

MORTGAGE BROKERS AMENDATORY ENDORSEMENT – NEW BRUNSWICK

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is agreed that:

1. Section I. **INSURING AGREEMENTS** of the Professional Liability Coverage Section is amended to include the following:

Consumer Protection Extension

With respect only to **Professional Services** provided in the province of New Brunswick by an **Insured** who is governed by the *Mortgage Brokers Act*, RSNB 2014, c. 41, the Financial and Consumer Services Commission Rule MB-001 *Mortgage Brokers Licensing and Ongoing Obligations* and any rules, regulations, by-laws or amendments thereunder and notwithstanding Exclusion (E) **PERSONAL CONDUCT** of Section III. **EXCLUSIONS** of this Coverage Section, the Insurer will pay, on behalf of such **Insured**, **Loss**, other than **Defence Expenses**, from any **Claim** covered under Insuring Agreement (A) **Professional Liability Coverage** of this Coverage Section for a **Fraudulent or Dishonest Act** committed or allegedly committed by such **Insured**, acting alone or in collusion with others, in the performance of such **Professional Services**.

2. For the purposes of this endorsement only, the following definition is added to Section II. **DEFINITIONS** of the Professional Liability Coverage Section:

“**Fraudulent or Dishonest Act**” means any **Wrongful Act** committed or allegedly committed with the manifest intent to:

- (1) cause a third party to sustain a loss; and
- (2) obtain financial benefit for an **Insured**, or for any other person or organization intended by an **Insured** to receive such benefit, other than benefits earned in the normal course of **Professional Services**.

3. For the purposes of this endorsement only, the following exclusions are added to Section III. **EXCLUSIONS** of the Professional Liability Coverage Section:

This Coverage Section does not apply to, and no coverage will be available under this Coverage Section for, **Loss** from any **Claim**:

INSURANCE COMPANY

brought or maintained by or on behalf of any insurance company asserting a right of action for breach of contract or for indemnity or contribution arising out of any settlement that is obligated to pay as a result of an **Insured's Fraudulent or Dishonest Act**; or

CREDITOR

brought or maintained by or on behalf of any creditor or any affiliate thereof.

4. The following provision is added to Section IV. **COVERAGE SECTION SPECIFIC LIMITS OF LIABILITY** of the Professional Liability Coverage Section:

The Insurer's maximum limit of liability under the Consumer Protection Extension stated in Section I. **INSURING AGREEMENTS** of this Coverage Section for all **Loss**, other than **Defence Expenses**, resulting from each **Claim** for which such Extension provides coverage is \$500,000 and the Insurer's maximum limit of liability under such Extension for all **Loss**, other than **Defence Expenses**, resulting from all **Claims** for which such Extension provides coverage is \$1,000,000, which amounts shall be part of, and not in addition to, the Policy Aggregate Limit of Liability, the Coverage Section Aggregate Limit of Liability applicable to this Coverage Section and the Specific Insuring Agreement Limits of Liability applicable to Insuring Agreement (A) **Professional Liability Coverage** of this Coverage Section.

5. The following provision is added to Section V. **COVERAGE SECTION SPECIFIC DEDUCTIBLE** of the Professional Liability Coverage Section:

The obligation of the Insurer to pay on behalf of an **Insured** under the Consumer Protection Extension stated in Section I. **INSURING AGREEMENTS** of this Coverage Section applies only to the amount of **Loss**, other than **Defence Expenses**, in excess of a Deductible of \$10,000 applicable to each **Claim**.

6. Any other insurance or indemnification to which an **Insured** is entitled from any other entity shall render any coverage afforded under the Consumer Protection Extension stated in Section I. **INSURING AGREEMENTS** of the Professional Liability Coverage Section null and void to the extent of the amount recoverable or received under such other insurance or indemnity. Such Extension shall respond to **Claims** only to the extent of the amount of **Loss** in excess of the amount recoverable or received under such other insurance or indemnity. Section XXIII. **OTHER INSURANCE** of the General Terms and Conditions and any other provision to the contrary in this Policy shall be deemed amended to the extent necessary to effect the purpose and intent of this paragraph.

7. The third paragraph of Section X. **EXTENDED REPORTING PERIOD** of the General Terms and Conditions is deleted and replaced with the following:

The **First Named Insured** may purchase an **Extended Reporting Period** of six (6) years by notifying the Insurer in writing of their intention to do so no later than sixty (60) days after the Termination Date. The additional premium for such **Extended Reporting Period** shall be determined by the Insurer, in its sole discretion, at the time of the **First Named Insured's** notification of their intention to purchase such **Extended Reporting Period**, and must be paid no later than sixty (60) days after the Termination Date. The entire additional premium shall be deemed fully earned upon inception of such **Extended Reporting Period**.

8. The Extended Reporting Period Option stated in Section X. **EXTENDED REPORTING PERIOD** of the General Terms and Conditions is deleted in its entirety.

9. In the event of cancellation or non-renewal of this Policy, or a change in coverage under this Policy that does not satisfy the requirements of the *Mortgage Brokers Act*, RSNB 2014, c. 41 or the Financial and Consumer Services Commission Rule MB-001 *Mortgage Brokers Licensing and Ongoing Obligations*, and any rules, regulations, by-laws or amendments thereunder, the Insurer will provide the Director of Financial and Consumer Services Commission, 200 - 225 King Street, Fredericton, NB, E3B 1E1, written notice of such cancellation, non-renewal or change in coverage.

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