-Insured Retention amount we have paid.

F. For any First Party Coverage for which a Coinsurance Percentage is shown in the Declarations or in an Endorsement, such First Party Coverage is subject to coinsurance. You must pay as coinsurance the Coinsurance Percentage shown in the Declarations or the Endorsement's Schedule for all **first-party loss** under such Coverage. We do not have any obligation to pay any **first-party loss** under such Coverage unless you have first paid the Self-Insured Retention and, as Coinsurance, the percentage of **first-party loss** shown in the Declarations or the Endorsement's Schedule. The Self-Insured Retention and Coinsurance for **first-party loss** must be borne by you and remain uninsured. We will pay only the amount of **first-party loss** under such Coverage that exceeds the applicable Self-Insured Retention and Coinsurance Percentage, subject to the Limits of Insurance.

Your payment of Coinsurance for **first-party loss** under such Coverage does not reduce such Coverage's Limit, the Combined First-Party Limit or the Maximum Policy Aggregate Limit. Only the portion of **first-party loss** paid by us under such Coverage shall reduce such Coverage's Limit, the Combined First-Party Limit and the Maximum Policy Aggregate Limit.

5. Paragraph **G.2. DEFENCE AND SETTLEMENT** of **SECTION VIII – CONDITIONS** is deleted and replaced with the following:

2. Our right and duty to defend ends when the applicable Limit of Insurance is exhausted by the payment of **damages, defence expenses, privacy regulatory fines, consumer redress funds or foreign jurisdiction expenses**.

6. Conformity clause

This Endorsement confirming the **defence expenses** being part of and not in addition to the applicable Limits of Liability is issued in conformity with the criteria set forth in Order of Council 656-2022, *Regulation respecting categories of insurance contracts and classes of insureds that may derogate from the rules of articles 2500 and 2503 of the Civil Code of Québec* (hereinafter referred to as "Regulation"). In so far as where the **defence expenses** being part of and not in addition to the applicable Limits of Liability, the First Named Insured declares that the statement, information and representation provided on the **CONFORMITY DECLARATION FOR THE CIVIL CODE OF QUÉBEC'S EXEMPTION ENDORSEMENT** is accurate, complete and in compliance with said Regulation.

Any breach or non-compliance with these conditions with respect to any legal requirement set forth in Regulation shall be considered to materially influence the appraisal of the risk, including the setting of the premium.

All other terms and conditions of the policy remain unchanged.